# NOTICE OF SPECIAL MEETING

AND

# MANAGEMENT INFORMATION CIRCULAR

FOR THE

# SPECIAL MEETING OF SHAREHOLDERS

OF

# MTL CANNABIS CORP.

# JANUARY 15, 2026

**The board of directors of MTL Cannabis Corp. unanimously recommends that the shareholders of MTL Cannabis Corp. vote FOR the Arrangement Resolution.**

**These materials are important and require your immediate attention. They require shareholders of MTL Cannabis Corp. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful.**

**If you have any questions or require more information with respect to the procedures for voting, please contact our strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group, by telephone at 1-877-452-7184 (toll-free for shareholders in North America), +1 416-304-0211 (for collect calls outside of North America), by texting "INFO" to 1-877-452-7184 or 416-304-0211 or by email at assistance@laurelhill.com.**

***Neither the Canadian Securities Exchange nor any securities regulatory authority has, in any way, passed upon the merits of the transactions described in this management information circular.***

January 15, 2026

Dear MTL Cannabis Corp. Shareholder,

I write to you, on behalf of the board of directors (the "**MTL Board**") of MTL Cannabis Corp. ("**MTL**"), to invite you to attend a special meeting of the holders of common shares of MTL (the "**MTL Shareholders**"), to be held at the offices of Farris LLP at 700 W Georgia St #2500, Vancouver, BC V7Y 1B3 at 9:00 a.m. (Vancouver time) on February 17, 2026 (the "**MTL Meeting**").

## The Arrangement Agreement

On December 14, 2025, MTL entered into an arrangement agreement, as amended on January 6, 2026 (the "**Arrangement Agreement**") with Canopy Growth Corporation ("**Canopy**"), pursuant to which MTL and Canopy will effect an arrangement (the "**Arrangement**") by way of a plan of arrangement pursuant to Section 192 of the *Canada Business Corporations Act* (the "**Plan of Arrangement**").

As a result of the Arrangement, among other things, all of the issued and outstanding common shares of MTL (the "**MTL Shares**") will be acquired by Canopy from MTL Shareholders, with MTL Shareholders receiving (i) 0.32 of a common share (the "**Share Consideration**") of Canopy (each whole share, a "**Canopy Share**"), and (ii) $0.144 in cash (the "**Cash Consideration**" and, together with the Share Consideration, the "**Consideration**") for each MTL Share held.

## Recommendations of the Board and Reasons for the Recommendation

The MTL Board determined that the Arrangement is fair to the MTL Shareholders and that the Arrangement is in the best interests of MTL and unanimously recommends that MTL Shareholders vote **FOR** the Arrangement Resolution (as defined below) for the following reasons:

(a) ***Significant Premium to MTL Shareholders.*** The Arrangement provides MTL Shareholders with a significant premium per MTL Share of approximately 82% to the closing price of the MTL Shares on the CSE on December 12, 2025, and approximately 57% to the 30-day volume weighted average trading price of the MTL Shares on the CSE based on the closing price of the Canopy Shares on the TSX on December 12, 2025.

(b) ***Immediate Liquidity and Meaningful Increase in Trading Liquidity.*** The MTL Shareholders will receive immediate and fixed liquidity for their MTL Shares from the Cash Consideration portion of the Consideration to be received by MTL Shareholders pursuant to the Arrangement. In addition to the Cash Consideration, MTL Shareholders will also receive the Share Consideration as a portion of the Consideration. The Canopy Shares to be received should have substantially more trading liquidity than the MTL Shares have had historically, are listed on the

Nasdaq and TSX, and have had an average daily trading volume in excess of $35 million per day, providing significant liquidity and monetizable value for MTL Shareholders, which is of particular benefit to MTL Shareholders given the lack of liquidity in the MTL Shares.

(c) ***Exposure to Global Cannabis Market.*** Through the Share Consideration portion of the Consideration payable pursuant to the Arrangement, MTL Shareholders will receive exposure to Canopy's diversified global cannabis platform outside of Canada through its operations in Europe and Australia and the highly differentiated, and indirect exposure, into the United States, the largest cannabis market in the world, through its unconsolidated, non-controlling interest in Canopy USA.

(d) ***Participation by MTL Shareholders in the Future of Canopy.*** The MTL Shareholders will receive Canopy Shares as a portion of the Consideration pursuant to the Arrangement and will have the opportunity to participate in the future growth of Canopy.

(e) ***Enhanced Scale and Access to Capital.*** MTL has historically faced challenges accessing capital markets for equity with no history of substantial equity financing or analyst coverage. If the Arrangement is completed, MTL Shareholders will, through their ownership in Canopy Shares, benefit from an enhanced capital markets presence and a broader shareholder group, with strengthened access to growth capital in the form of both debt and equity.

(f) ***Canopy Management.*** If the Arrangement is completed, MTL Shareholders will, through their ownership in Canopy Shares, benefit from the expertise of Canopy's management and Canopy's commitment to performance and brand excellence.

(g) ***Strengthen Canopy's Leadership Capabilities Through Retention of Key MTL Management.*** Canopy expects to retain core members of MTL's leadership team, including its experience in cultivation and operations. MTL has proven expertise in high-quality flower production, genetics selection, supply chain management, and facility operations. MTL Shareholders will, through their ownership in Canopy Shares, benefit as this will complement Canopy's existing capabilities and reinforce operational discipline through integration and ongoing cultivation improvement.

(h) ***Expected to Elevate Canopy to the Leading Position in Canada's Medical Cannabis Market.*** MTL's complementary patient network, strategically located clinics under the Canada House brand and established online medical channel, Abba Medix, expands Canopy's ability to reach and support patients nationwide. With the addition of MTL, Canopy's Canadian medical cannabis business is expected to establish Canopy as the leading medical cannabis provider in Canada.

(i) ***Elevated Share in Canada Adult-Use Market.*** Canopy intends to leverage its broad distribution network and key relationships to expand the distribution of MTL's flower, pre-rolled joints and hash product portfolio in British Columbia, Alberta and Ontario.

(j) ***Cost Synergies.*** The Arrangement is expected to achieve potential cost synergies estimated at approximately $10 million, on an annualized basis, over a period of 18 months, which are expected to be realized from anticipated operating efficiencies and corporate integration.

(k) ***Review of Alternative Strategic Options including Continuation of Standalone Business Plan.*** The MTL Board also considered a number of other strategic options, including continuing MTL's standalone business strategy. The MTL Board and Special Committee determined that the Arrangement would minimize execution risk, including to refinance or repay MTL's significant indebtedness, as compared to the uncertainty associated with pursuing a standalone business strategy given the small nature of operations of MTL. The MTL Board and Special Committee concluded that the Arrangement would provide greater opportunities for MTL and, in turn, greater value to MTL Shareholders.

(l) ***Fairness Opinion.*** The Financial Advisor provided the Fairness Opinion to the MTL Board (including the Special Committee). The Fairness Opinion provides that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Interested Parties).

(m) ***Support of MTL Shareholders.*** Certain directors and officers entered into the Support Agreements and the Lock-Up Agreements, as applicable, representing approximately 75% of the issued and outstanding MTL Shares pursuant to which they each agreed, among other things and subject to the terms of their respective agreements, to vote all of the MTL Shares held by them in favour of the Arrangement.

(n) ***Superior Proposal.*** Pursuant to the Arrangement Agreement, the MTL Board remains able to respond to an unsolicited written Acquisition Proposal on the specific terms and conditions set forth in the Arrangement Agreement.

For more information, see *"Information Concerning the Arrangement - Reasons for the Arrangement"* in the accompanying management information circular dated January 15, 2026 (the "**Circular**"). At the MTL Meeting, you will be asked to consider and, if thought advisable, pass a special resolution (the "**Arrangement Resolution**") approving, among other things, the Arrangement, the Arrangement Agreement and the Plan of Arrangement, as more particularly described in the Circular.

**Voting Requirements**

The MTL Shareholders of record on January 9, 2026, will be entitled to receive notice of, to attend and to vote at the MTL Meeting.

To be effective, the Arrangement Resolution must be approved by: (a) not less than 66 2/3% of the votes cast by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares (as defined in the accompanying Circular) (the "**Required Approval**"). The directors and officers of MTL intend to vote their MTL Shares **FOR** the approval of the Arrangement Resolution.

The attached notice of special meeting (the "**Notice**") and Circular contain a detailed description of the Arrangement and include certain other information to assist you in considering the matters to be voted upon at the MTL Meeting. You are urged to carefully consider all of the information in the accompanying Notice and Circular, including the documents incorporated by reference therein. If you require assistance, you should consult your financial, legal, or other professional advisors.

**THE MTL BOARD, UPON CAREFUL CONSIDERATION, INCLUDING CONSULTATION WITH MTL'S EXTERNAL LEGAL COUNSEL AND THE FINANCIAL ADVISOR, AND TAKING INTO ACCOUNT THE RECOMMENDATION OF THE MTL SPECIAL COMMITTEE AFTER ITS RECEIPT OF THE FAIRNESS OPINION, HAS DETERMINED THAT THE ARRANGEMENT IS FAIR TO THE MTL SHAREHOLDERS, AND THE MTL SHAREHOLDERS (EXCLUDING THE INETERESTED PARTIES), AND THAT THE ARRANGEMENT IS IN THE BEST INTERESTS OF MTL. THE MTL BOARD UNANIMOUSLY RECOMMENDS THAT THE MTL SHAREHOLDERS VOTE THEIR MTL SHARES IN FAVOUR OF THE ARRANGEMENT RESOLUTION.**

**Voting your MTL Shares**

**Your vote is important regardless of the number of MTL Shares you own.** If you are unable to attend the MTL Meeting, we encourage you to take the time now to complete, sign, date, and return the enclosed form of proxy or voting instruction form so your MTL Shares can be voted at the MTL Meeting in accordance with your instructions. **Proxies must be received by MTL's transfer agent no later than 9:00 a.m. on, February 12, 2026, or at least 48 hours prior to any adjournment or postponement of the MTL Meeting. Voting instruction forms, which must be submitted to your Intermediary (as defined below), may need to be submitted in advance of this deadline in order to be valid.**

Registered MTL Shareholders (being MTL Shareholders who hold their MTL Shares directly, registered in their own names) and duly appointed proxyholders will be able to attend, participate and vote at the MTL Meeting. Non-registered MTL Shareholders (being MTL Shareholders who hold their MTL Shares through a bank, trust company, broker, dealer, custodian, nominee, administrator of a self-administered plan or other intermediary (each, an "**Intermediary**")) who wish to attend and vote at the MTL Meeting must appoint themselves as proxyholder by striking out the names of the Persons in the enclosed form of proxy or VIF and inserting their own name in the space provided. Non-Registered MTL Shareholders must follow all of the applicable instructions provided by the Intermediary.

As an MTL Shareholder, it is very important that you read the Circular and other MTL Meeting materials carefully. They contain important information with respect to voting your MTL Shares and attending and participating in the MTL Meeting.

***Letter of Transmittal***

If you are a registered MTL Shareholder, we also encourage you to complete and return the enclosed letter of transmittal together with the certificate(s) representing your MTL Shares, if

applicable, and any other required documents and instruments, to the depositary, Odyssey Trust Company, in accordance with the instructions set out in the letter of transmittal so that, if the Arrangement Resolution is approved and the Arrangement is completed, the Consideration for your MTL Shares can be sent to you as soon as possible following the Plan of Arrangement becoming effective. The letter of transmittal contains other procedural information related to the Arrangement and should be reviewed carefully.

If you hold your MTL Shares through a broker or other Intermediary, please contact that broker or other Intermediary for instructions and assistance in receiving Canopy Shares in exchange for your MTL Shares upon completion of the Arrangement.

While certain matters are beyond the control of MTL, if the Required Approval is obtained at the MTL Meeting, it is anticipated that the Arrangement will be effective by the end of February 2026. However, it is possible that the completion of the Arrangement may be delayed beyond such estimated time.

If you have any questions or require assistance with regard to the letter of transmittal, please contact Odyssey Trust Company, as depositary, by toll-free telephone at (587) 885-0960 or online at corp.actions@odysseytrust.com.

If you have any questions or require more information with respect to the procedures for voting, please contact our strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group, by telephone at 1-877-452-7184 (toll-free for shareholders in North America), +1 416-304-0211 (for collect calls outside of North America), by texting "INFO" to 1-877-452-7184 or 416-304-0211 or by email at assistance@laurelhill.com.

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On behalf of MTL, I would like to thank all our shareholders for their ongoing support.

Yours truly,

(signed) *"Michael Perron"*

Michael Perron, Chief Executive Officer
MTL Cannabis Corp.

# NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that a special meeting (the "**MTL Meeting**") of the holders (the "**MTL Shareholders**") of common shares (the "**MTL Shares**") of MTL Cannabis Corp. ("**MTL**") will be held in person at 9:00 a.m. (Vancouver time) on February 17, 2026 at the offices of Farris LLP at 700 W Georgia St #2500, Vancouver, BC V7Y 1B3, for the following purposes:

1. to consider and if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix "A" to the accompanying management information circular of MTL dated January 15, 2026 (the "**Circular**"), authorizing and approving a proposed plan of arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") whereby, among other things, Canopy Growth Corporation ("**Canopy**") will acquire all of the issued and outstanding MTL Shares, in accordance with the terms of the arrangement agreement dated December 14, 2025 between MTL and Canopy, as amended on January 6, 2026, as more particularly set out in the Circular under the heading *"Information Concerning the Arrangement";* and

2. to act upon such other matters as may properly come before the MTL Meeting or any adjournment(s) or postponement(s) thereof.

The Circular contains the full text of the Arrangement Resolution and provides additional information relating to the matters to be addressed at the MTL Meeting, including the Arrangement, and is deemed to form part of this Notice.

Registered MTL Shareholders (being MTL Shareholders who hold their MTL Shares directly, registered in their own names) (the "**Registered MTL Shareholders**") and duly appointed proxyholders will be able to attend, participate and vote at the MTL Meeting. Non-registered MTL Shareholders (the "**Non-Registered MTL Shareholders**"), being MTL Shareholders who hold their MTL Shares through a bank, trust company, broker, dealer, custodian, nominee, administrator of a self-administered plan or other intermediary (each, an "**Intermediary**") who wish to attend and vote at the MTL Meeting must appoint themselves as proxyholder by striking out the names of the Persons in the enclosed form of proxy or VIF and inserting their own name in the space provided. Non-Registered MTL Shareholders must follow all of the applicable instructions provided by the Intermediary.

As an MTL Shareholder, it is very important that you read the Circular and other MTL Meeting materials carefully. They contain important information with respect to voting your MTL Shares and attending and participating in the MTL Meeting.

An MTL Shareholder who wishes to appoint a person other than the management nominees identified on the enclosed form of proxy or voting instruction form, to represent them at the MTL Meeting may do so by striking out the names of the persons named in the form of proxy or voting instruction form and inserting the name of their nominee in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the MTL Meeting as your proxy and vote your MTL Shares, including if you are a Non-Registered MTL Shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the MTL Meeting, you MUST submit your form of proxy or voting instruction form identifying such proxyholder by 9:00 a.m. (Vancouver time) on February 12, 2026, or 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the MTL Meeting.

If you are a Registered MTL Shareholder and are unable to attend the MTL Meeting please date and execute the enclosed form of proxy and return it in the envelope provided by Odyssey Trust Company, as the registrar and transfer agent for the MTL Shares, by mail using the enclosed return envelope or one addressed to Odyssey Trust Company, Proxy Department, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto ON M5E 1J8, online at https://vote.odysseytrust.com or by fax to 1-800-517-4553 no later than 9:00 a.m. (Vancouver time) on February 12, 2026 or 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the MTL Meeting.

If you are a Non-Registered MTL Shareholder and receive these materials through your broker or through another Intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other Intermediary.

Take notice that, pursuant to the interim order (the "**Interim Order**") of the Supreme Court British Columbia dated January 14, 2026, Registered MTL Shareholders as of the record date of January 9, 2026 have been granted the right to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes effective, to be paid by Canopy or its affiliates, the fair value of the MTL Shares in respect of which such Registered MTL Shareholder dissents, subject to strict compliance with the dissent procedures (the "**Dissent Procedures**") set forth in Sections 190 of the CBCA, as modified by the Interim Order and the plan of arrangement substantially in the form attached as Appendix "B" to the Circular (the "**Plan of Arrangement**"). The right to dissent is described in the Circular under the heading *"Rights of Dissenting Shareholders"*. **Failure to strictly comply with the Dissent Procedures may result in the loss of any right of dissent.**

**Non-Registered MTL Shareholders who wish to dissent should be aware that only MTL Shareholders as of the record date for the MTL Meeting are entitled to dissent.** Accordingly, a beneficial owner of MTL Shares desiring to exercise dissent rights must make arrangements for the Registered MTL Shareholder to dissent on its behalf in accordance with the dissent provisions set out in Section 190 of the CBCA, as may be modified by the Interim Order and the Plan of Arrangement.

The MTL Board fixed January 9, 2026, as the record date for the MTL Meeting. Only MTL Shareholders of record at the close of business on January 9, 2026, will be entitled to receive notice of and to vote at the MTL Meeting. To be effective the Arrangement Resolution must be approved

by: (a) not less than $66^{2}/_{3}$% of the votes cast by MTL Shareholders present or represented by proxy and entitled to vote at the MTL Meeting; and (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares (as defined in the accompanying Circular).

**If you have any questions or require more information with respect to the procedures for voting, please contact our strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group, by telephone at 1-877-452-7184 (toll-free for shareholders in North America), +1 416-304-0211 (for collect calls outside of North America), by texting "INFO" to 1-877-452-7184 or 416-304-0211 or by email at assistance@laurelhill.com.**

**DATED** at Vancouver, British Columbia, on January 15, 2026.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) *"Michael Perron"*

Michael Perron, Chief Executive Officer
MTL Cannabis Corp.

## QUESTIONS AND ANSWERS

The enclosed management information circular (the "**Circular**") is furnished in connection with the solicitation by or on behalf of management of MTL Cannabis Corp. ("**MTL**") of proxies to be used at the special meeting (the "**MTL Meeting**") of holders (the "**MTL Shareholders**") of common shares ("**MTL Shares**"), to be held at 9:00 a.m. (Vancouver time) on February 17, 2026, at the offices of Farris LLP, 700 W Georgia St #2500, Vancouver, BC V7Y 1B3, for the purposes indicated in the Notice of Special Meeting of Shareholders. Capitalized terms used but not otherwise defined in this "*Questions and Answers*" section have the meanings ascribed thereto under "*Definitions*" section in the Circular.

The following are questions that you, as an MTL Shareholder, may have regarding the proposed Arrangement under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving, among others, MTL and Canopy, to be considered at the MTL Meeting. You are urged to carefully read the Circular, as the information in this section does not provide all of the information that might be important to you with respect to the Arrangement. Additional important information is also contained in the Appendices to, and the documents incorporated by reference into, the Circular.

**Q: Why is the MTL Meeting being held?**

**A:** On December 14, 2025, MTL entered into an arrangement agreement, as amended on January 6, 2026, (the "**Arrangement Agreement**") with Canopy Growth Corporation ("**Canopy**") pursuant to which MTL and Canopy agreed to effect an arrangement (the "**Arrangement**") by way of a plan of arrangement pursuant to Section 192 of the CBCA (the "**Plan of Arrangement**").

At the MTL Meeting, MTL Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, a special resolution to authorize and approve the Arrangement (the "**Arrangement Resolution**"), the full text of which is attached to the Circular as Appendix "A". If the Arrangement Resolution is passed by MTL Shareholders, and if the Plan of Arrangement is completed, Canopy will acquire all of the issued and outstanding MTL Shares in consideration of (i) 0.32 of a common share (the "**Share Consideration**") of Canopy (each, a "**Canopy Share**") and (ii) $0.144 in cash (the "**Cash Consideration**") for each outstanding MTL Share. See "*Information Concerning the Arrangement – Effect of the Arrangement*".

**Q: Who is Canopy?**

**A:** Canopy is a world-leading cannabis company which produces, distributes, and sells a diverse range of cannabis related products. Canopy's cannabis products are primarily sold for adult-use and medical purposes under a portfolio of distinct brands. Canopy's core operations are in Canada pursuant to the *Cannabis Act* (Canada), as well as Europe and Australia pursuant to applicable international and Canadian legislation, regulations and permits. See *Appendix "G" – "Additional Information Concerning Canopy*" and *Appendix "H" – "Additional Information Concerning Canopy Following Completion of the Arrangement*".

**Q: When is the MTL Meeting being held?**

**A:** The MTL Meeting will be held at the offices of Farris LLP at 700 W Georgia St #2500, Vancouver, BC V7Y 1B3 on February 17, 2026, at 9:00 a.m. (Vancouver time). MTL Shareholders are advised to read the accompanying Circular and other MTL Meeting materials carefully. They contain important information with respect to voting your MTL Shares and attending and participating in the MTL Meeting. See "*General Proxy Information - Attending and Participating in the MTL Meeting*" and "*Information Concerning the MTL Meeting*".

**Q: Who is entitled to vote at the MTL Meeting?**

**A:** Only MTL Shareholders of record at the close of business on January 9, 2026, are entitled to receive notice of and vote at the MTL Meeting (the "**Registered MTL Shareholders**"). Registered MTL Shareholders will be entitled to one vote for each MTL Share held. See "*General Proxy Information – Who Can Vote*".

**Q: If I am an MTL Shareholder what consideration will I receive for my MTL Shares?**

**A:** If the Arrangement is completed, Registered MTL Shareholders will receive the Share Consideration and the Cash Consideration, for each outstanding MTL Share held. See "*Information Concerning the Arrangement – Effect of the Arrangement*" and "*Information Concerning the Arrangement – Exchange of MTL Shares*".

**Q: When can I expect to receive the Consideration for my MTL Shares?**

**A:** Registered MTL Shareholders are concurrently being provided with a letter of transmittal that must be completed and sent with the certificate(s) representing your MTL Shares, if applicable, to the Depositary, at the offices set forth in such letter of transmittal. You will receive DRS Advice(s) representing Canopy Shares and payment of the Cash Consideration in exchange for any MTL Shares that are deposited under the Arrangement as soon as practicable following completion of the Arrangement, provided that you have sent all of the necessary documentation to the Depositary prior to the Effective Date. If you are a Non-Registered MTL Shareholder, contact your Intermediary for further instructions. "*Information Concerning the Arrangement – Exchange of MTL Shares*".

**Q: What will happen to MTL if the Arrangement is completed?**

**A:** If the Arrangement is completed, Canopy will acquire all of the MTL Shares and MTL will become a wholly-owned subsidiary of Canopy. See "*Information Concerning the Arrangement – Effect of the Arrangement*".

**Q: Why am I being asked to approve the Arrangement?**

**A:** Subject to any order of the Court, the CBCA requires a corporation that wishes to undergo a court-approved arrangement to obtain, among other consents and approvals, the approval of its shareholders by special resolution passed by at least two-thirds of the votes cast by shareholders, present in person or represented by proxy and entitled to vote. In addition, MI 61-101 requires that a "business combination" receive approval from a simple majority of its shareholders excluding votes attached to shares that are beneficially owned or over which control or direction is exercised by (a) the issuer, (b) an interested party (as defined in MI 61-101), (c) a related party of an interested party (as defined in MI 61-101), unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties (as defined in MI 61-101) nor issuer insiders of the issuer, and (d) a joint actor with a person referred to in (b) or (c) above in respect of the transaction. See "*Information Concerning the Arrangement – Required MTL Shareholder Approval*".

**Q: What approvals are required by MTL Shareholders at the MTL Meeting?**

**A:** To be effective, the Arrangement Resolution must be approved, with or without variation, by: (a) the affirmative vote of not less than $66^2/_3\%$ of the votes cast on the Arrangement Resolution by the MTL Shareholders present or represented by proxy and entitled to vote at the MTL Meeting; and (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares (as defined in the accompanying Circular) and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, by any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

If the Required Approval is not obtained, the Arrangement will not be completed. See "*Information Concerning the Arrangement – Conduct of the MTL Meeting and Other Approvals*".

**Q: Are MTL Shareholders entitled to Dissent Rights?**

**A:** Yes. Pursuant to the Interim Order, Registered MTL Shareholders are entitled to dissent in respect of the Arrangement Resolution provided that they follow the procedures specified in Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order. Non-Registered MTL Shareholders who wish to dissent should be aware that only Registered MTL Shareholders are entitled to Dissent Rights. Accordingly, Non-Registered MTL Shareholders desiring to exercise Dissent Rights must make arrangement for the MTL Shares beneficially owned by such Non-Registered MTL Shareholders to be registered in the Non-Registered MTL Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by MTL or, alternatively, make arrangements for the registered holder of

such MTL Shares to dissent on the Non-Registered MTL Shareholder's behalf. See "*Information Concerning the Arrangement – Dissent Rights in Respect of the Arrangement*".

**Q: Who is soliciting my proxy?**

**A:** The management of MTL is soliciting your proxy. MTL has engaged Laurel Hill Advisory Group to act as the proxy solicitation agent and shareholder communications advisor with respect to the matter to be considered at the MTL Meeting.

Solicitations of proxies will be primarily by mail and electronic means, but may also be by newspaper publication, in person or by telephone, facsimile or oral communication by directors, officers, employees or agents of MTL who will not be remunerated therefor. MTL will pay for the delivery of its proxy-related materials indirectly to all Non-Registered MTL Shareholders. All costs of the solicitation for the MTL Meeting will be borne by MTL. See "*General Proxy Information – Solicitation of Proxies*".

**Q: When do I have to vote my MTL Shares by?**

**A:** Your completed form of proxy must be received by Odyssey Trust Company ("**Odyssey**") by no later than 9:00 a.m. (Vancouver time) on February 12, 2026, or 48 hours (excluding Saturdays, Sundays, and holidays) prior to the time of any adjournment or postponement of the MTL Meeting. Late proxies may be accepted or rejected by the chair of the MTL Meeting in their discretion, and the chair of the MTL Meeting is under no obligation to accept or reject any late proxy. See "*General Proxy Information – Voting Your MTL Shares at the MTL Meeting*".

**Q: How do I vote my MTL Shares?**

**A:** A Registered MTL Shareholder may vote before the MTL Meeting by submitting their proxy before the proxy deadline to Odyssey by any of the following methods:

(i) Voting by Mail: Date and sign the enclosed form of proxy and return it in the envelope provided by Odyssey or in an envelope addressed to: Odyssey Trust Company, Proxy Department, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto ON M5E 1J8;

(ii) Voting Online: Go to https://vote.odysseytrust.com, enter your control number printed on your form of proxy and follow the instructions on the webpage to vote your MTL Shares;

(iii) Voting by Fax: Date and sign your prom of proxy and fax it to 1-800-517-4553; or

(iv) Voting by personal drop off or courier: Drop off or courier completed proxy to Odyssey, attention: Proxy Department, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto ON M5E 1J8

Alternatively, Registered MTL Shareholders may attend, participate and vote their MTL Shares at the MTL Meeting. If your MTL Shares are not registered in your name but are held by an Intermediary, please see below.

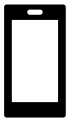
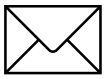
**Q: How can a Non-Registered MTL Shareholder vote?**

**A:** A Non-Registered MTL Shareholder may vote before the MTL Meeting by submitting their voting instruction form before the proxy deadline by any of the following methods:

(i) Voting by Mail: Date and sign the enclosed voting instruction form and return it using the envelope included with the MTL Meeting materials;

(ii) Voting Online: Go to www.proxyvote.com, enter your 16-digit control number and follow the instructions on the webpage to vote your MTL Shares; or

(iii) Voting by Telephone: Call the toll-free number listed on your voting instruction form, enter your 16-digit control number and follow the instructions on the voice recording to vote your MTL Shares.

| VOTING METHOD | NON-REGISTERED MTL SHAREHOLDERS<br><br>*MTL Shares held with a broker, bank, or other intermediary.* | REGISTERED MTL SHAREHOLDERS<br><br>*MTL Shares held in own name and represented by a physical certificate or DRS.* |
|---|---|---|
| (Mod) | Go to www.proxyvote.com, enter your 16-digit control number and follow the instructions on the webpage to vote your MTL Shares. | Go to https://login.odysseytrust.com/pxlogin, enter your control number and follow the instructions on the webpage to vote your MTL Shares |
|  | Call the toll-free number listed on your voting instruction form (VIF), enter your 16-digit control number and follow the instructions on the voice recording to vote your MTL Shares | Date and sign your prom of proxy and fax it to 1-800-517-4553 |
|  | Return the Voting Instruction Form using the envelope included with the MTL Meeting materials. | Return the Form of Proxy using the envelope included with the MTL Meeting materials to:<br><br>*Odyssey Trust Company,*<br>*Proxy Department, Trader's Bank Building, 1100 – 67 Yonge Street,*<br>*Toronto ON M5E 1J8* |

If you are a Non-Registered MTL Shareholder and wish to vote at the MTL Meeting, you must appoint yourself as proxyholder by striking out the names of the Persons in the enclosed form of proxy or VIF sent to you and inserting your own name in the space provided. You must follow all of the applicable instructions provided by your Intermediary.

See *"General Proxy Information - Voting Your MTL Shares By Proxy - Appointing a Proxyholder",* and *"General Proxy Information - Attending and Participating in the MTL Meeting"*.

MTL may also use Broadridge's QuickVote™ service to help Non-Registered MTL Shareholders vote their MTL Shares. Laurel Hill Advisory Group may contact eligible Non-Registered MTL Shareholders who do not object to their names being known to MTL to assist them with conveniently voting their MTL Shares directly over the telephone. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions with respect to the MTL Shares to be represented at the MTL Meeting.

**Q: How can a Non-Registered MTL Shareholder attend and vote at the MTL Meeting?**

**A:** Only Registered MTL Shareholders and duly appointed proxyholders will be entitled to participate and vote at the MTL Meeting. Non-Registered MTL Shareholders who wish to attend and vote at the MTL Meeting must appoint themselves as proxyholder by striking out the names of the Persons in the enclosed form of proxy or VIF and inserting their own name in the space provided. Non-Registered MTL Shareholders must follow all of the applicable instructions provided by the Intermediary. See "*General Proxy Information – Voting Your MTL Shares at the MTL Meeting*".

**Q: Who votes my MTL Shares and how will they be voted if I return a form of proxy?**

**A:** A proxyholder is the Person you appoint to act on your behalf at the MTL Meeting (including any postponement or adjournment of the MTL Meeting) and to vote your MTL Shares. The Persons named in the enclosed form of proxy are directors, officers or appointees of MTL.

On any poll, the Persons named in the proxy will vote the MTL Shares in respect of which they are appointed. The MTL Shares represented by the proxy will be voted FOR or AGAINST the Arrangement Resolution in accordance with the instructions given by the MTL Shareholder on any ballot that may be called for and, if the MTL Shareholder specifies a choice with respect to any matter to be acted upon, the MTL Shares will be voted accordingly.

In the absence of any instruction in the proxy, it is intended that such MTL Shares will be voted in favour of the Arrangement Resolution. See "*General Proxy Information – Proxies*".

**Q: Can I appoint someone other than the individuals named in the enclosed form of proxy to vote my MTL Shares?**

**A:** Yes. An MTL Shareholder has the right to appoint a Person (who need not be an MTL Shareholder) to represent the MTL Shareholder at the MTL Meeting, other than the Persons

named in the enclosed form of proxy. MTL Shareholders who wish to appoint a third-party proxyholder to attend, participate and vote at the MTL Meeting as their proxyholder and vote their MTL Shares MUST submit their proxy or VIF (as applicable) appointing such third-party proxyholder. See "*General Proxy Information – Appointing a Proxyholder*".

**Q: What if my MTL Shares are registered in the name of a corporation?**

**A:** If the MTL Shareholder is a corporation, the proxy must either be under the corporation's corporate seal or signed by a duly authorized officer of such corporation. See "*General Proxy Information – Proxies*".

**Q: Can I revoke a proxy or voting instruction?**

**A:** Yes. If you submit a form of proxy, you may revoke it at any time before it is used by doing any one of the following:

- you may send another form of proxy with a later date to Odyssey but it must reach Odyssey no later than 9:00 a.m. (Vancouver time) on February 12, 2026, or 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the MTL Meeting;

- you may deposit another form of proxy with the chair of the MTL Meeting prior to the commencement of the MTL Meeting; or

- you may revoke your form of proxy in any other manner permitted by law.

If, as a Registered MTL Shareholder, you attend the MTL Meeting in person, you will be revoking any and all previously submitted proxies and will be provided the opportunity to vote on the matters put forth at the MTL Meeting.

If you are a Non-Registered MTL Shareholder and wish to revoke previously provided voting instructions, you should follow carefully the instructions provided by your Intermediary. See "*General Proxy Information – Revoking Your Proxy*".

**Q: Do MTL's directors support the Arrangement?**

**A:** Yes. The special committee of non-management directors of the MTL Board (the "**Special Committee**"), and the MTL Board as a whole, after consulting with management of MTL and legal and financial advisors in evaluating the Arrangement, has determined that the Arrangement is fair to MTL Shareholders, is in the best interests of MTL and unanimously recommends that the MTL Shareholders vote **FOR** the Arrangement Resolution. In addition, Haywood Securities Inc. delivered an opinion to the MTL Board (including the Special Committee) that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the

MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties). See "*Information Concerning the Arrangement – Background to the Arrangement*".

**Q: Why is the MTL Board making this recommendation?**

**A:** In reaching its conclusion that the Arrangement is fair to MTL Shareholders and is in the best interests of MTL and unanimously recommending that the MTL Shareholders vote **FOR** the Arrangement Resolution, the MTL Board considered and relied upon a number of factors, including those described under the heading "*Information Concerning the Arrangement – Reasons for the Arrangement*".

**Q: Are there voting and support agreements?**

**A:** Certain significant shareholders and all of the directors and officers of MTL have entered into Support Agreements and Lock-Up Agreements, as applicable, with Canopy pursuant to which they have each agreed, among other things and subject to the terms of their respective Support Agreements and Lock-Up Agreements, to vote all of the MTL Shares held by them in favour of the approval of the Arrangement Resolution. See "*Information Concerning the Arrangement – Support Agreements*".

**Q: Do any directors or executive officers of MTL have any interests in the Arrangement that are different from, or in addition to, those of the MTL Shareholders?**

**A:** In considering the unanimous recommendation of the MTL Board to vote in favour of the matters discussed in this Circular, MTL Shareholders should be aware that certain of the directors and executive officers of MTL have interests in the Arrangement that are different from, or in addition to, the interests of MTL Shareholders generally. See "*Information Concerning the Arrangement – Interests of Certain Persons in the Arrangement"* and " *Information Concerning the Arrangement – Securities Laws and Considerations – MI 61-101"* in this Circular.

**Q: Has the MTL Board received a fairness opinion in connection with the Arrangement?**

**A:** Yes. Haywood Securities Inc. prepared and delivered a fairness opinion to the MTL Board (including the Special Committee). A copy of the Fairness Opinion is attached to the Circular as Appendix "I". See "*Information Concerning the Arrangement – Fairness Opinion*".

**Q: Does the Arrangement Agreement require the payment of a termination fee by MTL to Canopy? If so, how much is the termination fee?**

**A:** Pursuant to the Arrangement Agreement, MTL is required to pay Canopy a termination fee in the amount of $4,000,000, in the event the Arrangement Agreement is terminated upon the occurrence of certain circumstances. See "*Information Concerning the Arrangement - The Arrangement Agreement - Termination Fee*".

**Q: When is the Arrangement expected to be completed?**

**A:** MTL currently anticipates that the Arrangement will be completed by the end of February 2026. However, completion of the Arrangement is subject to satisfaction of a number of conditions, including receipt of Canadian Competition Approval, and it is possible that factors outside the control of MTL and/or Canopy could result in the Arrangement being completed at a later time, or not at all. Subject to certain limitations, each Party may terminate the Arrangement Agreement if the Arrangement is not completed by April 15, 2026, which date may be extended in accordance with the terms of the Arrangement Agreement. See "*Information Concerning the Arrangement – Effect of the Arrangement*".

**Q: What will MTL Shareholders' percentage interest in Canopy be immediately following the Effective Date of the Arrangement?**

**A:** Based on information available as at January 14, 2026, MTL Shareholders will own approximately 9.9% of Canopy on a fully diluted basis following the Effective Date of the Arrangement.

**Q: Where will the Canopy Shares be listed?**

**A:** Following completion of the Arrangement, the Canopy Shares will continue to be listed for trading on the TSX and Nasdaq.

**Q: What approvals are required for completion of the Arrangement?**

**A:** In addition to the approval of the Arrangement Resolution by MTL Shareholders, MTL will apply to the Court to obtain the Final Order. Assuming the Court grants the Final Order, the Parties will work to satisfy any remaining conditions precedent, including the Canadian Competition Approval, deliverables or other obligations in advance of the completion of the Arrangement. See "*Information Concerning the Arrangement – Conduct of the MTL Meeting and Other Approvals*".

**Q: Will the disposition of my MTL Shares occur on tax-deferred basis?**

**A:** MTL Shareholders who exchange MTL Shares for the Share Consideration and Cash Consideration upon the completion of the Arrangement will be considered to have disposed of their MTL Shares for Canadian federal income tax purposes. MTL Shareholders who are Eligible Holders will be entitled to make a joint income tax election with Canopy to have the Eligible Holder's disposition of MTL Shares on the Arrangement occur on a partially tax-deferred basis pursuant to Section 85(1) of the Tax Act (and any analogous provision of provincial income tax law). An "Eligible Holder" generally includes an MTL Shareholder who, immediately before the Effective Time, is a resident in Canada or a "Canadian partnership" for the purposes of the Tax Act, or is a "non-resident" for the purposes of the Tax Act (or a partnership of which a non-resident is a member) and whose MTL Shares are "taxable Canadian property" and not "treaty-protected property".

**A summary of the principal Canadian federal income tax considerations in respect of the proposed Arrangement and the procedure for making a Section 85(1) election (or equivalent provincial election) is included under the heading "*Certain Canadian Federal Income Tax Considerations*" and the foregoing description is qualified in full by the information in such section. All MTL Shareholders should consult their own tax advisors with respect to the Arrangement, including the exchange of MTL Shares for Canopy Shares and cash pursuant to the Arrangement.**

**Q: Should I send in my letter of transmittal and certificate(s) representing the MTL Shares now?**

**A:** You are not required to send in your certificate(s) representing MTL Shares to validly cast your vote in respect of the Arrangement Resolution. We encourage Registered MTL Shareholders to complete, sign, date and return the enclosed letter of transmittal, together with any certificate(s) representing the MTL Shares, if applicable, prior to the Effective Date, which will assist in arranging for the prompt exchange of your MTL Shares for the Consideration if the Arrangement is completed.

**Q: Who do I contact if I have questions?**

**A:** If you have any questions or need assistance completing your letter of transmittal, please contact Odyssey by telephone at (587) 885-0960 or online at corp.actions@odysseytrust.com. If you have any questions or require more information with respect to the procedures for voting, please contact our strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group, by telephone at 1-877-452-7184 (toll-free for shareholders in North America), +1 416-304-0211 (for collect calls outside of North America), by texting "INFO" to 1-877-452-7184 or 416-304-0211 or by email at assistance@laurelhill.com.

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## INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

The information contained in this Circular, unless otherwise indicated, is given as of January 15, 2026.

No Person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered or relied upon as not having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any Person in any jurisdiction in which such an offer or solicitation is not authorized, or in which the Person making such offer or solicitation is not qualified to do so, or to any Person to whom it is unlawful to make such an offer or proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to herein will, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

Information contained in this Circular should not be construed as legal, tax or financial advice and MTL Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Circular.

The securities to be issued in connection with the Arrangement have not been registered with, recommended by or approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Arrangement or upon the accuracy or adequacy of the information contained in this Circular and any representation to the contrary is unlawful.

Descriptions in this Circular of the terms of the Arrangement Agreement, the Plan of Arrangement, the Support Agreements and the Lock-Up Agreements are summaries of the terms of those documents and are qualified in their entirety by such terms. MTL Shareholders should refer to the full text of the Arrangement Agreement, the Plan of Arrangement, the Support Agreements and the Lock-Up Agreements for complete details of those documents. Those documents have been filed by MTL under its profile on SEDAR+ and are available at www.sedarplus.ca. In addition, the Plan of Arrangement is attached as Appendix "B" to this Circular.

### Information Contained in this Circular Regarding Canopy

The information concerning Canopy, its affiliates and the Canopy Shares (other than with respect to information provided by MTL) contained in this Circular (including all documents filed by Canopy with a securities commission or similar authority in Canada or the United States that are incorporated by reference herein) has been provided by Canopy for inclusion in this Circular. Pursuant to the Arrangement Agreement, MTL and Canopy provided a covenant that they would promptly notify the other if it becomes aware (in the case of MTL only with respect to MTL and in the case of Canopy only with respect to Canopy) that this Circular contains any misrepresentation or otherwise requires any amendment or supplement and promptly deliver written notice to the other Party setting out full particulars thereof. Although MTL has no knowledge that would indicate that any statements contained herein relating to Canopy, its

affiliates or the Canopy Shares (other than with respect to information provided by MTL), taken from or based upon such information provided by Canopy are untrue or incomplete, neither MTL nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to Canopy, its affiliates or the Canopy Shares (other than with respect to information provided by MTL), or for any failure by Canopy or its affiliates to disclose facts or events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to MTL.

**Cautionary Note Regarding Forward-Looking Statements and Risks**

This Circular and the documents incorporated into this Circular by reference contain "forward-looking statements" and "forward-looking information" collectively referred to herein as "forward-looking statements" within the meaning of the applicable Canadian Securities Laws that are based on expectations, estimates and projections as of the date of this Circular or the dates of the documents incorporated herein by reference, as applicable. These forward-looking statements include but are not limited to statements and information concerning: the timing and location of the MTL Meeting; the timing for the implementation of the Arrangement and the potential benefits of the Arrangement; the likelihood of the Arrangement being completed; the effect of the Arrangement; the satisfaction of the conditions precedent to completion of the Arrangement; the satisfaction of the covenants of MTL and Canopy between the date of the Arrangement Agreement and the Effective Time relating to obtaining the Required Approval and the conduct of MTL's business prior to the Effective Time; the anticipated timing of filing submissions for, and receipt of, the regulatory and Court approvals required to effect the Arrangement; the outcome of certain MTL employment and insurance and indemnification matters; the anticipated timing and expectations regarding the receipt of Canadian Competition Approval; the satisfaction of MTL non-solicitation and other covenants set out in the Arrangement Agreement; receipt of stock exchange approvals and the delisting of the MTL Shares, if applicable, from the CSE following completion of the Arrangement; the expectations regarding the process and timing of delivery of the Cash Consideration, Consideration Shares and the MC Shareholder Consideration to the MTL Shareholders and the MC Shareholders, as applicable, following the Effective Time; the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act to the securities issuable pursuant to the Arrangement; the anticipated tax consequences of the Arrangement on MTL Shareholders; the anticipated market position, and future financial or operating performance of MTL and Canopy; the anticipated developments in operations of Canopy following the completion of the Arrangement; and other events or conditions that may occur in the future and are not historical facts.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

These forward-looking statements are based on the beliefs of MTL's management and, in the case of information concerning Canopy, the management of Canopy, as well as on assumptions, which each such management team believes to be reasonable in respect of the respective forward-looking statements concerning MTL and Canopy based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, the satisfaction of the terms and conditions for the completion of the Arrangement, including the receipt of the required MTL Shareholder, Court, stock exchange and Regulatory Approvals and consents, the benefits to be realized as a result of the completion of the Arrangement, and the proposed business plans, strategies and activities of MTL and Canopy following the date hereof.

By their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of MTL and Canopy to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained herein. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by forward-looking statements, including, without limitation: the Arrangement Agreement may be terminated in some circumstances; there is no certainty that all conditions precedent to the Arrangement will be satisfied and that the Arrangement will be completed; the Required Approval may not be obtained; MTL Shareholders will receive a fixed number of Canopy Shares which will not reflect any change in the relative market value of MTL Shares; MTL will incur costs even if the Arrangement is not completed and MTL and Canopy may have to pay various expenses incurred in connection with the Arrangement; MTL could be required to pay the Termination Fee if the Arrangement Agreement is terminated in certain circumstances and the Termination Fee may discourage other parties from attempting to acquire MTL; MTL directors and officers may have interests in the Arrangement that differ from the interests of the MTL Shareholders following completion of the Arrangement; the Arrangement may divert the attention of MTL's and Canopy's management; uncertainty surrounding the Arrangement could adversely affect each MTL's and Canopy's retention of suppliers and personnel and could negatively impact future business and operations; the market price for the MTL Shares may decline; MTL is restricted from taking certain actions until the Effective Time or until the Arrangement Agreement is terminated; MTL and Canopy may be the targets of legal claims, securities class action, derivative lawsuits and other claims and any such claims may delay or prevent the Arrangement from being completed; MTL and Canopy may not realize the currently anticipated benefits of the Arrangement due to challenges associated with integrating the operations, technologies and personnel of MTL with Canopy; potential payments to MTL Shareholders who exercise Dissent Rights could prevent the completion of the Arrangement; the issuance of Canopy Shares under the Arrangement Agreement and their subsequent sale may cause the market price of Canopy Shares to decline; the issuance of Canopy Shares under the Arrangement and their subsequent sale may cause the market price of Canopy Shares to decline; Canopy may issue additional equity securities; and MTL has not verified the reliability of the information regarding Canopy included herein, or which have been omitted from this Circular. This list is not exhaustive of the factors that may affect any of the forward-looking statements of MTL or Canopy.

Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements in this

Circular as a result of the matters set out or incorporated by reference in this Circular generally and certain economic and business factors, some of which may be beyond the control of MTL and Canopy. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the headings *"Information Concerning the Arrangement - Risks Associated with the Arrangement",* Appendix "F" - *"Additional Information Concerning MTL - Risk Factors",* Appendix "G" - *"Additional Information Concerning Canopy - Risk Factors"* and Appendix "H" - *"Additional Information Concerning Canopy Following the Completion of the Arrangement - Risk Factors"* and in other documents incorporated by reference in this Circular. Neither MTL nor Canopy intend, and neither of them assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, MTL Shareholders should not place undue reliance on forward-looking statements.

**Note to United States Security Holders**

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Section 3(a)(10) Securities issuable to MTL securityholders in exchange for their MTL securities pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued and exchanged in reliance upon the Section 3(a)(10) Exemption and exemptions provided under the securities laws of each state of the United States in which MTL Shareholders, MTL RSU Holders, MTL DSU Holders, MTL Warrantholders, MTL Compensation Optionholders, and MTL Optionholders reside. In general, Section 3(a)(10) of the U.S. Securities Act exempts from the general registration requirement under the U.S. Securities Act securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, where the terms and conditions of the issuance and exchange are approved by a court of competent jurisdiction that is authorized to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and be heard and receive timely notice thereof. The Court issued the Interim Order on January 14, 2026, and, subject to the approval of the Arrangement Resolution at the MTL Meeting, a hearing for the Final Order approving the Arrangement will be held before the Supreme Court British Columbia on February 23, 2026, at 9:45 a.m. (Vancouver time) or as soon thereafter as counsel may be heard. All MTL Shareholders, MTL RSU Holders, MTL DSU Holders, MTL Warrantholders, MTL Compensation Optionholders, and MTL Optionholders may appear and make submissions at this hearing. Accordingly, the Final Order, if granted by the Court, will constitute the basis for the Parties to rely upon the Section 3(a)(10) Exemption with respect to the issuance of the Section 3(a)(10) Securities to MTL securityholders in exchange for their respective MTL securities pursuant to the Arrangement.

The Section 3(a)(10) Securities issued to MTL Shareholders, MTL RSU Holders, MTL DSU Holders, MTL Warrantholders, and MTL Optionholders, as applicable, pursuant to the Arrangement will be freely tradable under the U.S. Securities Act, except by persons who are "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Canopy after the Effective Time or were affiliates of Canopy within 90 days prior to the Effective Time. Any resale of such Canopy Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption or exclusion therefrom. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. See *"Information Concerning the Arrangement - Securities Laws and Considerations - U.S. Securities Laws - Resales of Canopy Shares after the Completion of the Arrangement"*.

The solicitation of proxies made pursuant to this Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and Canadian Securities Laws. MTL securityholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act.

The MTL Annual Financial Statements and the MTL Interim Financial Statements and other MTL financial information included or incorporated by reference in this Circular have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards and thus may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles and auditing and auditor independence standards.

Information in this Circular or in the documents incorporated by reference herein concerning MTL has been prepared in accordance with Canadian standards under applicable Canadian Securities Laws, which differ in material respects from the requirements of U.S. Securities Laws applicable to U.S. companies subject to the reporting and disclosure requirements of the SEC.

MTL securityholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

U.S. Securities Laws matters are further described under the heading *"Information Concerning the Arrangement - Securities Laws and Considerations - U.S. Securities Laws"*.

No broker, dealer, salesperson or other Person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by MTL or Canopy.

**Summary of Certain Canadian Federal Income Tax Considerations**

For a summary of certain material Canadian federal income tax consequences of the Arrangement, see *"Certain Canadian Federal Income Tax Considerations"*. **Such summary is not intended to be legal or tax advice to any particular MTL Shareholder.**

**Reporting Currency**

Except as otherwise indicated in this Circular, references to "U.S. dollars" and "US$" are to the currency of the United States and references to "dollars" or "$" are to the currency of Canada.

## DEFINITIONS

In this Circular, unless otherwise defined or expressly stated herein or something in the subject matter or the context is inconsistent therewith:

"**Abba**" means Abba Medix Corp., a wholly-owned subsidiary of MTL.

"**Acceptable Confidentiality Agreement**" means a confidentiality agreement between MTL and a third party other than Canopy: (a) that is entered into in accordance with the terms of the Arrangement Agreement; (b) that does not preclude or limit the ability of MTL to disclose information relating to such agreement or the negotiations contemplated thereby, to Canopy; and (c) that contains a standstill provision that has a duration of at least 18 months and only permits the third party to make an Acquisition Proposal to the MTL Board that is not publicly announced;

"**Acquisition Agreement**" any letter of intent, memorandum of understanding or other Contract, agreement in principle, acquisition agreement, merger agreement or similar agreement or understanding;

"**Acquisition Proposal**" means, at any time, whether or not in writing, (a) any offer, proposal or inquiry from any person or group of persons other than Canopy (or any affiliate of Canopy) after the date of the Arrangement Agreement relating with respect to: (i) any direct or indirect acquisition by any person or group of persons of MTL Shares (or securities convertible into or exchangeable or exercisable for MTL Shares) representing 20% or more of the MTL Shares then outstanding; (ii) any plan of arrangement, amalgamation, merger, share exchange, consolidation, recapitalization, liquidation, dissolution, winding up, exclusive license or other business combination, involving or in respect of the MTL or any of its subsidiaries; (iii) any direct or indirect acquisition (or any alliance, joint venture, lease, long-term supply agreement or other arrangement having the same economic effect as the foregoing) by any person or group of persons other than Canopy (or any affiliate of Canopy), in a single transaction or a series of related transactions, of any assets of MTL and/or any interest in one or more of its subsidiaries (including shares or other equity interest of subsidiaries) that individually or in the aggregate represent 20% or more of the consolidated assets of MTL, contribute 20% or more of the consolidated revenue of MTL and its subsidiaries or constitute or hold 20% or more of the fair market value of the assets of MTL and its subsidiaries (taken as a whole), in each case based on the financial statements of MTL most recently filed prior to such time as part of the MTL Public Disclosure Record (or any sale, disposition, lease, license, royalty, alliance, joint venture, long-term supply agreement or other arrangement having a similar economic effect), whether in a single transaction or a series of

related transactions; or (iv) any other similar transaction or series of transactions involving MTL or any of its subsidiaries, (b) inquiry, expression or other indication of interest or offer to, or public announcement of or of an intention to do any of the foregoing, or (c) modification or proposed modification of any such proposal, inquiry, expression or indication of interest, in each case excluding the Arrangement and the other transactions contemplated by the Arrangement Agreement;

"**Acreage**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G"

"**Adjusted Exchange Consideration**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Description of Share Capital"* attached as Appendix "G"

"**Advance Ruling Certificate**" means an advance ruling certificate issued by the Commissioner pursuant to section 102 of the Competition Act with respect to the transactions contemplated by the Arrangement Agreement, such Advance Ruling Certificate having not been modified or withdrawn prior to the Effective Time;

"**affiliate**" and "**associate**" have the meanings respectively ascribed thereto under the Securities Act;

"**Agents**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Prior Sales"* attached as Appendix "G"

"**allowable capital loss**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*";

"**Alternative Exchangeable Security**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Description of Share Capital"* attached as Appendix "G";

"**Amending Agreement**" means the amending agreement dated January 6, 2026, entered into between MTL and Canopy amending the Arrangement Agreement;

"**Anti-Dilution Shares**" means the Anti-Dilution Event Consideration Shares as defined in Section 2.2(a)(ii) in the Share Exchange Agreement;

"**Arrangement**" means the arrangement of MTL under Section 192 of the CBCA on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Interim Order or Final Order with the prior written consent of Canopy and MTL, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated as of December 14, 2025, as amended by the Amending Agreement, between MTL and Canopy, as the same may be further amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof;

"**Arrangement Resolution**" means the special resolution to be considered and, if thought advisable, passed by the MTL Shareholders at the MTL Meeting to approve the Arrangement, to be substantially in the form of Appendix "A" hereto;

"**Articles of Arrangement**" means the articles of arrangement of MTL in respect of the Arrangement to be filed with the Director in compliance with the CBCA after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in form and content satisfactory to MTL and Canopy, each acting reasonably;

"**August 2025 ATM Program**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Prior Sales"* attached as Appendix "G"

"**Broadridge**" means Broadridge Financial Solutions, Inc.;

"**Business Day**" means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Toronto, Ontario or Vancouver, British Columbia are authorized or required by applicable Law to be closed;

"**Canadian Competition Approval**" means either: (a) the issuance of an Advance Ruling Certificate; or (b) (i) the applicable waiting period under section 123 of the Competition Act has expired, been terminated by the Commissioner, or (ii) the obligation to submit a notification shall have been waived by the Commissioner under paragraph 113(c) of the Competition Act, and in either case of (i) or (ii), a No Action Letter has been issued by the Commissioner;

"**Canadian Resident**" means a person that, immediately prior to the Effective Time, is a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention;

"**Canadian Securities Authorities**" has the meaning ascribed thereto in *"Additional Information Concerning MTL – MTL Documents Incorporated by Reference"* attached as Appendix "F"

"**Canadian Securities Laws**" means the Securities Act and all other applicable Canadian provincial and territorial securities Laws;

"**Cannabis Act**" means the *Cannabis Act* (Canada);

"**Cannabis Regulations**" means the Cannabis Regulations (SOR/2018-144) promulgated under the Cannabis Act;

"**Canopy**" means Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada;

"**Canopy 2026 Transactions**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**Canopy Annual Report**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - Cautionary Note Regarding Forward-Looking Statements"* attached as Appendix "G";

"**Canopy Board**" means the board of directors of Canopy;

"**Canopy Change of Control**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Description of Share Capital"* attached as Appendix "G"

"**Canopy Convertible Debentures**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Recent Developments – Balance Sheet Recapitalization"* attached as Appendix "G";

"**Canopy Equity Incentive Plan**" means the Omnibus Equity Incentive Plan of Canopy as approved by the shareholders of Canopy on September 25, 2023, as the same may be amended, supplemented or restated in accordance therewith, prior to the Effective Time;

"**Canopy Exchangeable Shares**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Description of Share Capital"* attached as Appendix "G"

"**Canopy Exchange Agreement**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Recent Developments – Balance Sheet Recapitalization"* attached as Appendix "G";

"**Canopy Exchange Transaction**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Recent Developments – Balance Sheet Recapitalization"* attached as Appendix "G";

"**Canopy Investor**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Recent Developments – Balance Sheet Recapitalization"* attached as Appendix "G";

"**Canopy Investor Warrants**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Recent Developments – Balance Sheet Recapitalization"* attached as Appendix "G";

"**Canopy Lenders**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**Canopy Lender Agreement**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**Canopy Loan Agreement**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**Canopy Loan Warrants**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**Canopy Loans**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**Canopy Loan Transaction**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**Canopy LOI**" has the meaning ascribed thereto in "*Background to the Arrangement*";

"**Canopy Material Adverse Effect**" means any result, fact, change, effect, event, circumstance, occurrence or development that, taken together with all other results, facts, changes, effects, events, circumstances, occurrences or developments, has or would reasonably be expected to have a material and adverse effect on the business, results of operations, capitalization, assets, liabilities (including any contingent liabilities), obligations (whether absolute, accrued, conditional or otherwise), or financial condition of Canopy and its subsidiaries, taken as a whole, provided, however, that any result, fact, change, effect, event, circumstance, occurrence or development that arises out of, relates directly or indirectly to, results directly or indirectly from or is attributable to any of the following shall not be deemed to constitute, and shall not be taken into account in determining whether there has been, a Canopy Material Adverse Effect:

(a) changes, developments or conditions in or relating to general political, economic or financial or capital market conditions in Canada, the United States or globally;

(b) any change or proposed change in any Laws (including veteran benefits or medical cannabis coverage or reimbursement programs) or the interpretation, application or non-application of any Laws by any Governmental Authority;

(c) changes or developments affecting the Canadian or global, medical or adult-use cannabis industries in general;

(d) any earthquake, hurricane, tornado, tsunami, flood, pandemic or other natural disaster or outbreak or escalation of hostilities or war or acts of terrorism or any natural disaster or general outbreaks of illness;

(e) any generally applicable changes in U.S. GAAP or regulatory accounting requirements;

(f) the failure of any of Canopy or any of its subsidiaries to meet any internal or published projections, forecast or estimates of, or guidance related to, revenues, earnings, cash flows or other financial metrics before, on or after the date of the Arrangement Agreement (it being understood that the causes underlying such failure, if not otherwise excluded from the definition of Canopy Material Adverse Effect, may be taken into determining whether a Canopy Material Adverse Effect has occurred);

(g) a change in the market price of the Canopy Shares as a result of the announcement of the execution of the Arrangement Agreement or of the transactions contemplated hereby;

(h) any action taken (or omitted to be taken) by Canopy or any of its subsidiaries, which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or that is consented to by MTL in writing; or

(i) the announcement of the Arrangement Agreement or consummation of the Arrangement or the transactions contemplated hereby;

provided, however, that each of clauses (a) through (e) above shall not apply to the extent that any of the changes, developments, conditions or occurrences referred to therein relate primarily to (or have the effect of relating primarily to) Canopy and its subsidiaries taken as a whole or disproportionately adversely affect Canopy and its subsidiaries taken as a whole in comparison to other persons who operate in the Canadian or global, medical or adult-use cannabis industries and provided further, however, that references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Canopy Material Adverse Effect has occurred;

"**Canopy Shares**" means the common shares in the capital of Canopy;

"**Canopy Unit**" means a unit of Canopy comprised of one Canopy Share and one half of one Canopy Unit Warrant;

"**Canopy Unit Warrant**" means a warrant of Canopy exercisable to acquire one Canopy Share until September 19, 2028 at an exercise price of $2.61 per Canopy Share, subject to adjustment in accordance with its terms;

"**Canopy USA**" means Canopy USA, LLC;

"**Cash Consideration**" means $0.144 for each MTL Share;

"**CBCA**" means the *Canada Business Corporations Act*, and includes any successor thereto;

"**CBD**" means cannabidiol;

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA in respect of the Articles of Arrangement;

"**Change of Recommendation**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – the Arrangement Agreement –Termination of the Arrangement Agreement*";

"**CHC**" means Canada House Clinics Inc., a wholly-owned subsidiary of MTL;

"**Circular**" means this notice of meeting and management information circular (including all schedules, appendices and exhibits thereto), including any amendments or supplements thereto;

"**Code**" means the *United States Internal Revenue Code of 1986*, as amended;

"**commercially reasonable efforts**" with respect to any Party means the cooperation of such Party and the use by such Party of its reasonable efforts consistent with reasonable commercial practice without payment or incurrence of any material liability or obligation;

"**Commissioner**" means the Commissioner of Competition appointed under the Competition Act and includes any person duly authorized to exercise the powers and perform the duties on behalf of the Commissioner of Competition;

"**Competition Act**" means the *Competition Act* (Canada) R.S.C. 1985, c. C-35, as amended, and the regulations promulgated thereunder;

"**Competition Tribunal**" means the Competition Tribunal as established by subsection 3(1) of the *Competition Tribunal Act*, R.S.C. 1985, c.19, as amended;

"**Consideration**" means the consideration to be received pursuant to the Plan of Arrangement in respect of each MTL Share that is issued and outstanding immediately prior to the Effective Time, consisting of (i) the Share Consideration and (ii) the Cash Consideration;

"**Consideration Shares**" means the Canopy Shares to be issued as Share Consideration pursuant to the Arrangement;

"**Consulting Agreements**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Employment and Consulting Agreements"*;

"**Controller**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Eligibility for Investment*";

"**Court**" means the Supreme Court of British Columbia, or other court as applicable;

"**CRA**" means the Canada Revenue Agency;

"**CSE**" means the Canadian Securities Exchange;

"**Demand for Payment**" means a written notice of a Registered MTL Shareholder containing his or her name and address, the number of Dissent Shares and a demand for payment of the fair value of such MTL Shares;

"**Depositary**" means Odyssey or any other trust company, bank or other financial institution agreed to in writing by MTL and Canopy for the purpose of, among other things, receiving certificates representing MTL Shares and the receipt from Canopy and subsequent distribution of the Consideration in connection with the Arrangement;

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA;

"**Disposition**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Supporting Shareholders and Locked-up Shareholders - Post-Arrangement Lock-Up*";

"**Dissent Notice**" means the written objection of a Registered MTL Shareholder to the Arrangement Resolution submitted to MTL in accordance with the Dissent Procedures;

"**Dissent Procedures**" means the dissent procedures, as set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, as described under "*Rights of Dissenting Shareholders*";

"**Dissent Rights**" means the rights of dissent exercisable by Registered MTL Shareholders in respect of the Arrangement Resolution described in Section 1.1 of the Plan of Arrangement, attached as Appendix "B";

"**Dissent Shares**" means MTL Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights;

"**Dissenting Non-Resident Holder**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Non-Resident Dissenting Holders*";

"**Dissenting Shareholder**" means a Registered MTL Shareholder who has duly and validly exercised the Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of MTL Shares in respect of which Dissent Rights are validly exercised by such Registered MTL Shareholder;

"**DRS Advice**" means a direct registration statement;

"**EDGAR**" means the Electronic Data Gathering, Analysis, and Retrieval system of the SEC;

"**Effective Date**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement, attached as Appendix "B";

"**Effective Time**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement, attached as Appendix "B";

"**Elected Amount**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of MTL Shares – Section 85 Election*";

"**Eligible Holder**" means a Canadian Resident (other than a Tax Exempt Person), or an Eligible Non-Resident;

"**Eligible Non-Resident**" means a Non-Resident Holder whose MTL Shares are "taxable Canadian property" and not "treaty-protected property", in each case as defined in the Tax Act;

"**Employee Plans**" means all benefit, bonus, incentive, pension, retirement, savings, stock purchase, profit sharing, stock option, stock appreciation, phantom stock, termination, change of control, life insurance, medical, health, welfare, hospital, dental, vision care, drug, sick leave, disability, and similar plans, programmes, arrangements or practices relating to any current or former director, officer or employee of MTL other than benefit plans established pursuant to statute;

"**Engagement Agreement**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Fairness Opinion*";

"**EU-GMP**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G"

"**Exchange Ratio**" means the number of Canopy Shares to be issued for each MTL Share as described in the Plan of Arrangement;

"**Existing Canopy Debenture**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Recent Developments – Balance Sheet Recapitalization"* attached as Appendix "G";

"**Excluded MTL Shares**" means all MTL Shares held by the Interested Parties;

"**Fairness Opinion**" means the fairness opinion of the Financial Advisor delivered to the MTL Board (including the Special Committee) dated December 14, 2025, to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the MTL Shareholders under the Arrangement is fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Interested Parties);

"**February 2025 ATM Program**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Prior Sales"* attached as Appendix "G"

"**Final Order**" means the final order of the Court approving the Arrangement under Section 192 of the CBCA, in form and substance acceptable to MTL and Canopy, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both MTL and Canopy, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment, modification, supplement or variation is acceptable to both MTL and Canopy, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Financial Advisor**" means Haywood Securities Inc.;

"**Governmental Authority**" means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasigovernmental or private body (including the TSX, Nasdaq, the CSE or any other stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

"**Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations*";

"**ICM**" means IsoCanMed Inc., a wholly-owned subsidiary of MTL.

"**IFRS**" means International Financial Reporting Standards, at the relevant time applied on a consistent basis;

"**Indemnified Parties**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – the Arrangement Agreement – Covenants – Insurance and Indemnification"*;

"**Interested Parties**" means collectively, Richard Clément, Michel Clément, and Erik Bertacchini;

"**Interim Order**" means the interim order of the Court to be issued following the application therefor submitted to the Court pursuant to Section 192 of the CBCA, in form and substance acceptable to MTL and Canopy, each acting reasonably, providing for, among other things, the calling and holding of the MTL Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both MTL and Canopy, each acting reasonably;

"**Intermediary**" means an intermediary that a Non-Registered MTL Shareholder deals with in respect of its MTL Shares, which may include, among others, a bank, trust company, broker, dealer, custodian, nominee or administrator of a self-administered plan;

"**Investment Canada Act**" means the Investment Canada Act (Canada) and the regulations promulgated thereunder;

"**Jetty**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G";

"**June 2024 ATM Program**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Prior Sales"* attached as Appendix "G";

"**Laurel Hill**" has the meaning ascribed thereto in "*General Proxy Information – Solicitation of Proxies*";

"**Laws**" means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity and the term "applicable" with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such person or its business, undertaking, property or securities;

"**Liens**" means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, royalty or any other encumbrance, easement, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"**Lock-Up**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Supporting Shareholders and Locked-up Shareholders - Post-Arrangement Lock-Up*";

"**Lock-Up Agreements**" means the voting support and lock-up agreements dated as of the date of the Arrangement Agreement between Canopy and the Locked-Up Shareholders;

"**Locked-Up Securities**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Supporting Shareholders and Locked-up Shareholders - Post-Arrangement Lock-Up*";

"**Locked-Up Shareholders**" means Richard Clément and Michel Clément;

"**Material Adverse Effect**" means any result, fact, change, effect, event, circumstance, occurrence or development that, taken together with all other results, facts, changes, effects, events, circumstances, occurrences or developments, has or would reasonably be expected to have a material and adverse effect on the business, results of operations, capitalization, assets, liabilities (including any contingent liabilities), obligations (whether absolute, accrued, conditional or otherwise), or financial condition of MTL and its subsidiaries, taken as a whole, provided, however, that any result, fact, change, effect, event, circumstance, occurrence or development that arises out of, relates directly or indirectly to, results directly or indirectly from or is attributable to any of the following shall not be deemed to constitute, and shall not be taken into account in determining whether there has been, a Material Adverse Effect:

(a) changes, developments or conditions in or relating to general political, economic or financial or capital market conditions in Canada or globally;

(b) any change or proposed change in any Laws (including veteran benefits or medical cannabis coverage or reimbursement programs) or the interpretation, application or non-application of any Laws by any Governmental Authority;

(c) changes or developments affecting the Canadian, medical or adult-use, cannabis industries in general;

(d) any earthquake, hurricane, tornado, tsunami, flood, pandemic or other natural disaster or outbreak or escalation of hostilities or war or acts of terrorism or any natural disaster or general outbreaks of illness;

(e) any generally applicable changes in IFRS or regulatory accounting requirements;

(f) the failure of any of MTL or any of its subsidiaries to meet any internal or published projections, forecast or estimates of, or guidance related to, revenues, earnings, cash flows or other financial metrics before, on or after the date of the Arrangement Agreement (it being understood that the causes underlying such failure, if not otherwise excluded from the definition of Material Adverse Effect, may be taken into determining whether a Material Adverse Effect has occurred);

(g) a change in the market price of the MTL Shares as a result of the announcement of the execution of the Arrangement Agreement or of the transactions contemplated hereby;

(h) any action taken (or omitted to be taken) by MTL or any of its subsidiaries, which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or that is consented to by Canopy in writing; or

(i) the announcement of the Arrangement Agreement or consummation of the Arrangement or the transactions contemplated hereby;

provided, however, that each of clauses (a) through (e) above shall not apply to the extent that any of the changes, developments, conditions or occurrences referred to therein relate primarily to (or have the effect of relating primarily to) MTL and its subsidiaries taken as a whole or disproportionately adversely affect MTL and its subsidiaries taken as a whole in comparison to other persons who operate in the Canadian or global, medical or adult-use cannabis industries and provided further, however, that references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Material Adverse Effect has occurred;

"**Material Contract**" has the meaning ascribed thereto in the Arrangement Agreement;

"**material fact**" has the meaning attributed to such term under the Securities Act;

"**MC Shareholder Consideration**" means 2,956,391 Canopy Shares to be issued to the MC Shareholders with such Canopy Shares subject to transfer restrictions for a period of 18 months following the Effective Date; provided that, any exercise of the MTL Archerwill Prepayment Warrants prior to the Effective Date shall result in an automatic and proportionate reduction to the MC Shareholder Consideration in so far as an MC Shareholder receives Anti-Dilution Shares;

"**MC Shareholders**" means, collectively, the David Bow Family Trust, the Michael Rancourt Family Trust, the Michel Clément Family Trust, the Richard Clément Family Trust and the Massimo Caporusso Family Trust (2021);

"**MI 61-101**" means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*;

"**Michel Consulting Agreement**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Employment and Consulting Agreements"*;

"**misrepresentation**" has the meaning attributed to such term under the Securities Act;

"**MLI**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dividends on Canopy Shares*";

"**Montréal Cannabis**" means Montréal Medical Cannabis Inc., a wholly-owned subsidiary of MTL.

"**MTL**" means MTL Cannabis Corp., a corporation incorporated under the federal laws of Canada;

"**MTL 2017 Debenture**" means the 18% unsecured convertible debenture of MTL in an aggregate principal amount of $5,000 due on demand;

"**MTL Annual Financial Statements**" means the audited consolidated financial statements of MTL for the years ended March 31, 2025 and 2024, including the notes thereto and the auditor's report thereon;

"**MTL Archerwill Debenture Warrants**" means the 1,733,333 warrants of MTL, each exercisable to acquire one MTL Share until August 5, 2027 at an exercise price of $0.74737 per MTL Share, subject to adjustment in accordance with their terms;

"**MTL Archerwill Prepayment Warrants**" means the 16,640,858 warrants of MTL, each exercisable to acquire one MTL Share until August 5, 2027 at an exercise price of $0.5749 per MTL Share, subject to adjustment in accordance with their terms;

"**MTL Board**" means the board of directors of MTL;

"**MTL Board Recommendation**" means the unanimous determination of the MTL Board, after consultation with legal and financial advisors, that the Arrangement is in the best interests of MTL and the unanimous recommendation of the MTL Board to MTL Shareholders that they vote in favour of the Arrangement Resolution;

"**MTL Compensation Optionholder**" means a holder of one or more MTL Compensation Options;

"**MTL Compensation Options**" means the 220,360 compensation options of MTL, each exercisable to acquire one MTL Unit until September 19, 2028 at an exercise price of $0.65 per MTL Unit, subject to adjustment in accordance with their terms;

"**MTL Credit Agreement**" means the credit agreement dated July 30, 2025 (as may be amended, supplemented, amended and restated, replaced, or otherwise modified from time to time) between, among others, MTL, as borrower and The Toronto-Dominion Bank, as administrative agent;

"**MTL Credit Facility**" has the meaning ascribed thereto in "Additional Information Concerning MTL – Material Contracts" attached as Appendix "F"

"**MTL Disclosure Letter**" means the disclosure letter dated December 14, 2025, regarding the Arrangement Agreement that has been executed by MTL and delivered to Canopy concurrently with the execution of the Arrangement Agreement;

"**MTL DSU Holder**" means a holder of one or more MTL DSUs;

"**MTL DSUs**" means all deferred share units of MTL outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the MTL Incentive Plan;

"**MTL In-The-Money Option**" has the meaning ascribed to "Company In-The-Money Option" in Section 1.1 of the Plan of Arrangement;

"**MTL In-The-Money Warrant**" has the meaning ascribed to "Company In-The-Money Warrant" in Section 1.1 of the Plan of Arrangement;

"**MTL Incentive Plan**" means the Long-Term Incentive Plan of MTL approved by the MTL Board on June 6, 2025;

"**MTL Interim Financial Statements**" means the unaudited condensed interim consolidated financial statements of MTL for the three and six months ended September 30, 2025, including the notes thereto;

"**MTL March 2020 Warrants**" means the 3,244,757 warrants of MTL, each exercisable to acquire one MTL Share until December 31, 2026 at an exercise price of $1.50 per MTL Share, subject to adjustment in accordance with their terms;

"**MTL Meeting**" means the special meeting of the MTL Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought advisable, approving the Arrangement Resolution;

"**MTL Option In-The-Money Amount**" in respect of a MTL Option means the amount, if any, by which the total fair market value of the MTL Share, which will be equal to the closing price of MTL Shares on the CSE on the last trading day immediately prior to the Effective Date, that a holder is entitled to acquire on exercise of the MTL Option immediately prior to the Effective Time exceeds the exercise price to acquire the MTL Share issuable pursuant to the MTL Option;

"**MTL Option Plan**" means the Amended and Restated Stock Option Plan of MTL approved by the MTL Shareholders on July 28, 2023;

"**MTL Optionholder**" means a holder of one or more MTL Options;

"**MTL Options**" means all options to acquire MTL Shares outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the MTL Option Plan;

"**MTL Out-Of-The-Money Option**" has the meaning ascribed to "Company Out-Of-The-Money Option" in Section 1.1 of the Plan of Arrangement;

"**MTL Out-Of-The-Money Warrant**" has the meaning ascribed to "Company Out-Of-The-Money Warrant" in Section 1.1 of the Plan of Arrangement;

"**MTL Public Disclosure Record**" means all documents filed by or on behalf of MTL on SEDAR+ since January 1, 2023 and prior to the date of the Arrangement Agreement that are publicly available on the date of the Arrangement Agreement;

"**MTL RSU Holder**" means a holder of one or more MTL RSUs;

"**MTL RSUs**" means all restricted share units of MTL outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the MTL Incentive Plan;

"**MTL September 2025 Warrants**" means the 1,652,669 warrants of MTL, each exercisable to acquire one MTL Share until September 19, 2028 at an exercise price of $0.98 per MTL Share, subject to adjustment in accordance with their terms;

"**MTL Shareholder**" means a holder of one or more MTL Shares;

"**MTL Shares**" means the common shares without par value in the capital of MTL;

"**MTL Unit**" means a unit of MTL comprised of one MTL Share and one half of one MTL Unit Warrant;

"**MTL Unit Warrant**" means a warrant of MTL exercisable to acquire one MTL Share until September 19, 2028 at an exercise price of $0.98 per MTL Share, subject to adjustment in accordance with its terms;

"**MTL Warrant Exercise Notice**" has the meaning ascribed to "Company Warrant Exercise Notice" in Section 1.1 of the Plan of Arrangement;

"**MTL Warrant Holder**" means a holder of one or more MTL Warrants;

"**MTL Warrant In-The-Money Amount**" in respect of an MTL Warrant means the amount, if any, by which the total fair market value of the MTL Share, which will be equal to the closing price of MTL Shares on the CSE on the last trading day immediately prior to the Effective Date, that a holder is entitled to acquire on exercise of the MTL Warrant immediately prior to the Effective Time exceeds the exercise price to acquire the MTL Share issuable pursuant to the MTL Warrant;

"**MTL Warrants**" means, collectively, the MTL Archerwill Debenture Warrants, the MTL Archerwill Prepayment Warrants, the MTL March 2020 Warrants and the MTL September 2025 Warrants;

"**Nasdaq**" means the Nasdaq Global Select Market;

"**NI 52-109**" means National Instrument 52-109 – *Certification of Disclosure in Issuers; Annual and Interim Filings*;

"**No Action Letter**" means written confirmation from the Commissioner that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement, such written confirmation having not been modified or withdrawn prior to the Effective Time;

"**NOBO**" as the meaning set ascribed thereto in "*General Proxy Information - Voting Your MTL Shares at the MTL Meeting – Non-Registered MTL Shareholder*";

"**Non-Registered MTL Shareholder**" means an MTL Shareholder who holds their MTL Shares through an Intermediary;

"**Non-Resident**" means a person that, immediately prior to the Effective Time, is not, and is not deemed to be, a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention;

"**Non-Resident Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*";

"**Non-Voting Shares**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G"

"**Notice**" means the notice of meeting of the MTL Shareholders, as described herein;

"**OBO**" as the meaning set ascribed thereto in "*General Proxy Information - Voting Your MTL Shares at the MTL Meeting – Non-Registered MTL Shareholder*";

"**Odyssey**" means Odyssey Trust Company;

"**Offer to Pay**" means the written offer of Canopy to each Dissenting Shareholder that has sent a Demand for Payment to pay for its MTL Shares in an amount considered by Canopy to be the fair value of the MTL Shares, all in compliance with the Dissent Procedures;

"**ordinary course of business**", or any similar reference, means, with respect to an action taken or to be taken by any person, that such action is consistent with the past practices of such person and is taken in the ordinary course of the normal day-to-day business and operations of such person and, in any case, is not unreasonable or unusual in the circumstances when considered in the context of the provisions of the Arrangement Agreement;

"**OTCQX**" means the OTCQX Best Market;

"**Outside Date**" means April 15, 2026 or such later date as may be agreed to in writing by the Parties, provided that if the Effective Date has not occurred by April 15, 2026 as a result of the failure to satisfy the conditions set forth in Section 7.1(d) of the Arrangement Agreement; then either Party may elect by notice in writing delivered to the other Party by no later than 5:00 p.m. (Toronto time) on a date that is on or prior to such date or, in the case of subsequent extensions, the date that is on or prior to the Outside Date, as previously extended, to extend the Outside Date from time to time by a specified period of not less than five days and not more than 15 days, provided that in aggregate such extensions shall not exceed 90 days from April 15, 2026; provided further that, notwithstanding the foregoing, a Party shall not be permitted to extend the Outside Date if the failure to satisfy such condition is primarily the result of such Party's failure to comply with its covenants in the Arrangement Agreement;

"**Parties**" means MTL and Canopy, and "**Party**" means any one of them;

"**Permit**" means any lease, license, permit, certificate, consent, order, grant, approval, classification, registration or similar authorization of or from any Governmental Authority;

"**Perron Employment Agreement**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Employment and Consulting Agreements"*;

"**Person**" includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement substantially in the form and content set out in Appendix "B" hereto, as amended, modified or supplemented from time to time in

accordance with Article 6 of the Plan of Arrangement or at the direction of the Court in the Final Order, with the consent of MTL and Canopy, each acting reasonably;

"**Pre-Acquisition Reorganization**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – the Arrangement Agreement – Covenants – Pre-Acquisition Reorganization"*;

"**Prior Canopy Term Loan**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G"

"**PRJ**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G"

"**Proceeding**" means any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal, administrative or investigative), arbitration or other dispute settlement procedure, investigation or inquiry before or by any Governmental Authority, or any notice, claim, action, suit, demand, arbitration, charge, indictment, hearing, demand letter or other similar civil, quasi-criminal or criminal, administrative or investigative matter or proceeding, including by any third party whatsoever;

"**Prohibited Matters**" has the meaning ascribed thereto in "*Information Concerning the Arrangement - Support Agreements and Lock-Up Agreements*";

"**Proposed Amendments**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations*";

"**Record Date**" has the meaning ascribed thereto in "*General Proxy Information – Solicitation of Proxies*";

"**Registered MTL Shareholder**" means an MTL Shareholder who holds their MTL Shares directly, registered in their own name;

"**Registered Plan**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Eligibility for Investment*";

"**Regulatory Approvals**" means sanctions, rulings, consents, orders, exemptions, permits, waivers, early termination authorizations, clearances, written confirmations of no intention to initiate legal proceedings and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities, including for greater certainty, Canadian Competition Approval;

"**Release**" means the irrevocable, full and final release by the MC Shareholders of MTL, Canopy and their respective affiliates, from any and all obligations owing to such MC Shareholders pursuant to the Share Exchange Agreement, including, for greater certainty, each MC Shareholder's entitlement to the Anti-Dilution Shares;

"**Replacement Compensation Option**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement, attached as Appendix "B";

"**Replacement Option**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement, attached as Appendix "B";

"**Replacement Warrant**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement, attached as Appendix "B";

"**Representatives**" means, collectively, with respect to a Party, that Party's officers, directors, employees, consultants, advisors, agents or other representatives (including lawyers, accountants, investment bankers and financial advisors);

"**Required Approval**" means the approval of the Arrangement Resolution by both (a) not less than 66 2/3% of the votes cast by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting and (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, by any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101;

**"Resident Dissenting Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders";*

"**Resident Holder**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*";

"**Response Materials**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Conduct of the MTL Meeting and Other Approvals – Court Approvals"*;

"**Richard Consulting Agreement**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Employment and Consulting Agreements"*;

"**SEC**" means the United States Securities and Exchange Commission;

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act;

"**Section 3(a)(10) Securities**" has the meaning ascribed thereto in *"Information Concerning the Arrangement - Securities Laws and Considerations - U.S. Securities Laws - Exemption from the Registration Requirements of the U.S. Securities Act";*

"**Section 85 Election**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of MTL Shares – Section 85 Election*";

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder;

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval+;

"**Share Consideration**" means 0.32 of a Canopy Share for each MTL Share;

"**Share Exchange Agreement**" means the Second Restated Share Exchange Agreement dated June 28, 2023, among MTL, Montreal Cannabis Medical Inc., Michel Clément, Richard Clément and the other MC Shareholders;

"**Special Committee**" means the Special Committee of non-management directors established by the MTL Board in connection with the transactions contemplated by the Arrangement Agreement;

"**subsidiary**" means, with respect to a specified entity, any:

(a) corporation of which issued and outstanding voting securities of such corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation (whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency) are owned by such specified entity and the votes attached to those voting securities are sufficient, if exercised, to elect a majority of the directors of such corporation;

(b) partnership, unlimited liability company, joint venture or other similar entity in which such specified entity has more than 50% of the equity interests and the power to direct the policies, management and affairs thereof; and

(c) a subsidiary (as defined in clauses (a) and (b) above) of any subsidiary (as so defined) of such specified entity;

"**Superior Proposal**" means a bona fide Acquisition Proposal made in writing on or after the date of the Arrangement Agreement by a person or persons acting jointly (other than Canopy and its affiliates) that did not result from a breach of Article 5 of the Arrangement Agreement and which or in respect of which:

(a) is to acquire (i) no less than all of the outstanding MTL Shares not owned by the person or persons; provided that such acquisition is on the same terms and conditions for all MTL Shareholders or (ii) all or substantially all of the assets of MTL on a consolidated basis;

(b) the MTL Board has determined in good faith, after consultation with its financial advisors and external legal counsel, that such Acquisition Proposal would, taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of noncompletion), result in a transaction which (i) is in the best interests of MTL and its stakeholders; and (ii) is superior to the MTL Shareholders from a financial point of view than the Arrangement (taking into account any amendments to the Arrangement Agreement and the Arrangement proposed by Canopy pursuant to Section 5.1(f) of the Arrangement Agreement);

(c) is not subject to any financing condition and in respect of which adequate arrangements (as such term is understood for purposes of section 2.27 of National Instrument 62-104 - *Take-over Bids and Issuer Bids*) have been made to ensure that

the required funds will be available to effect payment in full, including in satisfaction of any outstanding indebtedness of MTL, including pursuant to the MTL Credit Agreement, that would be required to be repaid upon closing of such Acquisition Proposal;

(d) is not subject to any due diligence and/or access condition or due diligence termination right in favour of the acquirer;

(e) MTL Board has determined in good faith, after consultation with financial advisors and external legal counsel, is reasonably capable of being completed in accordance with its terms, without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; and

(f) MTL has sufficient financial resources available to pay or has made arrangements to pay, any Termination Fee payable pursuant to the terms of the Arrangement Agreement in accordance with the terms of the Arrangement Agreement;

"**Superior Proposal Notice Period**" means the period of seven full Business Days which shall have elapsed from the later of the date Canopy received the notice from MTL and, if applicable, the notice from the MTL Board with respect to any non-cash consideration, and the date on which Canopy received copies of the agreements and supporting material;

"**Support Agreements**" means the voting support agreements dated as of the date of the Arrangement Agreement between Canopy and the Supporting Shareholders and other voting and support agreements that may be entered into after the date of the Arrangement Agreement by Canopy and MTL Shareholders, which agreements provide that such MTL Shareholders shall, among other things vote all MTL Shares of which they are the registered or beneficial holder or over which they have control or direction, in favour of the Arrangement and not dispose of their MTL Shares;

"**Supporting Shareholders**" has the meaning ascribed thereto in "*Information Concerning the Arrangement - Support Agreements and Lock-Up Agreements*";

"**Tax**" or "**Taxes**" means without duplication, with respect to any Person, all supranational, national, federal, provincial, state, municipal, territorial, county, local, foreign or other taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, royalty taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, retail, use taxes, licence taxes, excise taxes, franchise taxes, real and personal property taxes, anti-dumping taxes, countervailing taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, unemployment taxes, health taxes, employer health taxes, government pension plan premiums and contributions, social security premiums, workers' compensation premiums and pension (including Canada Pension Plan and other governmental plans) payments, escheat or unclaimed property (whether or not considered a tax under applicable Law),

employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, goods and services tax/harmonized sales tax, Québec sales tax, provincial sales tax, customs or excise duties or other taxes, fees, imposts, assessments or charges of any kind whatsoever imposed or charged by any Governmental Authority, any requirement to pay or repay any amount to a Governmental Authority in respect of a tax credit, refund, rebate, governmental grant or subsidy, overpayment, or similar adjustment of taxes, and any instalments in respect thereof, together with any tax indemnity obligation, interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties, and whether disputed or not, and "Tax" means any one of such Taxes;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, and the regulations promulgated thereunder, as amended;

"**Tax Exempt Person**" means a person who is exempt from tax under Part I of the Tax Act;

"**Tax Instruction Letter**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of MTL Shares – Procedure for Making Section 85 Election*";

"**taxable capital gain**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*";

"**Termination Fee**" means payment of a termination fee of $4,000,000 by MTL to Canopy on the occurrence of a termination fee event, pursuant to the terms and conditions of the Arrangement Agreement;

"**THC**" means tetrahydrocannabinol;

"**Transfer**" has the meaning ascribed thereto in "*Information Concerning the Arrangement – Supporting Shareholders and Locked-up Shareholders - Post-Arrangement Lock-Up*";

"**Trust**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy – Risk Factors"* attached as Appendix "G"

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. GAAP**" means United States Generally Accepted Accounting Principles, adopted by the SEC;

"**U.S. Securities Act**" means the United States Securities Act *of 1933*, as amended and the rules and regulations promulgated thereunder;

"**U.S. Securities Laws**" means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder;

"**U.S. Treaty**" has the meaning ascribed thereto in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dividends on Canopy Shares*";

"**VIF**" means a voting instruction form. and

"**Wana**" has the meaning ascribed thereto in *"Additional Information Concerning Canopy - General"* attached as Appendix "G"

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of MTL for use at the MTL Meeting. This Circular, the Notice and the accompanying form of proxy are being mailed to the MTL Shareholders of record as of the close of business on January 9, 2026 (the "**Record Date**"). MTL will bear all costs associated with the preparation and mailing of this Circular, the Notice and the accompanying form of proxy, as well as the cost of the solicitation of proxies. Solicitations of proxies will be primarily by mail, but may also be made by telephone, by facsimile, by other means of electronic transmission or in person by directors, officers, employees or agents of MTL. MTL will pay for the delivery of its proxy-related materials indirectly to all Non-Registered MTL Shareholders. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies.

Laurel Hill Advisory Group ("**Laurel Hill**") has been retained by MTL as a strategic shareholder advisor and proxy solicitation agent in connection with the solicitation of proxies from MTL Shareholders for the MTL Meeting. For these services, MTL has agreed to pay Laurel Hill an aggregate fee of approximately $60,000 plus reimbursement of costs relating to telephone calls and reasonable out-of-pocket expenses. In addition, officers and employees of MTL may solicit proxies from MTL Shareholders without compensation. Odyssey is responsible for the tabulation of proxies.

Alternatively, Laurel Hill may contact eligible Non-Registered MTL Shareholders who do not object to their names being known to MTL to assist them with conveniently voting their MTL Shares. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions with respect to the MTL Shares to be represented at the MTL Meeting.

### Proxies

This Circular provides the information you need in order to vote at the MTL Meeting.

- **If you are a Registered MTL Shareholder**, a form of proxy is enclosed that you can use to vote at the MTL Meeting.

- **If you are a Non-Registered MTL Shareholder**, being an MTL Shareholder whose MTL Shares are not registered in such person's names but are instead registered in the name of an Intermediary, you may receive either a form of proxy or a VIF and should follow the instructions provided to you by your broker or by the other Intermediary.

See "*Voting Your MTL Shares By Proxy - Appointing a Proxyholder*", and "*Attending and Participating in the MTL Meeting*" below.

## Who Can Vote

The Record Date for determination of MTL Shareholders entitled to receive notice of and to vote at the MTL Meeting was January 9, 2026.

Odyssey, the transfer agent of MTL, has prepared a list, as of the close of business on the Record Date, of the Registered MTL Shareholders and the number of MTL Shares held by each such Registered MTL Shareholder. No person becoming an MTL Shareholder after the Record Date will be entitled to receive notice of, or to vote at, the MTL Meeting or any postponement or adjournment thereof.

Each MTL Share entitles the holder to one vote on each item of business identified in the Notice and accompanying Circular.

## Voting Your MTL Shares at the MTL Meeting

### Registered MTL Shareholders

If you were a Registered MTL Shareholder on the Record Date, you may attend, participate and vote at the MTL Meeting. Alternatively, you can give another Person authority to represent you and attend, participate and vote your MTL Shares at the MTL Meeting, as described below under the heading *"Voting Your MTL Shares by Proxy"*.

**If you are a Non-Registered MTL Shareholder and wish to attend and vote at the MTL Meeting, you must appoint yourself as proxyholder by striking out the names of the Persons in the enclosed form of proxy or VIF sent to you and inserting your own name in the space provided. You must follow all of the applicable instructions provided by your Intermediary.** See *"Voting Your MTL Shares By Proxy - Appointing a Proxyholder",* and *"Attending and Participating in the MTL Meeting"* below.

### Non-Registered MTL Shareholder

It is possible that your MTL Shares may be registered in the name of an Intermediary, which is usually a trust company, securities broker or other financial institution. If your MTL Shares are registered in the name of an Intermediary, you are a Non-Registered MTL Shareholder and are either a non-objecting beneficial owner (a "**NOBO**") or an objecting beneficial owner (an "**OBO**"). You are an OBO if you are a Non-Registered MTL Shareholder and have not allowed your Intermediary to disclose your ownership information to MTL. You are a NOBO if you are a Non-Registered MTL Shareholder and have provided instructions to your Intermediary to disclose your ownership information to MTL. Regardless of whether you are a NOBO or OBO, your

Intermediary is entitled to vote the MTL Shares held by it and beneficially owned by you on the Record Date, however, your Intermediary must first seek your instructions as to how to vote your MTL Shares or otherwise make arrangements so that you may vote your MTL Shares directly. An Intermediary is not entitled to vote the MTL Shares held by it for the benefit of a Non-Registered MTL Shareholder, without written instructions from such Non-Registered MTL Shareholder. Non-Registered MTL Shareholders may vote their MTL Shares through their Intermediary, or at the MTL Meeting by taking the appropriate steps, which are the same for NOBOs and OBOs.

**Non-Registered MTL Shareholders who wish to attend and vote at the MTL Meeting must appoint themselves as proxyholder by striking out the names of the Persons in the enclosed form of proxy or VIF and inserting their own name in the space provided. Non-Registered MTL Shareholders must follow all of the applicable instructions provided by the Intermediary.**

NOBOs and OBOs should carefully review the instructions provided to them by their Intermediary regarding how to provide voting instructions or how to obtain a proxy with respect to their MTL Shares. Non-Registered MTL Shareholders may also wish to contact their Intermediary directly in order to obtain instructions regarding how to vote MTL Shares that they beneficially own.

Please note that if you are a NOBO or an OBO and you wish to attend, participate, and vote at the MTL Meeting, you should follow the instructions on the proxy or VIF provided by your Intermediary and, in so doing, specify your own name as the Person whom you are appointing as proxy for the purposes of voting your MTL Shares. You are reminded that any voting instructions should be communicated to your Intermediary in accordance with the procedures set out in the VIF well in advance of the deadline for the receipt of proxies.

MTL has distributed copies of the Notice, this Circular, and the instruments of proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered MTL Shareholders. Intermediaries are required to forward these materials to Non-Registered MTL Shareholders unless a Non-Registered MTL Shareholder has waived the right to receive them under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

**Attending and Participating in the MTL Meeting**

Registered MTL Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the MTL Meeting at the offices of Farris LLP at 700 W Georgia St #2500, Vancouver, BC V7Y 1B3.

Only Registered MTL Shareholders and duly appointed proxyholders will be entitled to participate and vote at the MTL Meeting.

MTL Shareholders who wish to appoint a third-party proxyholder to represent them at the MTL Meeting (including Non-Registered MTL Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the MTL Meeting) **MUST submit their duly completed proxy or VIF.** See *"Voting Your MTL Shares by Proxy - Appointing a Proxyholder"* below.

**Voting your MTL Shares by Proxy**

You may vote before the MTL Meeting by completing the enclosed form of proxy or VIF, as further described below.

**Deadline for Proxies**

Any proxy to be used at the MTL Meeting must be received by Odyssey prior to 9:00 a.m. (Vancouver time) on February 12, 2026, or 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the MTL Meeting. Late proxies may be accepted or rejected by the chair of the MTL Meeting in their discretion, and the chair of the MTL Meeting is under no obligation to accept or reject any late proxy.

Registered MTL Shareholders may vote before the MTL Meeting by submitting their proxy to Odyssey by any of the following methods:

(a) Voting by mail: Date and sign the enclosed form of proxy and return it in the envelope provided by Odyssey Trust Company or in an envelope addressed to: Odyssey Trust Company, Proxy Department, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto ON M5E 1J8;

(b) Voting Online: Go to https://vote.odysseytrust.com, enter your control number printed on your form of proxy and follow the instructions on the webpage to vote your MTL Shares;

(c) Voting by Fax: Date and sign your prom of proxy and fax it to 1-800-517-4553; or

(d) Voting by personal drop off or courier: Drop off or courier completed proxy to Odyssey, attention: Proxy Department, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto ON M5E 1J8.

A Non-Registered MTL Shareholder may vote before the MTL Meeting by submitting their VIF before the proxy deadline by any of the following methods:

(a) Voting by Mail: Date and sign the enclosed voting instruction form and return it using the envelope included with the MTL Meeting materials;

(b) Voting Online: Go to www.proxyvote.com, enter your 16-digit control number and follow the instructions on the webpage to vote your MTL Shares; or

(c) Voting by Telephone: Call the toll-free number listed on your VIF, enter your 16-digit control number and follow the instructions on the voice recording to vote your MTL Shares.

**Your Proxy Vote**

On any poll, the Persons named in the proxy will vote the MTL Shares in respect of which they are appointed. The MTL Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given by the MTL Shareholder on any ballot that may be called for and, if the MTL Shareholder specifies a choice with respect to any matter to be acted upon, the MTL Shares will be voted accordingly.

**IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH MTL SHARES WILL BE VOTED IN FAVOUR OF THE ARRANGEMENT RESOLUTION.** The enclosed form of proxy, when properly signed, confers discretionary authority to the proxyholder with respect to amendments or variations to the matters identified in the Notice and with respect to further or other matters which may properly be brought before the MTL Meeting or any postponement or adjournment thereof. At the time of printing this Circular, the management of MTL is not aware that any such amendments, variations or other matters are to be presented for action at the MTL Meeting. However, if any other matters which are not now known to the management should properly come before the MTL Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the proxyholder.

If you sign and return the form of proxy and do not appoint a proxyholder by filling in a name other than those Persons named in the enclosed form of proxy, the Representatives of MTL named as proxyholder will vote as directed in the proxy.

**Appointing a Proxyholder**

**A proxyholder is the Person you appoint to act on your behalf at the MTL Meeting (including any postponement or adjournment of the MTL Meeting) and to vote your MTL Shares. The Persons named in the enclosed form of proxy are directors, officers or appointees of MTL. An MTL Shareholder has the right to appoint a Person (who need not be an MTL Shareholder) to represent the MTL Shareholder at the MTL Meeting, other than the Persons named in the enclosed form of proxy. To exercise this right, an MTL Shareholder must strike out the names of the Persons named in the enclosed form of proxy and insert the name of his, her or its nominee in the blank space provided, or complete another instrument of proxy. The proxy must be signed and dated by the MTL Shareholder or by his or her attorney in writing, or, if the MTL Shareholder is a corporation, it must either be under its corporate seal or signed by a duly authorized officer of such corporation. A proxy will not be valid unless it is deposited with Odyssey prior to the deadline for proxies, set out in *"Voting Your MTL Shares by Proxy- Deadline for Proxies"* above; however, late proxies may be accepted or rejected by the chair of the MTL Meeting in their discretion. The time limit for the deposit of proxies may be waived or extended by the Chair of the MTL Meeting at his or her discretion and without notice.**

The following applies to MTL Shareholders who wish to appoint a Person other than the management nominees set forth in the form of proxy or VIF as proxyholder, including Non-Registered MTL Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the MTL Meeting.

**MTL Shareholders who wish to appoint a third-party proxyholder to attend, participate and vote at the MTL Meeting as their proxyholder and vote their MTL Shares MUST submit their proxy or VIF (as applicable) appointing such third-party proxyholder.**

**If you are a Non-Registered MTL Shareholder and wish to attend, participate and vote at the MTL Meeting, you have to strike out the names of the Persons named in the VIF sent to you by your Intermediary and insert your own name in the space provided. Follow all of the applicable instructions provided by your Intermediary.** By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary.

## Revoking Your Proxy

If you submit a form of proxy, you may revoke it at any time before it is used by doing any one of the following:

- you may send another form of proxy with a later date to Odyssey, but it must reach Odyssey no later than 9:00 a.m. (Vancouver time) on February 12, 2026, or 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the MTL Meeting;

- you may deposit another form of proxy with the chair of the MTL Meeting prior to the commencement of the MTL Meeting; or

- you may revoke your form of proxy in any other manner permitted by law.

If, as a Registered MTL Shareholder, you attend the MTL Meeting in person, you will be revoking any and all previously submitted proxies and will be provided the opportunity to vote on the matters put forth at the MTL Meeting.

If you are a Non-Registered MTL Shareholder and wish to revoke previously provided voting instructions, you should follow carefully the instructions provided by your Intermediary.

Late proxies may be accepted or rejected by the chair of the MTL Meeting in his or her discretion, and the chair of the MTL Meeting is under no obligation to accept or reject any particular late proxy.

## Quorum

The quorum for any meeting of MTL Shareholders is 10% of MTL Shares entitled to vote at the meeting of MTL Shareholders, present in person or represented by proxy. Quorum need not be present throughout the meeting provided there is quorum at the opening of the meeting.

## Voting Shares and Principal Holders Thereof

As of the Record Date, there were 120,302,960 MTL Shares issued and outstanding, with each MTL Share carrying the right to one vote. Only MTL Shareholders of record as of the close of

business on January 9, 2026 are entitled to vote, or have their MTL Shares voted, at the MTL Meeting or at any postponement or adjournment thereof.

To the knowledge of the directors and officers of MTL, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding MTL Shares other than Richard Clément, who controls and directs 43,238,461 MTL Shares (35.99% of the issued and outstanding MTL Shares) and Michel Clément, who controls and directs 43,553,461 MTL Shares (36.25% of the issued and outstanding MTL Shares).

## INFORMATION CONCERNING THE MTL MEETING

### General Information

MTL is delivering this Circular in connection with the solicitation of proxies for use at the MTL Meeting to be held at 9:00 a.m. (Vancouver time) on February 12, 2026, at the offices of Farris LLP at 700 W Georgia St #2500, Vancouver, BC V7Y 1B3.

The MTL Meeting has been called for the purpose of considering special business. The special business consists of the approval of the Arrangement Resolution attached hereto as Appendix "A" which, if passed, and if the Arrangement is completed, will result in, among other things, the acquisition by Canopy of all of the issued and outstanding MTL Shares. The proposed acquisition of the MTL Shares by Canopy will be completed by way of the Plan of Arrangement pursuant to the terms of the Arrangement Agreement as further described herein.

### Approval of the Arrangement Resolution

At the MTL Meeting, MTL Shareholders will be asked to consider, and, if thought advisable, pass, with or without variation, the Arrangement Resolution to authorize and approve the Arrangement. Pursuant to the Interim Order, to be effective, the Arrangement Resolution must be approved by: (a) not less than $66^2/_3$% of the votes cast on the Arrangement Resolution by the MTL Shareholders present or represented by proxy and entitled to vote at the MTL Meeting; and (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, by any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101. See *"Information Concerning the Arrangement - Securities Laws and Considerations".* As of the date of this Circular there are 89,489,363 MTL Shares which are considered Excluded MTL Shares.

**THE MTL BOARD AND THE SPECIAL COMMITTEE, UPON CAREFUL CONSIDERATION, INCLUDING CONSULTATION WITH MTL'S EXTERNAL LEGAL COUNSEL AND THE FINANCIAL ADVISOR, AND TAKING INTO ACCOUNT, AMONG OTHER THINGS, THE RECOMMEDNATION OF THE SPECIAL COMMITTEE AFTER ITS RECEIPT OF THE FAIRNESS OPINION (SEE APPENDIX "I") AS TO THE FAIRNESS OF THE CONSIDERATION, FROM A FINANCIAL POINT OF VIEW, TO THE MTL SHAREHOLDERS, HAS DETERMINED THAT THE ARRANGEMENT IS FAIR TO THE MTL SHAREHOLDERS, AND THE MTL SHAREHOLDERS (EXLUDING THE INTERESTED PARTIES), AND THAT THE**

**ARRANGEMENT IS IN THE BEST INTERESTS OF MTL. THE MTL BOARD UNANIMOUSLY RECOMMENDS THAT THE MTL SHAREHOLDERS VOTE THEIR MTL SHARES IN FAVOUR OF THE ARRANGEMENT RESOLUTION.**

**Unless otherwise directed, the persons designated by management of MTL in the form of proxy accompanying this Circular intend to vote FOR the Arrangement Resolution.** See *"Information Concerning the Arrangement"* for further details regarding the Arrangement and the Arrangement Agreement. The text of the Arrangement Resolution is attached hereto as Appendix "A" and a copy of the Plan of Arrangement is attached hereto as Appendix "B". A description of a Registered MTL Shareholder's Dissent Rights is included under the heading *"Rights of Dissenting Shareholders"*.

## Additional Business

At the MTL Meeting, MTL Shareholders will also transact such further or other business as may properly come before the MTL Meeting or any adjournments or postponements thereof. At the time of printing this Circular, the management of MTL is not aware that any such amendments, variations or other matters are to be presented for action at the MTL Meeting. However, the form of proxy enclosed, when properly signed, confers discretionary authority on the proxyholder with respect to amendments or variations to the matters identified in the Notice and with respect to further or other matters which may properly be brought before the MTL Meeting or any postponement or adjournment thereof. If any other matters which are not now known to the management should properly come before the MTL Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the proxyholder.

# INFORMATION CONCERNING THE ARRANGEMENT

The following summarizes, among other things, the principal elements of the Arrangement and the Plan of Arrangement and the material terms of the Arrangement Agreement and the Support Agreements. This summary may not contain all of the information about the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Support Agreements and the Lock-Up Agreements that is important to MTL Shareholders. This summary is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by MTL on its SEDAR+ profile at www.sedarplus.ca, by reference to the Plan of Arrangement which is attached as Appendix "B" to this Circular, the Support Agreements and the Lock-Up Agreements, each of which has been filed by MTL on its SEDAR+ profile at www.sedarplus.ca.

On December 14, 2025, MTL and Canopy entered into the Arrangement Agreement, as amended by the Amending Agreement, pursuant to which, among other things, Canopy agreed to acquire all of the issued and outstanding MTL Shares in exchange for the Consideration in accordance with the Plan of Arrangement. The Arrangement will be effected pursuant to a court-approved plan of arrangement under the CBCA. Subject to receipt of the Required Approval, the Final Order, and the satisfaction or waiver of certain other conditions, Canopy will acquire all of the issued and outstanding MTL Shares on the Effective Date and MTL will become a wholly-owned subsidiary of Canopy. In addition, pursuant to the Arrangement, Canopy will issue up to an additional 2,956,391 Canopy Shares in exchange for the Release.

**Background to the Arrangement**

The Arrangement Agreement is the result of arm's length negotiations among Representatives of each of MTL and Canopy. The following is a summary of the principal events leading up to the execution by the Parties of the Arrangement Agreement.

The MTL Board and management regularly review and consider MTL's long-term strategic plans and objectives with a view to enhancing shareholder value. As part of these ongoing evaluations the MTL Board, together with management, have, from time to time, considered various strategic opportunities and engaged in dialogue with potential counterparties. At all times, these opportunities were evaluated against the relative merits and risks of MTL continuing as a standalone business enterprise.

In March 2025, Mr. Perron, the Chief Executive Officer of MTL, spoke with Luc Mongeau, Chief Executive Officer of Canopy, and other executives of Canopy's Canadian operations, as part of ordinary course industry dialogue. Further discussions during the spring and summer of 2025 followed, with Mr. Perron and other members of management of MTL holding several meetings with key representatives from Canopy's management team discussing the industry and their respective businesses.

In June 2025, Mr. Perron met with the former Vice President, Corporate Development of Canopy, during which the preliminary idea of a potential transaction was raised between the Parties. Following this meeting, in July 2025, Mr. Perron and Richard Clément, Chair of the MTL Board and Chief Cultivation Officer, had an introductory meeting with Mr. Mongeau and other members of the Canopy executive team.

In late August 2025, Mr. Perron met again with Mr. Mongeau to discuss a potential transaction between the Parties, entering into a confidentiality agreement and potential site visits in connection therewith.

In late September 2025, key representatives of Canopy's management team, including Mr. Mongeau, visited certain members of MTL's executive team, including Mr. Perron, Jason Nalewanyj, Chief Financial Officer of MTL, Mr. Richard Clément and Michel Clément, Chief Operating Officer of MTL, in Montreal to further discuss the potential transaction, including details with respect to potential synergies and the long term vision the companies.

On September 30, 2025, Canopy delivered a non-binding letter of intent to MTL (the "**Canopy LOI**") pursuant to which Canopy proposed to acquire all of the issued and outstanding MTL Shares at a price of $0.80 per MTL Share payable in a combination of cash and Canopy Shares.

On October 1, 2025, the Special Committee was established to examine and assess the merits of the Canopy LOI and at such time, the MTL Board appointed Tarek Ahmed and Yves Metten to serve on the Special Committee.

On October 2, 2025, the MTL Board and the Special Committee convened a joint session to discuss the draft Canopy LOI. Following a lengthy discussion, including careful consideration of the risks and merits of the proposed transaction and potential alternative transactions or maintaining the status quo, the Special Committee and MTL Board determined that in order to maximize value for

its stakeholders, MTL should continue to pursue discussions with Canopy while engaging external legal counsel and management of MTL to negotiate the Canopy LOI. The MTL Board and Special Committee considered a broader sale process but following consideration, they believed it was unlikely that there would be alternative prospective purchasers based, in part, on the fact that MTL's management, which is well connected within the cannabis industry and frequently has discussions with management of various other industry participants as a part of regular industry dialogue, did not believe any of these other industry competitors would be prospective purchasers of MTL. The Parties exchanged drafts of the Canopy LOI throughout the first week of October 2025 and settled on an increased valuation per MTL Share of $0.85 and a minimum cash component of 20% of the consideration. On October 7, 2025, the Special Committee met with Mr. Nalewanyj and external legal counsel regarding the draft Canopy LOI and the engagement of a financial advisor. Following the meeting, on October 8, 2025, MTL entered into the Canopy LOI.

After the meeting of the Special Committee, with the support of external counsel and management of MTL, the Special Committee conducted an assessment of several investment banks to be engaged as financial advisor to the Special Committee. The Special Committee determined that the Financial Advisor would be engaged to act as exclusive financial advisor to the Special Committee. The Financial Advisor was selected as a financial advisor to MTL in connection with the Arrangement because, among other things, the Financial Advisor is an internationally recognized investment banking firm with extensive cannabis industry experience and with the sale of cannabis companies. The Financial Advisor is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions. The Financial Advisor would, among other things, provide financial advice to the Special Committee, and, if requested, provide an opinion to the Special Committee with respect to the fairness, from a financial point of view, of the consideration to be received by MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties), pursuant to a transaction. The engagement of the Financial Advisor was finalized pursuant to an engagement letter dated October 9, 2025, which was subsequently amended on December 8, 2025.

On October 10, 2025, Canopy circulated an initial due diligence request list and on October 18, 2025, Canopy's advisors were granted access to a virtual data room containing confidential information regarding MTL. From the date Canopy and its advisors were granted access to the virtual data room until the signing of the Arrangement Agreement, the Parties engaged in an extensive due diligence process, which included additional site visits, and, in parallel, the negotiation of the terms of the Arrangement Agreement, the Plan of Arrangement, the form of Support Agreement, the form of Lock-Up Agreement and other ancillary documents. During this period, the Special Committee and the MTL Board met several times with management of MTL, the Financial Advisor and external legal counsel regarding the status of Canopy's due diligence and the negotiation of the transaction documents.

On November 3, 2025, Canopy's external legal counsel circulated an initial draft of the Arrangement Agreement. On November 4, 2025, an initial draft of the irrevocable Support Agreement and Lock-Up Agreement were provided by Canopy's external legal counsel.

After a meeting of the Special Committee on November 11, 2025, regarding the draft Arrangement Agreement, Support Agreements and Lock-Up Agreement as well as other aspects of the proposed transaction, including regulatory approvals, the size of the termination fee and the request for

irrevocable Support Agreements and Lock-Up Agreements, a revised draft Arrangement Agreement was circulated to Canopy's external counsel. Between November 11, 2025, and December 14, 2025, several additional iterations of the draft Arrangement Agreement, Support Agreements and Lock-Up Agreement were exchanged among external legal counsel and the Special Committee met with external legal counsel to MTL on numerous occasions to discuss the proposed terms and revisions to such agreements.

On December 4, 2025, Canopy proposed to fix the exchange ratio with respect to the Canopy Shares to be issued pursuant to the Canopy LOI as well as the cash consideration component of the purchase price. A proposed exchange ratio of 0.32 and cash component of $0.144 for each outstanding MTL Share was proposed, which represented a total purchase price of $0.66 per MTL Share based on the closing price of the Canopy Shares on the TSX on December 3, 2025.

On December 8, 2025, the Special Committee met with the Financial Advisor and external legal counsel to MTL to conduct a thorough review of the draft Arrangement Agreement and ancillary documentation as well as a discussion on the proposed exchange ratio and cash consideration and the lack of alternative prospective purchasers of MTL.

On December 12, 2025, the Special Committee met with the Financial Advisor and external legal counsel to MTL to discuss related-party elements to the proposed transaction and Canopy's continued insistence on irrevocable Support Agreements and Lock-Up Agreements.

On December 13, 2025, the MTL Board and Special Committee convened to discuss the proposed transaction with the Financial Advisor and MTL's external legal counsel. During this meeting, the Financial Advisor presented certain financial analysis in relation to MTL and the proposed transaction, and, following its presentation, provided its oral opinion to the MTL Board (including the Special Committee) which reflected the determination that, as of December 13, 2025 (which was subsequently reconfirmed on December 14, 2025), and based upon and subject to the scope of the review, analysis undertaken and various assumptions, limitations and qualifications set forth in the Fairness Opinion, the Consideration to be received by MTL Shareholders pursuant to the Arrangement was fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Interested Parties). The MTL Board meeting adjourned and the Special Committee met alongside the Financial Advisor and external legal counsel to MTL to discuss various aspects of the transaction, including third-party stakeholders, risks, deal certainty, the irrevocable Support Agreements and Lock-Up Agreements and other strategic alternatives that might be available to MTL. The Special Committee, upon careful consideration, including advice from the Financial Advisor and MTL's external legal counsel, determined that the Arrangement was fair to MTL Shareholders and that the Arrangement was in the best interest of MTL and determined to recommend that the MTL Board authorize MTL to enter into the Arrangement Agreement and recommend that MTL Shareholders vote in favour of the Arrangement. The MTL Board meeting then reconvened and the Special Committee unanimously recommended that the MTL Board authorize MTL to enter into the Arrangement Agreement and make a recommendation to MTL Shareholders that they vote in favour of the Arrangement. With Messrs. Michel Clément and Richard Clément declaring an interest in the Arrangement and abstaining from voting, the MTL Board then unanimously voted in favour of the Arrangement, the entering into of the Arrangement Agreement and resolved to the recommend that MTL Shareholders vote in favour of

the Arrangement. The Fairness Opinion was subsequently reconfirmed by the Financial Advisor on December 14, 2025 immediately prior to the signing of the Arrangement Agreement.

On December 14, 2025, MTL and Canopy entered into the Arrangement Agreement pursuant to which Canopy would acquire the MTL Shares for 0.32 of a Canopy Share and $0.144 in cash per MTL Share which, based on the closing price of the Canopy Shares on the TSX on December 12, 2025 (being the last trading day immediately preceding the execution date), represented total consideration of $0.91 per MTL Share. Prior to the open of financial markets on December 15, 2025, MTL and Canopy issued a joint press release announcing the Arrangement. On January 6, 2026, MTL and Canopy entered into the Amending Agreement which replaced Schedule "A" of the Arrangement Agreement with the Plan of Arrangement attached hereto as Appendix "B".

**Principal Steps of the Arrangement**

If the Arrangement Resolution is approved at the MTL Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time. The following description of the steps of the Plan of Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix "B" to this Circular.

Under the Plan of Arrangement, commencing at the Effective Time, the following principal steps will occur and will be deemed to occur sequentially in the following order without any further act or formality, effective as at five-minute intervals starting at the Effective Time:

(a) each MC Shareholder shall and shall be deemed to irrevocably, fully and finally release MTL, Canopy, and their respective affiliates, from any and all obligations owing to such MC Shareholders pursuant to the Share Exchange Agreement, including, for greater certainty, each MC Shareholder's entitlement to the Anti-Dilution Shares (the "**Release**") in exchange for the MC Shareholder Consideration;

(b) each Dissent Share shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, to Canopy (free and clear of any Liens of any nature whatsoever) and Canopy shall thereupon be obligated to pay the amount therefor determined and payable in accordance with the Plan of Arrangement, and

    (i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the holder of such Dissent Share and to have any rights as an MTL Shareholder other than the right to be paid the fair value by Canopy for such Dissent Share as set out in Section 5.1 of the Plan of Arrangement;

    (ii) such Dissenting Shareholder's name shall be, and shall be deemed to be, removed from the register of MTL Shareholders maintained by or on behalf of MTL; and

(iii) Canopy shall be deemed to be the transferee of such Dissent Shares (free and clear of any Liens of any nature whatsoever) and the register of MTL Shareholders maintained by or on behalf of MTL shall be, and shall be deemed to be, revised accordingly;

(c) subject to the withholding rights set out in the Plan of Arrangement, each MTL RSU, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such MTL RSU shall be, and shall be deemed to be, surrendered and disposed of to MTL by the MTL RSU Holder for one MTL Share and the MTL Shares issuable in connection therewith shall be deemed to be issued to such former MTL RSU Holder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such shares; and

(i) such former MTL RSU Holder shall cease to be, and shall be deemed to cease to be, the holder of such MTL RSU and shall cease to have any rights as an MTL RSU Holder in respect of such MTL RSU;

(ii) such former MTL RSU Holder's name shall be, and shall be deemed to be, removed from the register of the MTL RSUs; and

(iii) all agreements, grants and similar instruments relating to such MTL RSU shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL RSU Holder with respect thereto;

(d) subject to the withholding rights set out in the Plan of Arrangement, each MTL DSU, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such MTL DSU shall be, and shall be deemed to be, surrendered and disposed of to MTL by the MTL DSU Holder for one MTL Share and the MTL Shares issuable in connection therewith shall be deemed to be issued to such former MTL DSU Holder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such shares; and

(i) such former MTL DSU Holder shall cease to be, and shall be deemed to cease to be, the holder of such MTL DSU and shall cease to have any rights as an MTL DSU Holder in respect of such MTL DSU;

(ii) such former MTL DSU Holder's name shall be, and shall be deemed to be, removed from the register of the MTL DSUs; and

(iii) all agreements, grants and similar instruments relating to such MTL DSU shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL DSU Holder with respect thereto;

(e) subject to the withholding rights set out in the Plan of Arrangement, each MTL In-The-Money Warrant, shall be, and shall be deemed to be, exercised by the holder thereof on a cashless basis and surrendered and forfeited to MTL (free and clear of

any Liens of any nature whatsoever) and the relevant former MTL In-The-Money Warrant Holder shall receive, from MTL, MTL Warrant Shares having a fair market value equal to the relevant MTL Warrant In-The-Money Amount and the MTL Warrant Shares issuable in connection therewith shall be deemed to be issued to such former MTL In-The-Money Warrant Holder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such MTL Warrant Shares, and

(i) such former MTL In-The-Money Warrant Holder shall cease to be, and shall be deemed to cease to be, the holder of such MTL In-The-Money Warrant and shall cease to have any rights as an MTL Warrant Holder in respect of such MTL In-The-Money Warrant;

(ii) such former MTL In-The-Money Warrant Holder's name shall be, and shall be deemed to be, removed from the register of the MTL Warrants; and

(iii) all warrant agreements, grants and similar instruments relating to such MTL In-The-Money Warrant shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL In-The-Money Warrant Holder with respect thereto;

(f) subject to the withholding rights set out in the Plan of Arrangement, each MTL In-The-Money Option, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such MTL In-The-Money Option shall be, and shall be deemed to be, exercised by the holder thereof on a cashless basis and surrendered and forfeited to MTL (free and clear of any Liens of any nature whatsoever) and the relevant former MTL In-The-Money Optionholder shall receive, from MTL, MTL Option Shares having a fair market value equal to the relevant MTL Option In-The-Money Amount and the MTL Option Shares issuable in connection therewith shall be deemed to be issued to such former MTL In-The-Money Optionholder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such MTL Option Shares, and

(i) such former MTL In-The-Money Optionholder shall cease to be, and shall be deemed to cease to be, the holder of such MTL In-The-Money Option and shall cease to have any rights as an MTL Optionholder in respect of such MTL In-The-Money Option;

(ii) such former MTL In-The-Money Optionholder's name shall be, and shall be deemed to be, removed from the register of the MTL Options; and

(iii) all option agreements, grants and similar instruments relating to such MTL In-The-Money Option shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL In-The-Money Optionholder with respect thereto;

(g) each MTL Share (excluding any Dissent Share and any MTL Share held by Canopy or any of its affiliates but including (i) the MTL Shares issuable pursuant to (c), (d), (e), and (f) above) shall be, and shall be deemed to be, assigned and transferred by the holder thereof, without any further act or formality on its part, to Canopy (free and clear of any Liens of any nature whatsoever), in exchange for the Consideration, less any amounts withheld pursuant to the Plan of Arrangement, and

(i) each holder of such MTL Shares shall cease to be, and shall be deemed to cease to be, the holder thereof and to have any rights as an MTL Shareholder other than the right to be paid the Consideration per MTL Share in accordance with the Plan of Arrangement;

(ii) the name of each such holder shall be, and shall be deemed to be, removed from the register of MTL Shareholders maintained by or on behalf of MTL;

(iii) Canopy shall be deemed to be the transferee of such MTL Shares (free and clear of any Liens of any nature whatsoever) and the register of MTL Shareholders maintained by or on behalf of MTL shall be, and shall be deemed to be, revised accordingly; and

(iv) for greater certainty, applicable amounts may be withheld from the Consideration pursuant to the Plan of Arrangement, and Canopy Shares (payable as Share Consideration) so withheld may be sold pursuant to and in accordance with the Plan of Arrangement to satisfy the withholding and deduction in respect of the surrender, assignment and transfer, of the MTL RSUs, MTL DSUs, MTL In-The-Money Options, and MTL In-The-Money Warrants;

(h) each outstanding MTL Out-Of-The-Money Option shall be exchanged at the Effective Time for a Replacement Option to purchase from Canopy 0.32 of a Canopy Share, at an exercise price per Canopy Share that would otherwise be payable to acquire an MTL Share pursuant to the MTL Out-Of-The-Money Option it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Canopy Shares issuable pursuant to the relevant former MTL Out-Of-The-Money Option holder's Replacement Options having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, all other terms and conditions of such Replacement Option, including the conditions to and manner of exercise (provided any Replacement Option shall be exercisable at the offices of Canopy), shall be as nearly equivalent as practicable as the terms and conditions of the certificates governing the MTL Out-Of-The-Money Option so exchanged, and shall be governed by the terms of the Canopy Equity Incentive Plan, and any document evidencing an MTL Out-Of-The-Money Option shall thereafter evidence and be deemed to evidence such Replacement Option. Each MTL Out-Of-The-Money Option shall cease to be, and shall be deemed to cease to be, an option or right to acquire MTL Shares;

(i) each outstanding MTL Out-Of-The-Money Warrant shall be exchanged at the Effective Time for a Replacement Warrant to purchase from Canopy 0.32 of a Canopy Share, at an exercise price per Canopy Share that would otherwise be payable to acquire an MTL Share pursuant to the MTL Out-Of-The-Money Warrant it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Canopy Shares issuable pursuant to the relevant former MTL Out-Of-The-Money Warrant holder's Replacement Warrants having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, the term to expiry, conditions to and manner of exercise (provided any Replacement Warrant shall be exercisable at the offices of Canopy) and other terms and conditions of each of the Replacement Warrants shall be as nearly equivalent as practicable to the terms and conditions of the certificates governing the MTL Out-Of-The-Money Warrant for which it is exchanged, and any document evidencing an MTL Out-Of-The-Money Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant. Each MTL Out-Of-The-Money Warrant shall cease to be, and shall be deemed to cease to be, a warrant or right to acquire MTL Shares;

(j) each outstanding MTL Compensation Option shall be exchanged at the Effective Time for a Replacement Compensation Option to purchase from Canopy 0.32 of a Canopy Unit, at an exercise price per Canopy Unit that would otherwise be payable to acquire an MTL Unit pursuant to the MTL Compensation Option it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Canopy Units issuable pursuant to the relevant former MTL Compensation Optionholder's Replacement Compensation Options having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, the term to expiry, conditions to and manner of exercise (provided any Replacement Compensation Option shall be exercisable at the offices of Canopy) and other terms and conditions of each of the Replacement Compensation Options shall be as nearly equivalent as practicable to the terms and conditions of the certificates governing the MTL Compensation Option for which it is exchanged and any document evidencing an MTL Compensation Option shall thereafter evidence and be deemed to evidence such Replacement Compensation Option. Each MTL Compensation Option shall cease to be, and shall be deemed to cease to be, an option or right to acquire MTL Units, MTL Shares and MTL Unit Warrants; and

(k) in exchange for the Release from each MC Shareholder, Canopy shall issue Canopy Shares with a legend imposing an 18-month transfer restriction to each MC Shareholder based on such MC Shareholder's pro rata entitlement to the MC Shareholder Consideration, which shall and shall be deemed to be received in full and final satisfaction of the Release.

**Effect of the Arrangement**

If completed, the Arrangement will result in the issuance, at the Effective Time, of 0.32 of a Canopy Share and $0.144 in cash for each MTL Share held by MTL Shareholders at the Effective

Time (excluding any Dissent Shares and any MTL Shares held by Canopy and its affiliates). As of the Record Date there are 120,302,960 MTL Shares outstanding (on a non-diluted basis). In addition, as of the Record Date an aggregate of 35,445,518 MTL Shares were issuable upon the settlement or exercise, as applicable, of MTL RSUs, MTL DSUs, MTL Options, MTL Warrants, and Compensation Options.

Based on the foregoing and assuming that the current number of MTL Shares and Canopy Shares outstanding does not change from the respective dates of the information provided herein and assuming the closing price of MTL Shares on the CSE on the Record Date, which is equal to $0.67, is the closing price of the MTL Shares on the last trading date immediately prior to the Effective Date, and including (i) the deemed vesting and exercise, as applicable, of the MTL RSUs, MTL DSUs, MTL In-The-Money Options and MTL In-The-Money Warrants, pursuant to the third, fourth, fifth and sixth steps of the Plan of Arrangement and (ii) the exchange of the Release for Canopy Shares pursuant to the 11$^{th}$ step of the Plan of Arrangement, after giving effect to the Arrangement, there will be, approximately 422,186,658 Canopy Shares issued and outstanding, of which (i) former MTL Shareholders and the MC Shareholders are expected to hold approximately 41,367,633 Canopy Shares, representing approximately 10.50% of the issued and outstanding Canopy Shares; and (ii) existing shareholders of Canopy are expected to hold approximately 377,862,634 Canopy Shares, representing approximately 89.50% of the issued and outstanding Canopy Shares. The number of Canopy Shares issued and outstanding after giving effect to the Arrangement and the number of Canopy Shares issuable to MTL Shareholders upon completion of the Arrangement is subject to change due to tax withholdings by MTL on MTL RSUs, MTL DSUs, MTL In-The-Money Options and MTL In-The-Money Warrants in accordance with the terms of the Plan of Arrangement.

See *"Additional Information Concerning Canopy"* in Appendix "G" and *"Additional Information Concerning Canopy Following the Completion of the Arrangement"* in Appendix "H" to this Circular for further information regarding the rights attached to the Canopy Shares.

**Recommendation of the Special Committee**

After consultation with MTL's external legal counsel and with the Financial Advisor and after receiving the Fairness Opinion, the Special Committee determined that that the Arrangement is fair to the MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties), and that entering into of the Arrangement Agreement is in the best interests of MTL. The Special Committee unanimously recommended that the MTL Board authorize MTL to enter into the Arrangement Agreement and recommended that MTL Shareholders vote **FOR** the Arrangement Resolution.

**Recommendation of the MTL Board**

After consultation with MTL's external legal counsel and with the Financial Advisor and after receiving the recommendation of the Special Committee that received the Fairness Opinion, the MTL Board determined that that the Arrangement is fair to the MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties), and that entering into of the Arrangement Agreement is in the best interests of MTL. The MTL Board approved the Arrangement and the

entering into of the Arrangement Agreement. The MTL Board unanimously recommends that the MTL Shareholders vote their MTL Shares **FOR** the Arrangement Resolution.

**Reasons for the Arrangement**

The Arrangement Agreement was the result of arm's-length negotiations between the Parties. In reaching its conclusions and formulating its recommendation that MTL Shareholders vote **FOR** the Arrangement Resolution, the Special Committee and the MTL Board reviewed and considered a significant amount of information and considered a number of factors relating to the Arrangement with the benefit of advice from the Financial Advisor, MTL's external legal counsel and input from MTL's senior management team. The MTL Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations. In negotiating the terms of the Arrangement Agreement, the MTL Board considered various factors including the respective market value of MTL Shares and Canopy Shares and various measures of assets, liabilities, contingent liabilities and risks as applicable to each of MTL and Canopy. **The following is a summary of the principal reasons for the unanimous recommendation of the MTL Board that MTL Shareholders vote FOR the Arrangement Resolution:**

(a) *Significant Premium to MTL Shareholders.* The Arrangement provides MTL Shareholders with a significant premium per MTL Share of approximately 82% to the closing price of the MTL Shares on the CSE on December 12, 2025, and approximately 57% to the 30-day volume weighted average trading price of the MTL Shares on the CSE based on the closing price of the Canopy Shares on the TSX on December 12, 2025.

(b) *Immediate Liquidity and Meaningful Increase in Trading Liquidity*. The MTL Shareholders will receive immediate and fixed liquidity for their MTL Shares from the Cash Consideration portion of the Consideration to be received by MTL Shareholders pursuant to the Arrangement. In addition to the Cash Consideration, MTL Shareholders will also receive the Share Consideration as a portion of the Consideration. The Canopy Shares to be received should have substantially more trading liquidity than the MTL Shares have had historically, are listed on the Nasdaq and TSX, and have had an average daily trading volume in excess of $35 million per day, providing significant liquidity and monetizable value for MTL Shareholders, which is of particular benefit to MTL Shareholders given the lack of liquidity in the MTL Shares.

(c) *Exposure to Global Cannabis Market*. Through the Share Consideration portion of the Consideration payable pursuant to the Arrangement, MTL Shareholders will receive exposure to Canopy's diversified global cannabis platform outside of Canada through its operations in Europe and Australia and the highly differentiated, and indirect exposure, into the United States, the largest cannabis market in the world, through its unconsolidated, non-controlling interest in Canopy USA.

(d) *Participation by MTL Shareholders in the Future of Canopy.* The MTL Shareholders will receive Canopy Shares as a portion of the Consideration pursuant

to the Arrangement and will have the opportunity to participate in the future growth of Canopy.

(e) *Enhanced Scale and Access to Capital.* MTL has historically faced challenges accessing capital markets for equity with no history of substantial equity financing or analyst coverage. If the Arrangement is completed, MTL Shareholders will, through their ownership in Canopy Shares, benefit from an enhanced capital markets presence and a broader shareholder group, with strengthened access to growth capital in the form of both debt and equity.

(f) *Canopy Management.* If the Arrangement is completed, MTL Shareholders will, through their ownership in Canopy Shares, benefit from the expertise of Canopy's management and Canopy's commitment to performance and brand excellence.

(g) *Strengthen Canopy's Leadership Capabilities Through Retention of Key MTL Management.* Canopy expects to retain core members of MTL's leadership team, including its experience in cultivation and operations. MTL has proven expertise in high-quality flower production, genetics selection, supply chain management, and facility operations. MTL Shareholders will, through their ownership in Canopy Shares, benefit as this will complement Canopy's existing capabilities and reinforce operational discipline through integration and ongoing cultivation improvement.

(h) *Expected to Elevate Canopy to the Leading Position in Canada's Medical Cannabis Market.* MTL's complementary patient network, strategically located clinics under the Canada House brand and established online medical channel, Abba Medix, expands Canopy's ability to reach and support patients nationwide. With the addition of MTL, Canopy's Canadian medical cannabis business is expected to establish Canopy as the leading medical cannabis provider in Canada.

(i) *Elevated Share in Canada Adult-Use Market.* Canopy intends to leverage its broad distribution network and key relationships to expand the distribution of MTL's flower, pre-rolled joints and hash product portfolio in British Columbia, Alberta and Ontario.

(j) *Cost Synergies*. The Arrangement is expected to achieve potential cost synergies estimated at approximately $10 million, on an annualized basis, over a period of 18 months, which are expected to be realized from anticipated operating efficiencies and corporate integration.

(k) *Review of Alternative Strategic Options including Continuation of Standalone Business Plan.* The MTL Board also considered a number of other strategic options, including continuing MTL's standalone business strategy. The MTL Board and Special Committee determined that the Arrangement would minimize execution risk, including to refinance or repay MTL's significant indebtedness, as compared to the uncertainty associated with pursuing a standalone business strategy given the small nature of operations of MTL. The MTL Board and Special Committee

concluded that the Arrangement would provide greater opportunities for MTL and, in turn, greater value to MTL Shareholders.

(l) *Fairness Opinion.* The Financial Advisor provided the Fairness Opinion to the MTL Board (including the Special Committee). The Fairness Opinion provides that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Interested Parties).

(m) *Support of MTL Shareholders.* Certain directors and officers entered into the Support Agreements and the Lock-Up Agreements, as applicable, representing approximately 75% of the issued and outstanding MTL Shares pursuant to which they each agreed, among other things and subject to the terms of their respective agreements, to vote all of the MTL Shares held by them in favour of the Arrangement.

(n) *Superior Proposal.* Pursuant to the Arrangement Agreement, the MTL Board remains able to respond to an unsolicited written Acquisition Proposal on the specific terms and conditions set forth in the Arrangement Agreement.

In the course of their deliberations, the Special Committee and the MTL Board also considered a variety of risks and other factors (as described in greater detail under "*Risk Factors*"), including the following:

(a) *Non-Completion*. The risks to MTL and the MTL Shareholders if the Arrangement is not completed or is delayed, including the costs to MTL in pursuing the Arrangement and the diversion of management from the conduct of MTL's business in the ordinary course and the potential adverse impacts that may have on MTL's business and the price of MTL Shares. There can be no assurance that the conditions to completion of the Arrangement in the Arrangement Agreement will be satisfied and, as a result, the Arrangement may not be consummated.

(b) *No Longer a Public Company*. Following the Arrangement, MTL will no longer exist as a public corporation. The MTL Shareholders will forgo any potential future increase in value of the MTL Shares.

(c) *Restrictions on the Conduct of Business*. The restrictions on the conduct of MTL's business prior to the completion of the Arrangement, requiring MTL to conduct its business in a proper and prudent manner and in accordance with good industry practice and applicable Laws, subject to specific exceptions, may delay or prevent MTL from undertaking business opportunities that may arise pending completion of the Arrangement.

(d) *Non-Solicitation Covenants*. The customary limitations contained in the Arrangement Agreement on MTL's ability to solicit additional interest from third parties, Canopy's right under the Arrangement Agreement to match a Superior

Proposal, the Supporting Shareholders' and Locked-Up Shareholders' requirement to comply with the terms of the Support Agreements and Lock-Up Agreements, as applicable, and vote in favour of the Arrangement Resolution even if the MTL Board makes a Change of Recommendation and that the quantum of the Termination Fee may discourage other parties from making a Superior Proposal.

(e) *No Auction*. Prior to entering into the Arrangement Agreement, MTL and the Financial Advisor considered and discussed various other potential strategic and financial counterparties and were reasonably satisfied that Canopy constituted the party most able to complete a transaction on terms as favourable to MTL and its stakeholders as represented by the Arrangement but no formal or broad auction process was undertaken.

(f) *Fixed Consideration*. As the Cash Consideration and Share Consideration were fixed as at signing of the Arrangement Agreement, the value of the Consideration to be received by the MTL Shareholders as of the Effective Date may differ from the value of the Consideration as of the date of signing the Arrangement Agreement.

(g) *Fees and Expenses*. The substantial time, effort, fees and expenses associated with the Arrangement, a significant portion of which will be incurred regardless of whether the Arrangement is consummated, which could disrupt the operation of MTL's business.

(h) *Irrevocable Support Agreements and Lock-Up Agreements*. The limitations contained in the Support Agreements and the Lock-Up Agreements, as applicable, agreed to in favour of Canopy restrict the ability of MTL Shareholders holding approximately 75% of the issued and outstanding MTL Shares to vote, support, or participate (in their capacity as MTL Shareholders) in connection with a Superior Proposal, which may discourage other parties from making a Superior Proposal.

(i) *Strategic and other Benefits*. For MTL Shareholders that retain their Share Consideration, the possibility that Canopy will not realize all of the anticipated strategic and other benefits of the Arrangement, including as a result of the challenges of combining the businesses, operations and workforces of Canopy and MTL.

All of the directors of MTL voted to approve the Arrangement at the December 14, 2025, meeting of the MTL Board, with the exception of Messrs. Michel Clément and Richard Clément who abstained from voting due to their disclosed interests in the transaction.

To be effective, the Arrangement must be approved by the MTL Shareholders in accordance with the Interim Order dated January 14, 2026, and by the Court pursuant to the Final Order. The Court has broad discretion under the CBCA when making orders with respect to arrangements. The Court, when hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement, from a substantive and procedural point of view. Proceeding under Section 192 of the CBCA allowed the parties to structure the Arrangement in a manner that would

not have been practicable under other provisions of the CBCA, including allowing the Canopy Shares, the Replacement Options, the Replacement Warrants and the Replacement Compensation Options issued in connection with the Arrangement to be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereunder.

In its review of the proposed terms of the Arrangement, the MTL Board also considered a number of elements of the transaction that provided protection to the MTL Shareholders:

(a) The Arrangement Resolution must be approved by:

(i) not less than $66^2/_3\%$ of the votes cast by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and

(ii) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, by any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

(b) The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court determines that the Arrangement is fair and reasonable to the MTL securityholders.

(c) Registered MTL Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise Dissent Rights and receive the fair value of their MTL Shares in accordance with Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order.

**Interests of Certain Persons in the Arrangement**

In considering the Arrangement and the recommendation of the MTL Board with respect to the Arrangement Resolution, MTL Shareholders should be aware that the directors and executive officers of MTL have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement. The MTL Board is aware of these interests and considered them along with other matters described above under *"Information Concerning the Arrangement – Reasons for the Arrangement"*. These interests and benefits are described below.

Except as otherwise disclosed below or elsewhere in this Circular, all benefits received, or to be received, by directors or executive officers of MTL as a result of the Arrangement are, and will be, solely in connection with their services as directors or employees of MTL. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for MTL Shares, nor is it, or will it be, conditional on the person supporting the Arrangement.

**Severance Payments**

In connection with completion of the Arrangement, the following executive officers of MTL will be entitled to the severance payments indicated below pursuant to the terms of pre-existing agreements:

- Richard Clément, the Chief Cultivation Officer of MTL, is required to tender a resignation in connection with the Arrangement and upon completion of the Arrangement, will receive a lump sum payment in the amount of $900,000, which is equivalent to the severance he is entitled to receive pursuant to the terms of his existing employment agreement with MTL dated April 1, 2021;

- Michel Clément, the Chief Operating Officer of MTL, is required to tender a resignation in connection with the Arrangement and upon completion of the Arrangement, will receive a lump sum payment in the amount of $1,100,000, which is equivalent to the severance he is entitled to receive pursuant to the terms of his employment agreement with MTL dated April 1, 2021; and

- Jason Nalewanyj, the Chief Financial Officer of MTL, is required to tender a resignation in connection with the Arrangement and upon completion of the Arrangement, will receive a lump sum payment in the amount of $800,000, which is equivalent to the severance he is entitled to receive pursuant to the terms of his consulting agreement with MTL dated April 1, 2024.

**Vesting of Securities**

Pursuant to the terms of the Plan of Arrangement, all unvested MTL RSUs, MTL DSUs and MTL In-The-Money Options, will automatically vest. The chart below sets out such MTL RSUs, MTL DSUs and MTL In-The-Money Options which will vest in accordance with the Arrangement:

| Director or Officer of MTL | Previously Unvested Securities of MTL[(1)] |
|---|---|
| Michael Perron | 1,000,000 MTL RSUs<br>1,500,000 MTL DSUs<br>250,000 MTL Options |
| Jason Nalewanyj | 1,000,000 MTL RSUs<br>1,500,000 MTL DSUs<br>250,000 MTL Options |
| Tarek Ahmed | 125,000 MTL Options |
| Yves Matten | 125,000 MTL Options |
| Erik Bertacchini | 250,000 MTL Options |

**Note**:

(1) All such MTL Options will automatically vest in connection with the Arrangement; provided that such MTL Options constitute MTL In-The-Money Options pursuant to and in accordance with the Plan of Arrangement.

**MC Shareholder Consideration**

Pursuant to the terms of the Plan of Arrangement, the following directors and executive officers of MTL will be entitled to receive Canopy Shares outside of their capacity as MTL Shareholders as further described below:

- The Michel Clément Family Trust, which is controlled by Michel Clément, the Chief Operating Officer of MTL, will receive 1,367,247 Canopy Shares in connection with the Release, representing its pro-rata portion of the MC Shareholder Consideration; and

- The Richard Clément Family Trust, which is controlled by Richard Clément, the Chief Cultivation Officer of MTL, will receive 1,367,247 Canopy Shares in connection with the Release, representing its pro-rata portion of the MC Shareholder Consideration.

**Employment and Consulting Agreements**

In connection with the Arrangement, on December 14, 2025 (i) Michel Clément entered into a consulting agreement with Canopy (the "**Michel Consulting Agreement**"); (ii) Richard Clément entered into a consulting agreement with Canopy (the "**Richard Consulting Agreement**", together with the Michel Consulting Agreement, the "**Consulting Agreements**"); and (iii) Michael Perron entered into an employment agreement with Canopy (the "**Perron Employment Agreement**"). Each of the Consulting Agreements and the Perron Employment Agreement are conditional upon the completion of the Arrangement.

Pursuant to the Perron Employment Agreement, upon completion of the Arrangement Michael Perron will be (a) entitled to a base salary of $450,000 and a discretionary annual performance bonus of no more than 40% of his base salary; (b) eligible, at the discretion of the Canopy Board, to receive an annual long-term incentive award of 45% of his salary under the Canopy Equity Incentive Plan, subject to applicable vesting requirements (c) entitled to, at the discretion of the Canopy Board, a one-time equity award consisting of (i) restricted stock units with a grant date Fair Market Value (as such term is defined in the Canopy Equity Incentive Plan) equal to $30,000, and (ii) stock options with an exercise price equal to the Fair Market Value of a Canopy Share on the date of grant and an aggregate exercise price of $20,000; and (d) entitled to a retention bonus equal to 12 months base salary in the event that during the first year of employment Michael Perron does not resign and is not terminated for Cause (as defined in the Perron Employment Agreement).

Pursuant to the Richard Consulting Agreement, upon completion of the Arrangement, Richard Clément will be (a) entitled to a fixed monthly rate of $25,000 for each month of service provided to Canopy under the Richard Consulting Agreement; and (b) a one-time grant of performance stock units under the Canopy Equity Incentive Plan with a value of $2,000,000, that will vest subject to various performance objectives over an 18-month period.

Pursuant to the Michel Consulting Agreement, upon completion of the Arrangement, Michel Clément will be (a) entitled to a fixed monthly rate of $25,000 for each month of service provided to Canopy under the Michel Consulting Agreement; and (b) a one-time grant of performance stock units under the Canopy Equity Incentive Plan with a value of $2,000,000, that will vest subject to various performance objectives over an 18-month period.

**Payout of Indebtedness**

In accordance with the terms of the Arrangement Agreement and in connection with the Arrangement, Canopy has agreed to fully repay all material indebtedness of MTL, which, among other things, is comprised of the MTL Credit Facility and the following related party loan amounts:

- Promissory note issued by MTL to The Richard Clément Family Trust, which is controlled by Richard Clément, with an aggregate principal amount of $2,312,358.35, representing the portion of the earn-out payments that remain outstanding under the Share Exchange Agreement and bearing interest at a rate of 17% per annum ($2,493,292.09 owing as of the date hereof);

- Promissory note issued by MTL to The Michel Clément Family Trust which is controlled by Michel Clément, with an aggregate principal amount of $2,312,358.35, representing the portion of the earn-out payments that remain outstanding under the Share Exchange Agreement and bearing interest at a rate of 17% per annum ($2,493,292.09 owing as of the date hereof); and

- Promissory note issued by MTL to 9336-4644 Quebec Inc., a company owned and controlled by Michel Clément and Richard Clément, with an aggregate principal amount of $3,530,515.91, representing loans owing by MTL and bearing interest at a rate of 17% per annum ($3,806,766.79 owing as of the date hereof).

**MTL Shares**

As of the Record Date, to the knowledge of MTL, the directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, collectively own, control or direct, in the aggregate, 89,509,363 MTL Shares, representing approximately 74.4% of the outstanding MTL Shares on a non-diluted basis. All of the MTL Shares held by the directors and executive officers of MTL will be treated in the same manner under the Arrangement as the MTL Shares held by every other MTL Shareholder. The directors and executive officers of MTL intend to vote their MTL Shares **FOR** the Arrangement Resolution.

As of the date of this Circular, to the knowledge of MTL, the directors and executive officers of MTL, as a group, do not beneficially own, or control or direct, directly or indirectly, any Canopy Shares.

Following the completion of the Arrangement, assuming that the current number of MTL Shares and Canopy Shares outstanding does not change from the respective dates of the information provided herein and assuming the closing price of MTL Shares on the CSE on the Record Date, which is equal to $0.67, is the closing price of the MTL Shares on the last trading date immediately prior to the Effective Date, and including (i) the deemed vesting and exercise, as applicable, of the MTL RSUs, MTL DSUs, MTL In-The-Money Options and MTL In-The-Money Warrants, and (ii) the exchange of the Release for Canopy Shares, in each case, pursuant to the Plan of Arrangement, it is expected that there will be approximately 422,186,658 Canopy Shares issued and outstanding and that the directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, will beneficially own, directly and

indirectly, or exercise control or direction over, in the aggregate, approximately 33,612,011 Canopy Shares, representing approximately 7.96% of the outstanding Canopy Shares on a non-diluted basis at such time.

The MTL Shares held by each current and former director and executive officer of MTL are set out in the table below under the heading *"Summary of Interests of MTL Directors and Executive Officers in the Arrangement"*.

**MTL RSUs**

As of the Record Date, the directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, collectively hold an aggregate of 2,000,000 MTL RSUs. All MTL RSUs held by directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, and their associates and affiliates will be treated in the same fashion under the Arrangement as MTL RSUs held by other MTL RSU Holders.

The MTL RSUs held by each current and former director and executive officer of MTL are set out in the table below under *"Summary of Interests of MTL Directors and Executive Officers in the Arrangement"*.

**MTL DSUs**

As of the Record Date, the directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, collectively hold an aggregate of 3,000,000 MTL DSUs. All MTL DSUs held by directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, and their associates and affiliates will be treated in the same fashion under the Arrangement as MTL DSUs held by other MTL DSU Holders.

The MTL DSUs held by each current and former director and executive officer of MTL are set out in the table below under *"Summary of Interests of MTL Directors and Executive Officers in the Arrangement"*.

**MTL Options**

As of the Record Date, the directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, collectively hold an aggregate of 2,000,000 MTL Options. All MTL Options held by directors and executive officers of MTL, and anyone who has held office as such since the beginning of MTL's last financial year, and their associates and affiliates will be treated in the same fashion under the Arrangement as MTL Options held by other MTL Optionholders.

The MTL Options held by each current and former director and executive officer of MTL are set out in the table below under *"Summary of Interests of MTL Directors and Executive Officers in the Arrangement"*.

### Insurance and Indemnification

Pursuant to the Arrangement Agreement, prior to the Effective Date, MTL has agreed to purchase customary "tail" or "run-off" policies of directors' and officers' liability insurance, and Canopy has agreed to, or to cause MTL and its subsidiaries to, maintain such tail policies in effect for six years following the Effective Date; provided that the total cost of such policies will not exceed 300% of the current annual premium for policies currently maintained by MTL or its subsidiaries.

The Arrangement Agreement provides that, from and after the Effective Time, Canopy will, or will cause MTL to honour all rights to indemnification existing in favour of present and former officers and directors of MTL and its subsidiaries to the extent that they are contained in the constating documents of MTL or by contracts or agreements to which MTL is a party and that have been disclosed to Canopy, for a period of six years from the Effective Date, subject to certain limitations described in the Arrangement Agreement

The applicable provisions of the Arrangement Agreement are intended for the benefit of, and will be enforceable by, each indemnified person, his or her heirs and his or her legal representatives and, for such purpose, MTL has confirmed that it will hold the rights and benefits of such indemnified persons in trust for and on behalf of such indemnified persons.

### Summary of Interests of MTL Directors and Executive Officers in the Arrangement

To the knowledge of MTL the following table sets out the MTL Shares, MTL RSUs, MTL DSUs, MTL Options and MTL Warrants beneficially owned, directly or indirectly, or over which control or direction was exercised, by the current and former directors and executive officers of MTL, or their respective associates or affiliates, as of the Record Date.

The MTL Board was aware of these interests, and the other interests disclosed in this Circular, and considered them, among other matters, when recommending approval of the Arrangement Resolution to MTL Shareholders.

| Name, Residence and Positions Held[(1)] | Number of MTL Shares Owned or Over Which Control or Direction is Exercised[(1)(2)] | Number of MTL RSUs Owned[(2)(3)] | Number of MTL DSUs Owned[(2)(3)] | Consideration to be received Pursuant to the Arrangement[(4)] | Number of MTL Options Owned[(2)(3)] | Number of MTL Warrants Owned[(2)(3)] |
|---|---|---|---|---|---|---|
| **Erik Bertacchini** *Louiseville, Quebec* Director | 2,601,941 | - | - | $374,679.50 in Cash Consideration<br><br>832,621 Canopy Shares representing the Share Consideration payable | 500,000 | 19,250 |

| Name, Residence and Positions Held[(1)] | Number of MTL Shares Owned or Over Which Control or Direction is Exercised[(1)(2)] | Number of MTL RSUs Owned[(2)(3)] | Number of MTL DSUs Owned[(2)(3)] | Consideration to be received Pursuant to the Arrangement[(4)] | Number of MTL Options Owned[(2)(3)] | Number of MTL Warrants Owned[(2)(3)] |
|---|---|---|---|---|---|---|
| **Richard Clément** *Point-Claire, Quebec* Chief Cultivation Officer and Director | 43,238,461 | - | - | $6,226,338.38 in Cash Consideration<br><br>13,836,307 Canopy Shares representing the Share Consideration payable | - | - |
| **Michel Clément** *St-Lazare, Quebec* Chief Operating Officer and Director | 43,553,461 | - | - | $6,268,818.38 in Cash Consideration<br><br>13,930,707 Canopy Shares representing the Share Consideration payable | - | - |
| **Yves Metten** *Hudson, Quebec* Director | - | - | - | - | 250,000 | - |
| **Tarek Ahmed** *Calgary, Alberta* Director | 38,500 | - | - | $5,544.00 in Cash Consideration<br><br>12,320 Canopy Shares representing the Share Consideration payable | 250,00 | 19,250 |

| Name, Residence and Positions Held[(1)] | Number of MTL Shares Owned or Over Which Control or Direction is Exercised[(1)(2)] | Number of MTL RSUs Owned[(2)(3)] | Number of MTL DSUs Owned[(2)(3)] | Consideration to be received Pursuant to the Arrangement[(4)] | Number of MTL Options Owned[(2)(3)] | Number of MTL Warrants Owned[(2)(3)] |
|---|---|---|---|---|---|---|
| **Michael Perron** *Toronto, Ontario* Chief Executive Officer | 77,000 | 1,000,000 | 1,500,000 | $371,088.00 in Cash Consideration<br><br>824,640 Canopy Shares representing the Share Consideration payable | 500,000 | 38,500 |
| **Jason Nalewanyj** *Vancouver, British Columbia* Chief Financial Officer | - | 1,000,000 | 1,500,000 | $360,000.00 in Cash Consideration<br><br>800,000 Canopy Shares representing the Share Consideration payable | 500,000 | - |

**Notes:**

(1) The information as to city and country of residence and number of MTL Shares has been furnished by the respective individual named above.

(2) Information as to the number of MTL Shares, MTL RSUs, MTL DSUs, MTL Options and MTL Warrants, are each presented as of the date of this Circular.

(3) All such MTL RSUs, MTL DSUs and MTL Options that constitute MTL In-The-Money Options and MTL Warrants that constitute MTL In-The-Money Warrants will be settled for MTL Shares, with such MTL Shares then being acquired by Canopy in exchange for the Consideration, all in accordance with the terms of the Arrangement. Where any MTL Options or MTL Warrants do not constitute MTL In-The-Money Options or MTL In-The-Money Warrants, respectively, such securities will be exchanged for Replacement Options or Replacement Warrants, as applicable, pursuant to and in accordance with the terms of the Arrangement.

(4) The Consideration disclosed in this table excludes the Consideration that would be payable in connection with the settlement of any MTL In-The-Money Options or MTL In-The-Money Warrants pursuant to and in accordance with the terms of the Arrangement, which will become ascertainable once the applicable MTL Option In-The-Money Amount or MTL Warrant In-The-Money Amount is known in accordance with the terms of the Plan of Arrangement.

## Support Agreements and Lock-Up Agreements

On December 14, 2025, in connection with the Arrangement, Canopy entered into (a) Support Agreements with all of the directors and executive officers of MTL, other than Richard Clément and Michel Clément (collectively, the "**Supporting Shareholders**"); and (b) the Lock-Up Agreements with Richard Clément and Michel Clément.

As of the Record Date, to the knowledge of MTL, the Supporting Shareholders and Locked-Up Shareholders beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 89,509,363 MTL Shares, representing approximately 74.4% of the MTL Shares issued and outstanding as of such date. The Supporting Shareholders and Locked-Up Shareholders have agreed, subject to the terms of the Support Agreements and the Lock-Up Agreements, as

applicable, to, among other things, vote all of the MTL Shares owned legally or beneficially, directly or indirectly, or controlled or directed, by such Supporting Shareholder and Locked-Up Shareholder, as applicable in favour of the Arrangement Resolution.

**The following is a summary of the material terms of the Support Agreements and Lock-Up Agreements. This summary does not purport to be complete and is qualified in its entirety by the complete text of the Support Agreements and Lock-Up Agreements, copies of which are available under MTL's SEDAR+ profile at www.sedarplus.ca.**

**Supporting Shareholders and Locked-Up Shareholders**

Pursuant to the Support Agreements and Lock-Up Agreements entered into between Canopy and the Supporting Shareholders and Lock-Up Shareholders, as applicable, each Supporting Shareholder and Locked-Up Shareholder has agreed, among other things:

(a) to cause their MTL Shares or other convertible securities of MTL which have a right to vote to be voted in favour of the approval of the Arrangement and any other matter necessary for the consummation of the Arrangement;

(b) to cause their MTL Shares or other convertible securities of MTL which have a right to vote to be voted against any Acquisition Proposal and/or any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Arrangement and each of the transactions contemplated by the Arrangement Agreement (the "**Prohibited Matters**");

(c) to revoke any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the matters set forth in the Support Agreement or Lock-Up Agreement, as applicable;

(d) subject to the fiduciary obligations of the Supporting Shareholder or the Locked-Up Shareholder, as applicable, to immediately cease and cause to be terminated any existing solicitation, encouragement, discussion or negotiation commenced prior to the date of the Support Agreement or Lock-Up Agreement, as applicable, with any person with respect to any potential Acquisition Proposal, whether or not initiated by the Supporting Shareholder or Locked-Up Shareholder, as applicable;

(e) not to, directly or indirectly, (i) transfer, assign, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber any of their MTL securities to any person, other than pursuant to the Arrangement Agreement, or (ii) grant any proxies or power of attorney, deposit any of their MTL securities into any voting trust or enter into any voting arrangement with respect to their MTL securities, other than pursuant to the Arrangement Agreement;

(f) subject to the fiduciary obligations of the Supporting Shareholder or the Locked-Up Shareholder, as applicable, not to take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of,

or delay or interfere with the completion of the transactions contemplated by the Arrangement Agreement;

(g) subject to the fiduciary obligations of the Supporting Shareholder or the Locked-Up Shareholder, as applicable, to use reasonable efforts to cooperate with MTL and Canopy to successfully complete the Arrangement and the Support Agreements or the Lock-Up Agreements, as applicable, and to oppose any of the Prohibited Matters;

(h) not to exercise any rights of appraisal or rights of dissent with respect to the Arrangement or the transactions contemplated by the Arrangement Agreement that the Supporting Shareholder or the Locked-Up Shareholder, as applicable, may have;

(i) subject to the fiduciary obligations of the Supporting Shareholder or the Locked-Up Shareholder, as applicable, not, directly or indirectly, through any officer, director, employee, representative, agent or otherwise, and shall not permit any such person to:

i. make, initiate, solicit, promote, entertain or encourage, or take any other action that facilitates, directly or indirectly, any inquiry or the making of any inquiry, proposal or offer with respect to an Acquisition Proposal or that reasonably could be expected to constitute or lead to an Acquisition Proposal;

ii. participate in any discussions or negotiations with, furnish information to, or otherwise co-operate in any way with, any person regarding an Acquisition Proposal or any inquiry, proposal or offer that reasonably could be expected to constitute or lead to an Acquisition Proposal;

iii. take no position or remain neutral with respect to, or agree to, accept, approve, endorse or recommend, or propose publicly to agree, accept, approve, endorse or recommend any Acquisition Proposal;

iv. withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify support for the Arrangement;

v. accept, recommend, enter into, or propose publicly to accept, recommend or enter into, any agreement, understanding or arrangement in respect of an Acquisition Proposal or potential Acquisition Proposal; or

vi. make any public announcement or take any other action inconsistent with, or that could reasonably be likely to be regarded as detracting from, the approval of the transactions contemplated by the Arrangement Agreement.

The Support Agreements and Lock-Up Agreements will automatically terminate upon the earlier of (i) the Effective Date, and (ii) the termination of the Arrangement Agreement. As the

Arrangement Agreement does not terminate in the event of a Superior Proposal, the Supporting Shareholders and Locked-Up Shareholders will be required to comply with the terms of the Support Agreements or Lock-Up Agreements, as applicable, and vote in favour of the Arrangement Resolution even if the MTL Board makes a Change of Recommendation. The Lock-Up Agreement provides that the post-Arrangement provisions relating to the Locked-Up Securities will survive the automatic termination of the Lock-Up Agreements.

The Support Agreements and Lock-Up Agreements may also be terminated (i) at any time, by the mutual agreement of Canopy and the applicable Supporting Shareholder or the applicable Locked-Up Shareholder, (ii) by Canopy, if any of the representations and warranties of the Supporting Shareholder in the applicable Support Agreement or of the Locked-Up Shareholder in the applicable Lock-Up Agreement are not true and correct in all material respects or if the applicable Supporting Shareholder or Locked-Up Shareholder, does not comply with its covenants set out in the applicable Support Agreement or Lock-Up Agreement in all material respects, (iii) by the applicable Supporting Shareholder or Locked-Up Shareholder if, without the prior written consent of the applicable Supporting Shareholder or Locked-Up Shareholder, there is any decrease in the amount of, or change in the form of, the consideration or other amounts payable to the applicable Supporting Shareholder or Locked-Up Shareholder pursuant to the Arrangement Agreement; provided that a decrease in the market price of the Canopy Shares will not constitute a decrease in the amount of the consideration or other amounts payable to the applicable Supporting Shareholder or the Locked-Up Shareholder, as applicable, pursuant to the Arrangement Agreement; (iv) by the applicable Supporting Shareholder or the Locked-Up Shareholder, if any of the representations and warranties of Canopy in the applicable Support Agreement or the Lock-Up Agreement are not true and correct in all material respects or if Canopy has not complied with its covenants to the applicable Supporting Shareholder contained in the applicable Support Agreement or to the applicable Locked-Up Shareholder contained in the applicable Lock-Up Agreement, in all material respects, or (v) by either party, if the Arrangement Agreement is terminated in accordance with its terms.

If the Support Agreements or Lock-Up Agreements are terminated as a result of the termination of the Arrangement Agreement (i) by Canopy due to a Change of Recommendation pursuant to section 6.1(c)(i) of the Arrangement Agreement; (ii) by either MTL or Canopy if the MTL Meeting is held and the Arrangement Resolution is not approved by the MTL Shareholders pursuant to section 6.1(b)(ii) of the Arrangement Agreement, provided that, at the time of such termination, Canopy was entitled to terminate the Arrangement Agreement due to a Change of Recommendation pursuant to section 6.1(c)(i) of the Arrangement Agreement; or (iii) by Canopy due to MTL materially breaching the non-solicitation provisions of the Arrangement Agreement pursuant to section 6.1(c)(ii) of the Arrangement Agreement, then Article 1, Section 2.1(b), Section 2.1(d), Section 2.1(e), Section 2.1(f), Section 2.1(j), Section 4.2 and Article 5 of the Support Agreements shall survive such termination and continue in full force and effect, for six months following the date of termination of this Agreement.

*Post-Arrangement Lock-Up*

Pursuant to the Lock-Up Agreements, subject to the completion of the Arrangement, each Locked-Up Shareholder is subject to a post-Arrangement lock-up restrictions (the "**Lock-Up**"), pursuant to which the Locked-Up Shareholder will not sell, transfer, assign, grant a participation interest in,

option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber (each, a "**Transfer**"), or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Canopy Shares acquired by the Locked-Up Shareholder pursuant to the Arrangement, or other securities convertible into, exchangeable for or exercisable to acquire Canopy Shares (collectively, the "**Locked-Up Securities**"), or any right or interest therein (legal or equitable), to any Person or group of Persons, or tender any of the Locked-Up Securities to a take-over bid or enter into any agreement, arrangement, commitment or understanding in connection therewith, or agree to do any of the foregoing with respect to the Locked-Up Securities (each, a "**Disposition**") until (a) with respect to 10% of the Locked-Up Securities, three months after the Effective Date, (b) with respect to 20% of the Locked-Up Securities, six months after the Effective Date, (c) with respect to 20% of the Locked-Up Securities, nine months after the Effective Date, and (d) with respect to 50% of the Locked-Up Securities, 12 months after the Effective Date, other than (A) any exercise or conversion, as applicable, of warrants or options exercisable for or convertible into Canopy Shares in accordance with their terms, provided that such Canopy Shares are also subject to the Lock-Up, (B) with the prior written consent of Canopy, (C) to one or more corporations, family trusts, RRSP accounts or other entities directly or indirectly owned or controlled by, or under common control with the Locked-Up Shareholder, provided that (i) any such Disposition will not relieve the Locked-Up Shareholder of or from its obligations under the Lock-Up Agreement, (ii) prompt written notice of such Disposition is provided to Canopy; and (iii) the transferee continues to be an entity or corporation directly or indirectly owned or controlled by the Locked-Up Shareholder at all times, or (D) pursuant to a bona fide take-over bid made to all holders of Canopy Shares, arrangement, merger, amalgamation or other business combination or similar transaction in which other holders of Canopy Shares are entitled to participate and that is approved or supported by the Canopy Board, provided that in the event that such transaction is not completed, the Locked-Up Securities subject to the Lock-Up Agreement will remain subject to the Lock-Up Agreement.

## Fairness Opinion

Pursuant to an engagement agreement (the "**Engagement Agreement**") dated October 9, 2025, as amended on December 8, 2025, the Financial Advisor was retained to act as financial advisor to MTL in connection with the Arrangement and to provide the MTL Board (including the Special Committee) with an opinion as to whether the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties). In connection with this mandate, at a joint meeting of the MTL Board and Special Committee held to evaluate the Arrangement on December 13, 2025, the Financial Advisor prepared and delivered its oral opinion, which was subsequently confirmed by delivery of the written Fairness Opinion on December 14, 2025.

The Fairness Opinion states that, based upon and subject to the scope of the review, analysis undertaken and various assumptions, limitations and qualifications set forth therein, the Financial Advisor is of the opinion that, as of December 14, 2025, the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties). **The Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety**. See Appendix "I" to this Circular for the full text of the Fairness Opinion.

As of the date of the Fairness Opinion, neither the Financial Advisor nor any of its affiliates is an insider, associate or affiliate of MTL or Canopy or any of their respective associates or affiliates.

Under the terms of the Engagement Agreement, MTL has agreed to pay the Financial Advisor a fixed fee for rendering the Fairness Opinion, whether or not the Arrangement is completed. In addition to the fixed fee received for rendering the Fairness Opinion, the Financial Advisor will also receive additional fees for its advisory services which are contingent upon the successful completion of the Arrangement. MTL has also agreed to reimburse the Financial Advisor for its reasonable out-of-pocket expenses and to indemnify, among others, the Financial Advisor in respect of certain liabilities that might arise out of the Financial Advisor's engagement. The fees payable to the Financial Advisor pursuant to the Engagement Agreement are not, in the aggregate, financially material to the Financial Advisor and do not give the Financial Advisor any material financial incentive in respect of either the conclusions reached in the Fairness Opinion or the outcome of the Arrangement. The Financial Advisor consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Circular, and to the filing thereof, as necessary, by MTL with the securities commissions or similar regulatory authorities in the provinces and territories of Canada.

The Fairness Opinion addresses the fairness, from a financial point of view, of the Consideration to be received by the MTL Shareholders and does not address any other aspect of the Arrangement or any related transaction, including any tax consequences of the Arrangement to MTL or the MTL Shareholders. The Fairness Opinion was provided for the exclusive use of the Special Committee and may not be relied upon by any other person. The Fairness Opinion does not address the relative merits of the Arrangement or any related transaction as compared to other business strategies or transactions that might be available to MTL or the underlying business decision of MTL to effect the Arrangement or any related transaction. The Fairness Opinion does not constitute a recommendation to any MTL Shareholder as to how such MTL Shareholder should vote on the Arrangement Resolution, or how to act with respect to any matters relating to the Arrangement.

The Fairness Opinion was rendered on the basis of the securities markets, economic, financial and general business conditions prevailing as at December 12, 2025 and on information relating to the subject matter thereof as represented to the Financial Advisor. As set forth in the Fairness Opinion, the Financial Advisor has relied upon, and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, and representations obtained by the Financial Advisor from public sources or provided by or on behalf of MTL.

**The Fairness Opinion is only one of many factors considered by the MTL Board (including the Special Committee) in its evaluation of the Arrangement. The summary above is qualified in its entirety by reference to the full text of the Fairness Opinion. The full text of the Fairness Opinion, setting out the assumptions made, information reviewed, matters considered and limitations on the review undertaken by the Financial Advisor is attached as Appendix "I" to this Circular. MTL Shareholders are encouraged to carefully read the Fairness Opinion in its entirety. The Fairness Opinion does not constitute a recommendation as to how any MTL Shareholder should vote or act on any matter relating to the Arrangement.**

## The Arrangement Agreement

**The following is a summary of the material terms of the Arrangement Agreement. The description of the Arrangement Agreement, both below and elsewhere in Circular, does not purport to be complete and is qualified in its entirety by the complete text of the Arrangement Agreement. Please refer to the Arrangement Agreement, which is incorporated by reference herein and is available under MTL's SEDAR+ profile at www.sedarplus.ca, for a full description of the terms and conditions thereof.**

On December 14, 2025, MTL entered into the Arrangement Agreement with Canopy pursuant to which, subject to the terms and conditions set forth therein, Canopy has agreed, among other things, to acquire all of the issued and outstanding MTL Shares by way of the Plan of Arrangement. The terms of the Arrangement Agreement are the result of arm's-length negotiation between MTL and Canopy and their respective legal counsel and advisors. On January 6, 2026, MTL and Canopy entered into the Amending Agreement which replaced Schedule "A" of the Arrangement Agreement with the Plan of Arrangement attached hereto as Appendix "B".

### Representations and Warranties

The Arrangement Agreement contains representations and warranties made by MTL to Canopy and representations and warranties made by Canopy to MTL. Those representations and warranties were made as of specific dates solely for the purposes of the Arrangement Agreement and may be subject to important qualifications, limitations, and exceptions agreed to by the Parties in connection with negotiating its terms as set out in the MTL Disclosure Letter, delivered in connection with the Arrangement Agreement. In particular, some of the representations and warranties contained in the Arrangement Agreement are subject to a contractual standard of materiality or material adverse effect, as applicable, different from that generally applicable to public disclosure, or are used for the purpose of allocating risk between the Parties to the Arrangement Agreement. Information concerning the subject matter of the representations and warranties may have changed since the date of the Arrangement Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by MTL in favour of Canopy relate to, among other things: organization and qualification; subsidiaries; no other interests; authority relative to the Arrangement Agreement; approvals; no violation of laws or constating documents; capitalization; absence of shareholder and similar agreements; reporting issuer status and Canadian Securities Laws matters; U.S. Securities Laws matters; financial statements; undisclosed liabilities; auditors; absence of certain changes; compliance with Laws; cannabis matters; absence of United States operations; litigation; insolvency; data privacy and security; property; sufficiency of assets; Material Contracts; Permits; environmental matters; Taxes; employment matters; employment, severance and change of control agreements; modern slavery; health and safety; acceleration of benefits; pension and employee benefits; employee matters; employee withholdings; intellectual property; insurance; books and records; non-arm's length transactions; financial advisors or brokers; fairness opinion; MTL Board and Special Committee approval; MTL diligence information; arrangements with securityholders; restrictions on business activities; indemnification agreements; and ownership of Canopy Shares or other securities of Canopy.

The representations and warranties provided by Canopy in favour of MTL relate to, among other things: organization and qualification; authority relative to the Arrangement Agreement; required approvals; no violation of laws or constating documents; capitalization; Consideration Shares; absence of shareholder and similar agreements; reporting issuer status and Canadian Securities Laws matters; financial statements; undisclosed liabilities; absence of certain changes; compliance with Laws; certain securities law matters with respect to the Consideration Shares and MC Shareholder Consideration; Canopy Board approval; U.S. Securities Laws matters; Investment Canada Act matters; and sufficient funds.

The representations and warranties of MTL and Canopy contained in the Arrangement Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Time and the date on which the Arrangement Agreement is terminated in accordance with its terms.

**Conditions to Completion of the Arrangement**

Mutual Conditions Precedent

The respective obligations of the Parties to complete the Arrangement are subject to the satisfaction, or mutual waiver by the Parties, on or before the Effective Date, of each of the following conditions, each of which are for the mutual benefit of the Parties and which may be waived, in whole or in part, by the mutual consent of Canopy and MTL at any time:

(a) the Arrangement Resolution will have been approved by the MTL Shareholders at the MTL Meeting in accordance with the Interim Order and applicable Laws;

(b) each of the Interim Order and Final Order will have been obtained in form and substance satisfactory to each of MTL and Canopy, each acting reasonably, and will not have been set aside or modified in any manner unacceptable to either MTL or Canopy, each acting reasonably, on appeal or otherwise;

(c) the conditional approval of the TSX will have been obtained, including in respect of the listing and posting for trading of the Consideration Shares and the MC Shareholder Consideration thereon;

(d) the Canadian Competition Approval will have been obtained;

(e) no Law will have been enacted, issued, promulgated, enforced, made, entered, issued or applied and no Proceeding will otherwise have been commenced, issued or taken under any Laws or by any Governmental Authority (whether temporary, preliminary or permanent) that makes or which would be reasonably expected to make the Arrangement illegal or otherwise directly or indirectly cease trade, enjoin, restrain or otherwise prohibit completion of the Arrangement;

(f) the Consideration Shares to be issued in exchange for MTL Shares, the Replacement Options to be issued in exchange for the MTL Out-Of-The-Money Options, the Replacement Warrants to be issued in exchange for the MTL Out-Of-The-Money Warrants, the Replacement Compensation Options to be issued in

exchange for the MTL Compensation Options, and the MC Shareholder Consideration to be issued in exchange for the Release pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and pursuant to exemptions from applicable state securities laws; provided, however, that MTL shall not be entitled to the benefit of the conditions in subsection 7.1(f) of the Arrangement Agreement, and shall be deemed to have waived such condition in the event that to fails to (A) advise the Court prior to the hearing in respect of the Interim Order that Canopy intends to rely on the exemption from registration afforded by Section 3(a)(10) of the U.S. Securities Act based on the Court's approval of the Arrangement or (B) comply with the requirements set forth in section 2.14 of the Arrangement Agreement; and

(g) the Arrangement Agreement will not have been terminated in accordance with its terms.

Additional Conditions Precedent to the Obligations of Canopy

The obligation of Canopy to complete the Arrangement will be subject to the satisfaction, or waiver by Canopy, on or before the Effective Date, of each of the following conditions, each of which is for the exclusive benefit of Canopy and which may be waived by Canopy at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Canopy may have:

(a) MTL shall have complied in all material respects with its obligations, covenants and agreements in the Arrangement Agreement to be performed and complied with on or before the Effective Date;

(b) the representations and warranties of MTL in the Arrangement Agreement shall be true and correct (disregarding for this purpose all materiality or Material Adverse Effect qualifications contained therein) as of the Effective Date as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct as of that date) except (i) as affected by transactions, changes, conditions, events or circumstances expressly permitted by the Arrangement Agreement or (ii) for breaches of representations and warranties (other than those relating to organization and qualification, authority relative to the Arrangement Agreement, capitalization, and no Material Adverse Effect) which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, it being understood that it is a separate condition precedent to the obligations of Canopy under the Arrangement Agreement that the representations and warranties made by MTL regarding organization and qualification, authority relative to the Arrangement Agreement, capitalization, and no Material Adverse Effect, must be accurate in all respects other than de minimis inaccuracies when made and as of the Effective Date;

(c) MTL Shareholders shall not have exercised Dissent Rights, or have instituted proceedings to exercise Dissent Rights, in connection with the Arrangement (other

than MTL Shareholders representing not more than 10% of the MTL Shares then outstanding);

(d) since the date of the Arrangement Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public) a Material Adverse Effect;

(e) Canopy shall have received a certificate of MTL signed by a senior officer of MTL and dated the Effective Date certifying that the conditions set out in (a), (b), (c) and (d) above have been satisfied, which certificate will cease to have any force and effect after the Effective Time; and

(f) there shall not be pending any Proceeding by any Governmental Authority or any other person that is reasonably likely to result in any: (i) prohibition or restriction on the acquisition by Canopy of any MTL Shares or the completion of the Arrangement or any person obtaining from any of the Parties any material damages directly in connection with the Arrangement; (ii) prohibition or material limit on the ownership by Canopy of MTL or any material portion of their respective businesses; or (iii) imposition of limitations on the ability of Canopy to acquire or hold, or exercise full rights of ownership of, any MTL Shares, including the right to vote such Canopy Shares.

Additional Conditions Precedent to the Obligations of MTL

The obligation of MTL to complete the Arrangement will be subject to the satisfaction or waiver by MTL, on or before the Effective Date, of each of the following conditions, each of which is for the exclusive benefit of MTL and which may be waived by MTL at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that MTL may have:

(a) Canopy shall have complied in all material respects with its obligations, covenants and agreements in the Arrangement Agreement to be performed and complied with on or before the Effective Date;

(b) the representations and warranties of Canopy in the Arrangement Agreement shall be true and correct (disregarding for this purpose all materiality or Material Adverse Effect qualifications contained therein) as of the Effective Date as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct as of that date) and except (i) as affected by transactions, changes, conditions, events or circumstances expressly permitted by the Arrangement Agreement or (ii) for breaches of representations and warranties (other than representations and warranties regarding organization and corporate capacity, authority relative to the Arrangement Agreement, capitalization, and no Material Adverse Effect) which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, it being understood that it is a separate condition precedent to the obligations of MTL under the Arrangement Agreement that the representations and warranties

made by Canopy regarding organization and corporate capacity, authority relative to the Arrangement Agreement, capitalization, and no Material Adverse Effect must be accurate in all respects other than de minimis inaccuracies when made and as of the Effective Date;

(c) Canopy shall have complied with its obligations regarding payment of the Consideration and MC Shareholder Consideration, the Depositary shall have confirmed receipt of the Consideration and MC Shareholder Consideration, and Canopy's counsel shall have made such payments as required under Section 2.12(b) of the Arrangement Agreement; and

(d) MTL shall have received a certificate of Canopy signed by a senior officer of Canopy and dated the Effective Date certifying that certain conditions set out in (a) and (b) above have been satisfied, which certificate will cease to have any force and effect after the Effective Time.

**Covenants**

MTL and Canopy have agreed to certain covenants that will be in force between the date of the Arrangement Agreement and the Effective Time. Set forth below is a brief summary of certain of those covenants:

Efforts to Obtain Shareholder Approval

The Arrangement Agreement requires MTL to use commercially reasonable efforts to hold the MTL Meeting as soon as reasonably practicable after the Interim Order is issued, which will in no event be later than February 17, 2026 or such other date as may be agreed to by the Parties (acting reasonably).

In general, MTL is not permitted to adjourn the MTL Meeting except as permitted by Canopy or required by Law. However, if MTL provides Canopy with notice of a Superior Proposal (as further discussed under "*MTL Non-Solicitation Covenants*" below) less than seven Business Days prior to the MTL Meeting, MTL may, and upon the request of Canopy, MTL will, adjourn or postpone the MTL Meeting to a date specified by Canopy that is not later than six Business Days after the date on which the MTL Meeting was originally scheduled to be held, or if Canopy does not specify such date, to the sixth Business Day after the date on which the MTL Meeting was originally scheduled to be held.

Adjustment to Consideration

The Parties have further agreed that a portion of the Consideration and the MC Shareholder Consideration payable pursuant to the Plan of Arrangement will be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend, consolidation or reorganization with respect to the Canopy Shares, if the Canopy Shares shall have been changed into a different number of shares or a different class upon such action, occurring between the date of the Arrangement Agreement and the Effective Time, such that the recipients of such Canopy Shares shall have the same economic benefit as contemplated by the Arrangement Agreement and the Plan of Arrangement prior to such action.

Conduct of MTL Business

MTL has covenanted and agreed that, among other things, until the earlier of the Effective Time and the time the Arrangement Agreement is terminated in accordance with its terms, except (i) with Canopy's consent in writing (to the extent that such consent is permitted by applicable Law), which consent will not be unreasonably withheld, conditioned or delayed, (ii) as expressly permitted or specifically contemplated by the Arrangement Agreement, (iii) as set out in the MTL Disclosure Letter, or (iv) as is otherwise required by applicable Law:

(a) the businesses of MTL and its subsidiaries will be conducted only in a proper and prudent manner and in accordance with good industry practice and applicable Laws, MTL and its subsidiaries will comply with the terms of all Material Contracts and MTL and its subsidiaries will use commercially reasonable efforts to maintain and preserve intact its business organizations, assets, properties, rights, Permits, goodwill and business relationships and keep available the services of its officers, employees and consultants as a group;

(b) MTL will not, directly or indirectly:

(i) alter or amend the articles, by-laws or other constating documents of MTL or any of its subsidiaries;

(ii) declare, set aside or pay any dividend on or make any distribution or payment or return of capital in respect of any equity securities of MTL or any subsidiaries (other than dividends, distributions, payments or return of capital made to MTL by any subsidiary);

(iii) split, divide, consolidate, combine or reclassify the MTL Shares or any other securities of MTL or its subsidiaries;

(iv) issue, sell, grant, award, pledge, dispose of or otherwise encumber or agree to issue, sell, grant, award, pledge, dispose of or otherwise encumber any MTL Shares or other equity or voting interests or any options, stock appreciation rights, warrants, calls, conversion or exchange privileges or rights of any kind to acquire any MTL Shares or other equity or voting interests or other securities or any shares of its subsidiaries, other than pursuant to the exercise or vesting, as applicable, of MTL Options, MTL DSUs, MTL RSUs, MTL Warrants, MTL Compensation Options and MTL Unit Warrants that are outstanding or issuable as of the date of the Arrangement Agreement in accordance with their terms (as such terms are disclosed in the MTL Public Disclosure Record), any Anti-Dilution Shares issuable in accordance with the terms of the Share Exchange Agreement and MTL Shares issuable upon conversion of the MTL 2017 Debenture;

(v) redeem, purchase or otherwise acquire or subject to any Lien, any of its outstanding MTL Shares or other securities or securities convertible into or exchangeable or exercisable for MTL Shares or any such other securities or any shares or other securities of its subsidiaries;

(vi) amend the terms of any securities of MTL or its subsidiaries;

(vii) adopt a plan of liquidation or pass any resolution providing for the liquidation or dissolution of MTL or its subsidiaries;

(viii) reorganize, amalgamate or merge MTL with any other person and will not cause or permit its subsidiaries to reorganize, amalgamate or merge with any other person;

(ix) reduce the stated capital of the shares of MTL or any of its subsidiaries;

(x) create any subsidiary or enter into any contracts or other arrangements regarding the control or management of the operations, or the appointment of governing bodies or enter into any joint venture or similar agreement, arrangement or relationship;

(xi) make any material changes to any of its accounting policies, principles, methods, practices or procedures (including by adopting any material new accounting policies, principles, methods, practices or procedures), except as disclosed in the MTL Public Disclosure Record, as required by applicable Laws or under IFRS; or

(xii) enter into, modify or terminate any contract with respect to any of the foregoing.

(c) MTL will not, and will not cause or permit its subsidiaries to, directly or indirectly, except in connection with the Arrangement Agreement:

(i) sell, pledge, lease, licence, dispose of, mortgage or encumber or otherwise transfer any assets or properties of MTL or its subsidiaries;

(ii) acquire or agree to acquire, directly or indirectly, in one transaction of a series of related transactions, any corporation, partnership, association or other business organization or division thereof or any property or asset, or make any investment, directly or indirectly, in one transaction or in a series of related transactions, by the purchase of securities, contribution of capital, property transfer, or purchase of any property or assets of any other person;

(iii) incur any capital expenditures, enter into any agreement obligating MTL or its subsidiaries to provide for future capital expenditures, in the aggregate, in excess of $250,000;

(iv) incur any indebtedness, including any additional drawdowns under the MTL Credit Agreement except for drawdowns under the uncommitted demand revolving facility under the MTL Credit Agreement that do not exceed, at any time, more than $700,000 in addition to the amount of borrowings outstanding under the MTL Credit Agreement as of the date of the Arrangement Agreement, or issue any debt securities, or assume,

guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, or make any loans or advances;

(v) pay, discharge or satisfy any claim, liability or obligation prior to the same being due, other than the payment, discharge or satisfaction, in the ordinary course of business, of liabilities reflected or reserved against in the MTL Interim Financial Statements, or voluntarily waive, release, assign, settle or compromise any proceeding;

(vi) engage in any new business, enterprise or other activity that is inconsistent with the existing businesses of MTL in the manner such existing businesses generally have been carried on or (as disclosed in the MTL Public Disclosure Record) planned or proposed to be carried on prior to the date of the Arrangement Agreement;

(vii) enter into or terminate any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or other financial instruments or like transaction, other than in the ordinary course of business consistent with MTL's financial risk management policy; or

(viii) authorize any of the foregoing, or enter into or modify any contract to do any of the foregoing;

(d) MTL will not, and will not cause or permit its subsidiaries to, directly or indirectly, except in the ordinary course of business:

(i) terminate, fail to renew, cancel, waive, release, grant or transfer any rights of material value;

(ii) except in connection with matters otherwise permitted under the Arrangement Agreement, enter into any contract that, if entered into prior to the date of the Arrangement Agreement would be a Material Contract, or terminate, cancel, extend, renew or amend, modify or change any Material Contract, or waive, release, or assign any material rights or claims thereto or thereunder; or

(iii) enter into any lease or sublease of real property (whether as a lessor, sublessor, lessee or sublessee), or modify, amend or exercise any right to renew any lease or sublease of real property or acquire any interest in real property;

(e) Neither MTL nor its subsidiaries will, except in the ordinary course of business or pursuant to any existing contracts or employment, pension, supplemental pension, termination or compensation arrangements or policies or plans in effect on the date of the Arrangement Agreement, and except as is necessary to comply with applicable Laws:

(i) grant to any officer, director, employee or consultant of MTL or its subsidiaries an increase in compensation in any form;

(ii) grant any general salary or fee increase, pay any bonus, award (equity or otherwise) or other material compensation to the directors, officers, employees or consultants of MTL or its subsidiaries;

(iii) take any action with respect to the grant, acceleration or increase of any severance, change of control, retirement, retention or termination pay (or amend any existing arrangement relating to the foregoing);

(iv) enter into or modify any employment or consulting agreement with any employee or consultant that provide for base salary or fees in excess of $100,000;

(v) terminate the employment or consulting arrangement of any senior management employees, except for cause;

(vi) increase any benefits payable under its current severance or termination pay policies;

(vii) increase the coverage, contributions, funding requirements or benefits available under any Employee Plan or create any new plan which would be considered to be an Employee Plan once created;

(viii) make any material determination under any Employee Plan;

(ix) amend the MTL Incentive Plan or the MTL Option Plan, adopt or make any contribution to or any award under any new performance share unit plan or other bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors or senior officers or former directors or senior officers of MTL or its subsidiaries;

(x) take any action to accelerate the time of payment of any compensation or benefits, amend or waive any performance criteria under the MTL Incentive Plan or the MTL Option Plan, except in accordance with their respective terms as contemplated in the Plan of Arrangement; or

(xi) establish, adopt, enter into, amend or terminate any collective bargaining agreement;

(f) neither MTL nor its subsidiaries will make any loan to any officer, director, employee or consultant of MTL or its subsidiaries;

(g) MTL will use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by MTL, including directors' and officers'

insurance, not to be cancelled, terminated, amended or modified and to prevent any of the coverage thereunder from lapsing, unless at the time of such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage comparable to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect, provided, however, that, except as contemplated by the Arrangement Agreement, MTL will not obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months;

(h) MTL will use commercially reasonable efforts to retain the services of its and its subsidiaries' existing employees and consultants until the Effective Time, and will promptly provide written notice to Canopy of the resignation or termination of any of its key employees or consultants;

(i) except in the ordinary course of business, neither MTL nor its subsidiaries will make an application to amend, terminate, allow to expire or lapse or otherwise modify any of its material Permits or take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any benefit under, or reasonably be expected to cause any Governmental Authority to institute proceedings for the suspension, revocation or limitation of rights under, any material Permit necessary to conduct its businesses as now being conducted;

(j) MTL and each of its subsidiaries will (i) duly and timely file all returns required to be filed by it on or after the date of the Arrangement Agreement and all such returns will be true, complete and correct in all material respects and (ii) timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it to the extent due and payable except for any Taxes contested in good faith pursuant to applicable Laws and in respect of which adequate reserves or accruals in accordance with IFRS have been provided in the MTL Interim Financial Statements;

(k) MTL will not (i) change its tax accounting methods, principles or practices, except insofar as may have been required by a change in IFRS or applicable Law, (ii) settle, compromise or agree to the entry of judgment with respect to any action, claim or other Proceeding relating to Taxes, (other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the MTL Interim Financial Statements) (iii) enter into any tax sharing, tax allocation or tax indemnification agreement, (iv) make a request for a tax ruling to any Governmental Authority, or (v) agree to any extension or waiver of the limitation period relating to any Tax claim or assessment or reassessment;

(l) MTL will not, and will not cause or permit its subsidiaries to, settle or compromise any action, claim or other material Proceeding (i) brought against it for damages or providing for the grant of injunctive relief or other non-monetary remedy (except where the action, claim or other Proceeding is insured and MTL's contribution does

not exceed its deductible) or (ii) brought by any present, former or purported holder of its securities in connection with the transactions contemplated by the Arrangement Agreement or the Arrangement;

(m) MTL will not, and will not cause or permit its subsidiaries to, commence any litigation (other than litigation in connection with the collection of accounts receivable, to enforce the terms of the Arrangement Agreement or the confidentiality agreement between MTL and Canopy dated as of August 27, 2024 to enforce other obligations of Canopy or as a result of litigation commenced against MTL);

(n) MTL will not, and will not cause or permit its subsidiaries to, enter into or renew any contract (i) containing (A) any limitation or restriction on the ability of MTL or its subsidiaries or, following completion of the transactions contemplated hereby, the ability of Canopy or any of its affiliates, to engage in any type of activity or business, (B) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of MTL or its subsidiaries or, following consummation of the transactions contemplated hereby, all or any portion of the business of Canopy or any of its affiliates, is or would be conducted, (C) any limit or restriction on the ability of MTL or its subsidiaries or, following completion of the transactions contemplated hereby, the ability of Canopy or any of its affiliates, to solicit customers or employees, or (D) containing any provision restricting or triggered by the transactions contemplated in the Arrangement Agreement; or (ii) that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement;

(o) MTL will not, and will not cause or permit any of its subsidiaries to, take any action which would render, or which reasonably may be expected to render, any representation or warranty made by MTL in the Arrangement Agreement untrue or inaccurate in any material respect (disregarding for this purpose all materiality or Material Adverse Effect qualifications contained therein) at any time prior to the Effective Date if then made; and

(p) as is applicable, MTL will not, and will not cause or permit its subsidiaries to, agree, announce, resolve, authorize or commit to do any of the foregoing.

Mutual Covenants

Each of the Parties has covenanted and agreed that, among other things, subject to the terms and conditions of the Arrangement Agreement, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms:

(a) it will use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in the Arrangement Agreement to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary and commercially reasonable to permit the completion of the Arrangement in accordance with its

obligations under the Arrangement Agreement, the Plan of Arrangement and applicable Laws and cooperate with the other Parties in connection therewith, including using its commercially reasonable efforts to (i) effect or cause to be effected all necessary registrations, filings and submissions of information triggered by or required to be effected by it in connection with the Arrangement, (ii) oppose, lift or rescind any injunction or restraining order against it or other order, decree, ruling or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Arrangement and (iii) otherwise cooperate with the other Parties in connection with the performance by it of its obligations under the Arrangement Agreement;

(b) it will use commercially reasonable efforts not to take or cause to be taken any action, or refrain from taking any commercially reasonable action, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to materially delay or otherwise impede the completion of the Arrangement;

(c) promptly notify the other Party of:

(i) any communication from any party to a Material Contract that intends to cancel, terminate or otherwise modify or not renew its relationship with MTL or with any of its subsidiaries with respect to such Material Contract;

(ii) any communication from any person alleging that the consent of such person (or another person) is or may be required in connection with the Arrangement (and the response thereto from such Party, its subsidiaries or its representatives);

(iii) any material communication from any Governmental Authority in connection with the Arrangement (and the response thereto from such Party, its subsidiaries or its representatives);

(iv) any litigation threatened or commenced against or otherwise affecting such Party or any of its subsidiaries that is related to the Arrangement; and

(d) it will use commercially reasonable efforts to execute and do all acts, further deeds, things and assurances as may be required in the reasonable opinion of the other Party's legal counsel to permit the completion of the Arrangement.

Regulatory Approvals

Subject to the other terms and conditions set out in the Arrangement Agreement, each Party, as applicable to that Party, covenanted and agreed with respect to obtaining all Regulatory Approvals required for the completion of the Arrangement that, among other things, subject to the terms and conditions of the Arrangement Agreement, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms:

(a) except with respect to the Canadian Competition Approval, as soon as reasonably practicable after the date of the Arrangement Agreement, each Party, or where appropriate, both Parties jointly, shall make all initial notifications, filings, applications and submissions with Governmental Authorities required or advisable, and shall use commercially reasonable efforts to obtain all required Regulatory Approvals and shall cooperate with the other Party in connection with all Regulatory Approvals sought by the other Party;

(b) With respect to the Canadian Competition Approval:

(i) within 18 Business Days after the date of the Arrangement Agreement or such other date as the Parties may reasonably agree, the Parties shall file with the Commissioner a request for an Advance Ruling Certificate or, in the alternative, a No Action Letter; and

(ii) if an Advance Ruling Certificate or No Action Letter shall not have been obtained within 16 days following the filing of that submission, either Canopy or MTL may at any time thereafter, acting reasonably, notify the other Party that it intends to file a notification pursuant to subsection 114(1) of the Competition Act, in which case MTL and Canopy shall each file their respective notifications pursuant to subsection 114(1) of the Competition Act, as promptly as practicable but in any event within 10 Business Days following the date MTL or Canopy notified the other Party of its intention to file a notification;

(c) the Parties shall request that the Regulatory Approvals be processed by the applicable Governmental Authority on an expedited basis and, to the extent that a public hearing is held, the Parties shall request the earliest possible hearing date for the consideration of the Regulatory Approvals;

(d) no Party shall extend or consent to any extension or refuse to consent to any extension of any applicable waiting or review period or enter into any agreement with a Governmental Authority not to consummate the transactions contemplated by the Arrangement Agreement, except upon the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed);

(e) all filing fees (including any Taxes thereon) in respect of any filing made to any Governmental Authority in respect of any Regulatory Approvals shall be paid by Canopy;

(f) each Party shall use commercially reasonable efforts to respond promptly to any request or notice from any Governmental Authority requiring that Party to supply additional information that is relevant to the review of the transactions contemplated by the Arrangement Agreement in respect of obtaining or concluding the Regulatory Approvals sought by either Party, and each Party shall cooperate with the other Party and shall furnish to the other Party such information and

assistance as a Party may reasonably request in connection with preparing any submission or responding to such request or notice from a Governmental Authority;

(g) each Party shall permit the other Party an opportunity to review in advance any proposed applications, notices, filings, submissions, undertakings, correspondence and communications (including responses to requests for information and inquiries from any Governmental Authority) in respect of obtaining or concluding all required Regulatory Approvals, and shall provide the other Party with a reasonable opportunity to comment thereon and shall consider those comments in good faith, and each Party shall provide the other Party with any applications, notices, filings, submissions, undertakings or other substantive correspondence provided to a Governmental Authority, or any communications received from a Governmental Authority, in respect of obtaining or concluding the required Regulatory Approvals;

(h) each Party shall keep the other Party informed on a timely basis of the status of discussions relating to obtaining or concluding the required Regulatory Approvals sought by such Party and, for greater certainty, no Party shall participate in any meeting (whether in person, by telephone or otherwise) with a Governmental Authority in respect of obtaining or concluding the required Regulatory Approvals unless it advises the other Party in advance and gives such other Party an opportunity to attend;

(i) the Parties shall not enter into any transaction, investment, agreement, arrangement or joint venture or take any other action, the effect of which would reasonably be expected to make obtaining the required Regulatory Approvals materially more difficult or challenging, or reasonably be expected to materially delay the obtaining of the required Regulatory Approvals;

(j) the Parties shall use (and shall cause their respective subsidiaries to use) their respective commercially reasonable efforts to oppose, lift or rescind or cooperate in opposing, lifting or rescinding any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated under the Arrangement Agreement; and

(k) the Parties shall use (and shall cause their respective subsidiaries to use) their respective commercially reasonable efforts take or cause to be taken all actions advisable on their respective parts to consummate the transactions contemplated by the Arrangement Agreement as promptly as practicable after the date of the Agreement; provided, however, that this shall not require either Party to take any actions that would, in its sole discretion, as applicable, affect its or its subsidiaries' right to own, use or exploit its or their business, operations or assets, including, for greater certainty, divesting, restricting or agreeing to divest or restrict any assets of a Party or any of its subsidiaries, terminating any existing relationships, contractual rights or obligations of a Party or any of its subsidiaries or effecting any change or restructuring of a Party or any of its subsidiaries in order to obtain the required Regulatory Approvals prior to the Outside Date.

Employment Matters

Prior to the Effective Time, MTL shall use commercially reasonable efforts to cause, and it shall use commercially reasonable efforts to cause any of its subsidiaries to cause, all directors and officers of MTL and its subsidiaries to provide resignations from such positions and to enter into mutual releases of all claims between such directors and officers and MTL (and its subsidiaries) or shall terminate such officers effective as of the Effective Time; provided that, such resignations and terminations will be limited to such person's service as a director and/or officer of MTL and not with respect to such person's employment with MTL and where such employees are entitled to any severance or change of control payments or benefit pursuant to the terms of each such employee's employment contract or pursuant to applicable Laws, the full amount of such entitlements shall be paid in accordance with the Arrangement Agreement.

Insurance and Indemnification

The Parties have agreed that all rights to indemnification existing in favour of the present and former directors and officers of MTL (each such present or former director or officer of MTL being herein referred to as an "**Indemnified Party**") as provided by the articles or by-laws of MTL or by contracts or agreements to which MTL is a party and in effect as of the date of the Arrangement Agreement, and, as of the Effective Time, will survive and will continue in full force and effect and without modification, and MTL and any successor to MTL (including any surviving corporation) shall continue to honour such rights of indemnification and indemnify the Indemnified Parties pursuant thereto, with respect to actions or omissions of the Indemnified Parties occurring prior to the Effective Time, for six years following the Effective Date.

Prior to the Effective Time, notwithstanding any other provision of the Arrangement Agreement, MTL may purchase prepaid non-cancellable "tail" directors' and officers' liability insurance providing coverage for a period of six years from the Effective Date with respect to claims arising from or related to facts or events which occur on or prior to the Effective Date, provided that the total cost of such "tail" directors' and officers' liability insurance shall not exceed 300% of the current annual aggregate premium for directors' and officers' liability insurance currently maintained by MTL and its subsidiaries.

Financial Statements

MTL shall use commercially reasonable efforts to as soon as reasonably practicable prepare its unaudited condensed interim consolidated financial statements prepared in accordance with IFRS and reviewed in accordance with the relevant standards set out in the Chartered Professional Accountants of Canada Handbook as at and for the three and nine months ended December 31, 2025, such that Canopy may file such financial statements pursuant to applicable Securities Laws and U.S. Securities Laws prior to and/or following the Effective Date and include such financial statements in Canopy's registration statement on Form S-3 (File No. 333-279949) filed under the U.S. Securities Act with the SEC on May 30, 2025 through incorporation by reference.

Performance of Canopy Obligations

Subject to the terms and conditions of the Arrangement Agreement, Canopy will perform all obligations required to be performed by it under the Arrangement Agreement, cooperate with MTL

in connection therewith, and use commercially reasonable efforts to do such other acts and things as may be necessary or desirable in order to complete the Arrangement and other transactions contemplated hereby, including:

(a) cooperating with MTL in connection with, and using its commercially reasonable efforts to assist MTL in obtaining the waivers, consents and approvals referred to in the Arrangement Agreement, provided, however, that, except as stated otherwise in the Arrangement Agreement, in connection with obtaining any waiver, consent or approval from any person (other than a Governmental Authority) with respect to any transaction contemplated by the Arrangement Agreement, Canopy will not be required to pay or commit to pay to such person whose waiver, consent or approval is being solicited any cash or other consideration, make any commitment or incur any liability or other obligation;

(b) using its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authorities from Canopy relating to the Arrangement required to be completed prior to the Effective Time;

(c) upon reasonable consultation with MTL, opposing, or seeking to lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defending all lawsuits or other legal, regulatory or other Proceedings against or relating to Canopy challenging or affecting the Arrangement Agreement or the completion of the Arrangement;

(d) forthwith carrying out the terms of the Interim Order and Final Order to the extent applicable to it and taking all necessary actions to give effect to the transactions contemplated in the Arrangement Agreement and the Plan of Arrangement;

(e) apply for and use commercially reasonable efforts to obtain conditional approval of the listing and posting for trading on the TSX of the Consideration Shares and the MC Shareholder Consideration, subject only to the satisfaction by Canopy of customary listing conditions of the TSX; and

(f) filing or causing to be filed with the Nasdaq all necessary documents and taking or causing to be taken all necessary steps to ensure that Canopy has obtained all necessary approvals for the Consideration Shares and the MC Shareholder Consideration to be listed on the Nasdaq.

Pre-Acquisition Reorganization

MTL shall effect such reorganization of its business, operations, subsidiaries and assets or such other transactions (each, a "**Pre-Acquisition Reorganization**"), as Canopy may reasonably request prior to receipt of the Final Order, and the Plan of Arrangement, if required, shall be modified accordingly; provided that, any such Pre-Acquisition Reorganization shall not become effective until the satisfaction or waiver of all conditions precedent to any transactions

contemplated by the Arrangement Agreement, other than any conditions that by their nature can only be satisfied or waived on the Effective Date.

MTL shall use its commercially reasonable efforts to obtain all necessary consents, approvals or waivers from any persons to effect each Pre-Acquisition Reorganization, and MTL shall cooperate with Canopy in structuring, planning and implementing any such Pre-Acquisition Reorganization. Canopy shall provide written notice to MTL of any proposed Pre-Acquisition Reorganization at least five Business Days prior to the date of the MTL Meeting; provided that, notwithstanding anything else in the Arrangement Agreement, MTL need not effect any Pre-Acquisition Reorganization which, in the opinion of MTL's counsel, acting reasonably, would: (i) require MTL or its subsidiaries to contravene any applicable Laws, its organizational documents, or any contract or Permit; (ii) would require the approval of any securityholders of MTL; (iii) would reduce the Consideration, MC Shareholder Consideration, or other amounts to be received by securityholders of MTL under the Plan of Arrangement; (iv) materially delay, impede or impair the ability of MTL to consummate, and will prevent the consummation of, the Arrangement; (v) would require MTL or any of its subsidiaries to take any action that could adversely affect their classification under the Tax Act or that could subject them to any material Taxes under the Tax Act; and (vi) MTL shall not be obligated to take any action that could result in any Taxes being imposed on, or any adverse Tax consequence being borne by, any securityholders of MTL materially greater than the Taxes to such party in connection with the consummation of the Arrangement in the absence of any Pre-Acquisition Reorganization (unless consented to by such persons or such persons are reimbursed and indemnified by Canopy).

MTL Non-Solicitation Covenants

MTL has agreed that it will not, and will not permit its subsidiaries and their respective Representatives to, directly or indirectly, except as permitted in accordance with the Arrangement Agreement:

(a) make, initiate, solicit, promote, entertain or encourage (including by way of furnishing or affording access to information or any site visit or entering into any form of agreement, arrangement or understanding), or take any other action that knowingly facilitates, directly or indirectly, any inquiry or the making of any inquiry, proposal or offer with respect to an Acquisition Proposal or that reasonably could be expected to constitute or lead to an Acquisition Proposal;

(b) participate in any discussions or negotiations with, furnish information to, or otherwise cooperate in any way with, any person (other than Canopy and its subsidiaries) regarding an Acquisition Proposal or any inquiry, proposal or offer that reasonably could be expected to constitute or lead to an Acquisition Proposal; provided however, that MTL may ascertain facts from the person making such Acquisition Proposal for the sole purpose of the MTL Board informing itself about such Acquisition Proposal and the person that made it;

(c) make or propose publicly to make a Change of Recommendation;

(d) accept, recommend, enter into, or propose publicly to accept, recommend or enter into, any agreement, understanding or arrangement in respect of an Acquisition Proposal (other than an Acceptable Confidentiality Agreement); or

(e) make any public announcement or take any other action inconsistent with, or that could reasonably be likely to be regarded as detracting from, the approval, recommendation or declaration of advisability of the MTL Board of the transactions contemplated in the Arrangement Agreement.

**Responding to an Acquisition Proposal**

In the event that MTL receives a bona fide written Acquisition Proposal from any person after the date of the Arrangement Agreement and prior to the MTL Meeting that was not solicited by MTL and that did not otherwise result from a material breach of the Arrangement Agreement, and subject to MTL's compliance with the Arrangement Agreement, MTL and its Representatives may (i) furnish information with respect to it to such person pursuant to an Acceptable Confidentiality Agreement, provided that (x) MTL provides a copy of such Acceptable Confidentiality Agreement to Canopy promptly upon its execution, (y) the person making the Acquisition Proposal is provided with access to such information for a maximum period of 15 Business Days, and (z) MTL contemporaneously provides to Canopy any non-public information concerning MTL that is provided to such person which was not previously provided to Canopy or its Representatives, and (ii) participate in any discussions or negotiations regarding such Acquisition Proposal; provided, however, that, prior to taking any action described in clauses (i) or (ii) above, the MTL Board determines in good faith, after consultation with its financial advisors and external legal counsel, that such Acquisition Proposal would, if consummated in accordance with its terms, constitute a Superior Proposal.

MTL shall promptly (and, in any event, within 24 hours) notify Canopy orally and in writing, of any Acquisition Proposal (whether or not in writing) received by MTL, any inquiry received by MTL that could reasonably be expected to constitute or lead to an Acquisition Proposal, or any request received by MTL for non-public information relating to MTL in connection with an Acquisition Proposal or for access to the properties, books or records of MTL by any person that informs MTL that it is considering making an Acquisition Proposal, including a copy of any written Acquisition Proposal, a description of the material terms and conditions of such inquiry or request and the identity of the person making such Acquisition Proposal, inquiry or request, and promptly provide to Canopy such other information concerning such Acquisition Proposal, inquiry or request as Canopy may reasonably request, including all material or substantive correspondence relating to such Acquisition Proposal. MTL will keep Canopy promptly and fully informed of any material changes to the status, developments and details of any such Acquisition Proposal, inquiry or request, including any modifications or other amendments thereto.

Change of Recommendation

In the event MTL receives a bona fide Acquisition Proposal that that MTL Board has determined is a Superior Proposal from any person after the date of the Arrangement Agreement and prior to the MTL Meeting, then the MTL Board may, prior to the MTL Meeting, make a Change of Recommendation, but only if:

(a) MTL did not breach any provision of the Arrangement Agreement in connection with the preparation or making of such Acquisition Proposal and MTL has complied with the other terms of the Arrangement Agreement with respect to a Change of Recommendation;

(b) MTL has given written notice to Canopy that it has received a Superior Proposal and that the MTL Board has determined that (x) such Acquisition Proposal constitutes a Superior Proposal and (y) the MTL Board intends to make a Change of Recommendation, promptly following the making of such determination, together with a summary of the material terms of any proposed Acquisition Agreement or other agreement relating to such Superior Proposal (together with a copy of such agreement and any ancillary agreements and supporting materials) to be executed with the person making such Superior Proposal, and, if applicable, a written notice from the MTL Board regarding the value or range of values in financial terms that the MTL Board has, in consultation with its financial advisor, determined should be ascribed to any non-cash consideration offered in the Superior Proposal;

(c) a period of seven (7) full Business Days shall have elapsed from the later of the date Canopy received the notice from MTL and, if applicable, the notice from the MTL Board with respect to any non-cash consideration, and the date on which Canopy received copies of the agreements and supporting material; and

(d) if Canopy has proposed to amend the terms of the Arrangement in accordance with the Arrangement Agreement, the MTL Board shall have determined in good faith, after consultation with its financial advisors and external legal counsel, that (x) the Acquisition Proposal remains a Superior Proposal compared to the Arrangement as proposed to be amended by Canopy and has provided Canopy with full details of the basis on which such determination was made and (y) failure to take such action would be inconsistent with the fiduciary duties of such directors under applicable Law.

During the Superior Proposal Notice Period or such longer period as MTL may approve for such purpose, Canopy shall have the right, but not the obligation, to propose to amend the terms of the Arrangement Agreement and the Arrangement. The MTL Board will review in good faith any offer made by Canopy to amend the terms of the Arrangement Agreement and the Arrangement in order to determine, in consultation with its financial advisor and external legal counsel, whether the proposed amendments would, upon acceptance, result in the Acquisition Proposal that previously constituted a Superior Proposal ceasing to be a Superior Proposal. MTL agrees that, subject to MTL's disclosure obligations under applicable Securities Laws, the fact of the making of, and each of the terms of, any such proposed amendments shall be kept strictly confidential and shall not be disclosed to any person (including without limitation, the person having made the Superior Proposal), other than MTL's Representatives, without Canopy's prior written consent. If the MTL Board determines that such Acquisition Proposal would cease to be a Superior Proposal as a result of the amendments proposed by Canopy, MTL will forthwith so advise Canopy and will promptly thereafter accept the offer by Canopy to amend the terms of the Arrangement Agreement and the Arrangement and the Parties agree to take such actions and execute such documents as are

necessary to give effect to the foregoing. If the MTL Board continues to believe in good faith, after consultation with its financial advisor and external legal counsel, that such Acquisition Proposal remains a Superior Proposal and therefore rejects Canopy's offer to amend the Arrangement Agreement and the Arrangement, if any, MTL may, subject to compliance with the other provisions of the Arrangement Agreement, make a Change of Recommendation. Each successive modification of any Acquisition Proposal shall constitute a new Superior Proposal and shall require a new seven (7) full Business Day Superior Proposal Notice Period from the date described above with respect to such new Acquisition Proposal.

The MTL Board shall reaffirm its recommendation in favour of the Arrangement by news release promptly after (i) the MTL Board has determined that any Acquisition Proposal is not a Superior Proposal if the Acquisition Proposal has been publicly announced or made; or (ii) the MTL Board makes the determination that an Acquisition Proposal that has been publicly announced or made and which previously constituted a Superior Proposal has ceased to be a Superior Proposal and the Parties have so amended the terms of the Arrangement Agreement and the Arrangement. Canopy and its outside counsel shall be given an opportunity to review and comment on the form and content of any such news release and MTL shall give consideration to all amendments to such press release requested by Canopy and its outside counsel. Such news release shall state that the MTL Board has determined that such Acquisition Proposal is not a Superior Proposal.

Nothing contained in the Arrangement Agreement will prevent the MTL Board from: (i) complying with Section 2.17 of National Instrument 62-104 – *Take-over Bids and Issuer Bids* and similar provisions under Securities Laws relating to the provision of a directors' circular in respect of an Acquisition Proposal; or (ii) making any disclosure to MTL Shareholders, if the MTL Board determines in good faith, after receiving the advice of its external legal counsel, that the failure to make such disclosure would be a breach of its fiduciary duties, or would violate Securities Laws or any requirements of the CSE, provided such disclosures are in accordance with the provisions in Arrangement Agreement.

**Termination of the Arrangement Agreement**

The Arrangement Agreement may be terminated in certain circumstances prior to the Effective Time, including:

(a) by mutual written agreement of MTL and Canopy;

(b) either of MTL or Canopy, if:

(i) the Effective Time does not occur on or before the Outside Date, except that the right to terminate the Arrangement Agreement will not be available to any Party who has not fulfilled any of its obligations or breached of any of its representations and warranties pursuant to the Arrangement Agreement has been a principal cause of, or resulted in, such failure;

(ii) the MTL Meeting is held and the Arrangement Resolution is not approved by the MTL Shareholders in accordance with applicable Laws and the Interim Order, except that such right to terminate the Arrangement Agreement shall not be available to any Party whose failure to fulfil any of

its obligations or breach of any of its representations and warranties under the Arrangement Agreement has been a principal cause of, or resulted in, the failure to receive approval of the Arrangement Resolution by the MTL Shareholders; or

(iii) after the date of the Arrangement Agreement, any Law is enacted or made that remains in effect and that makes the completion of the Arrangement or the transactions contemplated by the Arrangement Agreement illegal or otherwise prohibited, and such Law has become final and non-appealable;

(c) by Canopy, if:

(i) either (A) the MTL Board fails to publicly make a recommendation that the MTL Shareholders vote in favour of the Arrangement Resolution or MTL or the MTL Board, or any committee thereof, withdraws, modifies, qualifies or changes in a manner adverse to Canopy the MTL Board Recommendation (it being understood that publicly taking no position or a neutral position by MTL and/or the MTL Board with respect to an Acquisition Proposal for a period exceeding three Business Days after an Acquisition Proposal has been publicly announced shall be deemed to constitute such a withdrawal, modification, qualification or change), (B) Canopy requests that the MTL Board reaffirm its recommendation that the MTL Shareholders vote in favour of the Arrangement Resolution and the MTL Board shall not have done so by the earlier of (x) the fifth Business Day following receipt of such request and (y) the MTL Meeting, or (C) MTL and/or the MTL Board, or any committee thereof, accepts, approves, endorses or recommends any Acquisition Proposal or proposes publicly to accept, approve, endorse or recommend any Acquisition Proposal (each of the foregoing, a "**Change of Recommendation**");

(ii) MTL breaches any of the non-solicitation provisions of the Arrangement Agreement in any material respect;

(iii) subject to compliance with the notice and cure provisions in the Arrangement Agreement, MTL breaches any of its representations, warranties, covenants or agreement contained in the Arrangement Agreement, which breach would cause certain specified conditions for the exclusive benefit of Canopy not to be satisfied and such breach is incapable of being cured or is not cured in accordance with the terms of the notice and cure provisions of the Arrangement Agreement, provided, that Canopy is not then in breach of the Arrangement Agreement so as to cause certain conditions for the exclusive benefit of MTL not to be satisfied; or

(iv) a Material Adverse Effect has occurred since the date of the Arrangement Agreement and is continuing.

(d) by MTL, if:

(i) a Canopy Material Adverse Effect has occurred and is continuing; or

(ii) subject to compliance with the notice and cure provisions in the Arrangement Agreement, Canopy breaches any of its representations, warranties, covenants or agreements contained in the Arrangement Agreement, which breach would cause certain specified conditions for the exclusive benefit of MTL not to be satisfied and such breach is incapable of being cured or is not cured in accordance with the terms of the notice and cure provisions of the Arrangement Agreement, provided, that MTL is not then in breach of the Arrangement Agreement so as to cause certain conditions for the exclusive benefit of Canopy not to be satisfied.

**Termination Fee**

MTL is required to pay Canopy the Termination Fee at the times specified in the Arrangement Agreement if the Arrangement Agreement is terminated in any of the following circumstances:

(a) the Arrangement Agreement shall have been terminated: (i) by either Party, if the MTL Meeting is held and the Arrangement Resolution is not approved by the MTL Shareholders; (ii) by Canopy, if the Effective Time has not occurred on or before the Outside Date or if MTL is in breach of its representations, warranties, covenants or agreements contained in the Arrangement Agreement, and (A) prior to such termination, an Acquisition Proposal has been made public or proposed publicly to MTL or the MTL Shareholders prior to the MTL Meeting; and (B) MTL has either (1) completed any Acquisition Proposal within 12 months after the Arrangement Agreement is terminated or (2) entered into an Acquisition Agreement in respect of any Acquisition Proposal or the MTL Board shall have recommended any Acquisition Proposal, in each case, within 12 months after the Arrangement Agreement is terminated, and such Acquisition Proposal, in either case, as may be modified or amended, is subsequently completed (whether before or after the expiry of such 18-month period), provided, however, that for the purposes of this paragraph, all references to "20%" in the definition of Acquisition Proposal will be changed to "50%";

(b) the Arrangement Agreement is terminated by Canopy due to a Change of Recommendation;

(c) the Arrangement Agreement is terminated by either Party if the MTL Meeting is held and the Arrangement Resolution is not approved by the MTL Shareholders, provided that at the time of such termination, Canopy was entitled to terminate the Arrangement Agreement due to a Change of Recommendation;

(d) the Arrangement Agreement is terminated by Canopy due to MTL materially breaching the non-solicitation provisions of the Arrangement Agreement.

### Expenses

The estimated fees, costs and expenses of MTL in connection with the Arrangement are, approximately, $3 million which includes, without limitation, fees, costs and expenses with respect to the Fairness Opinion and payments and expenses in connection with legal services, proxy solicitation services and printing and mailing matters.

## Conduct of the MTL Meeting and Other Approvals

### Required MTL Shareholder Approval

At the MTL Meeting, the MTL Shareholders will be asked to consider and, if thought advisable, pass the Arrangement Resolution as set forth in Appendix "A" to this Circular.

Pursuant to the Interim Order, to be effective, the Arrangement Resolution must be approved by: (a) not less than 66⅔% of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, by any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101. Notwithstanding the foregoing, the Arrangement Resolution authorizes the MTL Board, without further notice to or approval of the MTL Shareholders, to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Arrangement. If the Arrangement Resolution is not approved by the MTL Shareholders, the Arrangement cannot be completed. See "*Information Concerning the MTL Meeting – Approval of the Arrangement Resolution Regarding the Arrangement*".

### Court Approvals

An arrangement of a company under the CBCA requires approval by the Court. On January 14, 2026, MTL obtained the Interim Order providing for the calling and holding of the MTL Meeting and other procedural matters. A copy of the Interim Order is attached to this Circular as Appendix "C".

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by the MTL Shareholders at the MTL Meeting in the manner required by the Interim Order, MTL will apply to the Court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place before a judge of the Supreme Court of British Columbia, on February 23, 2026 or as soon after such time as counsel may be heard, but in any event not later than four clear Business Days following the MTL Meeting. Any MTL Shareholder, MC Shareholder, MTL RSU Holder, MTL DSU Holder, MTL Optionholder, MTL Compensation Optionholder or MTL Warrant Holder wishing to appear or to be represented by counsel and make submissions at the hearing of the application for the Final Order may do so but must comply with certain procedural requirements, including by serving and filing a Response to Petition and all supporting affidavits (the "**Response Materials**") in the manner set out in the Interim Order. MTL Shareholders, MC Shareholders, MTL RSU Holders, MTL DSU Holders, MTL Optionholders,

MTL Compensation Optionholders and MTL Warrant Holders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors, and must serve the Response Materials by no later than 5:00 p.m. (Vancouver time) on February 19, 2026 to MTL's counsel, Tevia Jeffries at tjeffries@farris.com, with a copy to Canopy's counsel, Jessica Lewis at jlewis@cassels.com.

The Court has broad discretion under the CBCA when making orders with respect to arrangements. The Court, when hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement, from a substantive and procedural point of view. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court has been advised that, if the terms and conditions of the Arrangement are approved by the Court, the Section 3(a)(10) Securities to be issued to MTL securityholders in exchange for their MTL securities pursuant to the Arrangement will not be required to be registered under the U.S. Securities Act and will be issued in reliance on the Section 3(a)(10) Exemption and that the Final Order will constitute the basis for the Parties to rely upon such exemption.

Once the Final Order is granted and the other conditions contained in the Arrangement Agreement are satisfied or waived to the extent legally permissible, the Articles of Arrangement will be filed with the Director under the CBCA for issuance of the Certificate of Arrangement giving effect to the Arrangement.

### Stock Exchange Approvals and Delisting Matters

MTL is a reporting issuer in British Columbia, Alberta, Ontario and Quebec. The MTL Shares are listed on the CSE (symbol: MTLC) and on the OTCQX (symbol: MTLNF). It is anticipated that the MTL Shares will be delisted from the CSE (anticipated to be effective on or prior to the Effective Date) and the OTCQX shortly following completion of the Arrangement.

Subject to applicable Law, Canopy will, as soon as possible following completion of the Arrangement, apply to have MTL cease to be a reporting issuer in each of British Columbia, Alberta, Ontario and Quebec.

Canopy is a reporting issuer in all of the provinces and territories of Canada. The Canopy Shares are listed on the TSX (symbol: WEED) and Nasdaq (symbol: CGC). It is expected that, following completion of the Arrangement, the Canopy Shares will continue to be listed for trading on the TSX and Nasdaq. It is a mutual condition to completion of the Arrangement that the TSX will have conditionally approved the listing of the Consideration Shares and MC Shareholder Consideration issuable pursuant to the Arrangement on the TSX. The TSX has conditionally approved the listing of the Canopy Shares to be issued under the Arrangement, subject to Canopy filing certain documents and fulfilling all of the conditions of the TSX.

### Other Regulatory Approvals

In addition to the approval of the Arrangement Resolution by MTL Shareholders and approval of the Court, it is a condition precedent to the completion of the Arrangement that the Canadian Competition Approval be obtained. For further details related to the conditions to the completion

of the Arrangement, see "*Arrangement Agreement – Conditions to Completion of the Arrangement*".

The Competition Act requires that parties to certain classes of transactions that exceed the specified financial and shareholding thresholds set out in sections 109 and 110 of the Competition Act (" a notifiable transaction") provide to the Commissioner certain prescribed information in respect of such transactions pursuant to subsection 114(1) of the Competition Act ("pre-merger notifications"). Subject to certain exemptions, a notifiable transaction may not be completed until either the parties to the transaction have filed pre-merger notifications and the applicable waiting period under section 123 of the Competition Act has expired or has been terminated by the Commissioner, or the Commissioner has waived the parties' obligation to provide pre-merger notifications pursuant to paragraph 113(c) of the Competition Act. Where pre-merger notifications are made, the initial waiting period is 30 calendar days after the day on which the parties to the transaction have each submitted their respective pre-merger notifications, provided that, before the expiry of this period, the Commissioner has not notified the parties that the Commissioner requires additional information that is relevant to the Commissioner's assessment of the transaction pursuant to subsection 114(2) of the Competition Act (a "supplementary information request"). If the Commissioner, in his or her discretion, issues a supplementary information request, the waiting period is extended until 30 calendar days after compliance by the parties with such supplementary information request, at which time the parties are entitled to complete the transaction provided that there is no application or order in effect prohibiting completion at the relevant time, and the Canadian Competition Approval has been obtained.

Alternatively, or in addition to filing pre-merger notifications, parties to a notifiable transaction may apply to the Commissioner for an Advance Ruling Certificate or in the alternative, a No Action Letter. A request for an Advance Ruling Certificate or, in the alternative, a No Action Letter itself does not trigger the statutory waiting periods under section 123 described above. Rather, the Commissioner endeavours to complete his or her substantive review of the notifiable transaction within the applicable non-binding service standard established by the Commissioner – 14 calendar days following receipt of complete information for notifiable transactions designated by the Commissioner as non-complex and 45 calendar days for notifiable transactions designated by the Commissioner as complex.

The Commissioner's review of a notifiable transaction for substantive competition law considerations may take shorter than or longer than the statutory waiting period (and the applicable non-binding service standard, although on average the Commissioner completes his or her review before the expiry of the applicable service standard). Upon completion of the Commissioner's review, s/he may decide to: (i) issue an Advance Ruling Certificate; (ii) issue a No Action Letter (together with a waiver); or (iii) challenge the transaction before the Competition Tribunal, if the Commissioner concludes that it is likely to prevent or lessen competition substantially in a market in Canada. Where the Commissioner issues an Advance Ruling Certificate and the parties substantially complete the transaction within one year after the Advance Ruling Certificate is issued, the Commissioner cannot challenge the transaction before the Competition Tribunal solely on the basis of information that is the same or substantially the same as the information on the basis of which the Advance Ruling Certificate was issued. Where the Commissioner issues a No Action Letter, at any time before or within one year after the completion of the notifiable transaction, the Commissioner could make an application under section 92 of the Competition Act

challenging the transaction where the Commissioner believes that it will, or is likely to, prevent or lessen competition substantially in a market in Canada. Where the Commissioner challenges a transaction before the Competition Tribunal, the Commissioner may also apply to the Competition Tribunal for an injunction to prevent closing, pending the Competition Tribunal's determination of the Commissioner's challenge to the transaction.

The Arrangement is a notifiable transaction for the purposes of the Competition Act. Pursuant to the provisions of the Arrangement Agreement: (i) within 18 Business Days after the date of the Arrangement Agreement or such other date as the Parties may reasonably agree, the Parties are required to prepare and file with the Commissioner a request for an Advance Ruling Certificate or, in the alternative, a No Action Letter and a waiver under paragraph 113(c) of the Competition Act of the obligation to make pre-merger notification filings; and (ii) if an Advance Ruling Certificate or No Action Letter (together with a waiver) has not been obtained within 16 calendar days following the filing of the submission requesting the Advance Ruling Certificate or, in the alternative, No Action Letter (together with a waiver), either Canopy or MTL may notify the other Party that it intends to file a pre-merger notification with respect to the transactions contemplated by the Arrangement Agreement, in which case both Canopy and MTL shall each file their respective pre-merger notifications within 10 Business Days after the date Canopy or MTL, as applicable, notified the other Party of its intention to file a pre-merger notification.

Each Party is required to use commercially reasonable efforts to respond promptly to any request or notice requiring either Party to supply additional information that is relevant to the Commissioner's review, and to cooperate with the other Party in furnishing information and assistance it may reasonably request in connection with preparing any submission or responding to such request or notice.

It is a mutual condition to the completion of the Arrangement in favour of both MTL and Canopy that the Canadian Competition Approval has been obtained.

## Exchange of MTL Shares

If completed, the Arrangement will result in the issuance, at the Effective Time, of 0.32 of a Canopy Share and a cash payment in the amount of $0.144 for each MTL Share held by MTL Shareholders at the Effective Time (excluding any Dissent Shares and any MTL Shares held by Canopy and its affiliates). In addition, if completed, the Arrangement will result in the issuance at the Effective Time of up to an additional 2,956,391 Canopy Shares to the MC Shareholders in exchange for the Release.

### Procedure for Exchange of MTL Shares

Concurrent with the mailing of this Circular, MTL will also mail a letter of transmittal to Registered MTL Shareholders, which will be used by such Registered MTL Shareholders to exchange their certificate(s) representing MTL Shares, as applicable, for DRS Advice(s) representing the Share Consideration and payment of the Cash Consideration. From and after the Effective Time and until exchanged with the Depositary, each certificate representing MTL Shares will represent only the right to receive, upon surrender, the Consideration. The exchange of MTL Shares for the Consideration in respect of Non-Registered MTL Shareholders is expected to be made with the

Non-Registered MTL Shareholders' nominee (bank, trust company, securities broker or other nominee) account through the procedures in place for such purposes between the Depositary and such nominee. Non-Registered MTL Shareholders should contact their nominee if they have any questions regarding this process and to arrange for their nominee to complete the necessary steps to ensure that they receive the Consideration.

Former Registered MTL Shareholders must deliver to the Depositary: (a) certificate(s) representing MTL Shares, if applicable; (b) a validly completed and duly signed letter of transmittal; and (c) such other documents as the Depositary may require, in order to receive the Consideration. Canopy reserves the right, if it so elects in its absolute discretion, to instruct the Depositary to waive any defect or irregularity contained in any letter of transmittal received by the Depositary.

The DRS Advice(s) representing the Consideration Shares issuable to a former Registered MTL Shareholder that provides the appropriate documentation to the Depositary, as described above, will be registered in such former holder's name or names and will be delivered to such address or addresses as such former holder may direct in the letter of transmittal as soon as practicable following the Effective Date.

**Cancellation of Rights after Three Years**

If any former Registered MTL Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary pursuant to the Arrangement Agreement in order for such former Registered MTL Shareholder to receive the Consideration which such former holder is entitled to pursuant to the Arrangement to receive on or before the third anniversary of the Effective Date, on the third anniversary of the Effective Date: (i) such former Registered MTL Shareholder will be deemed to have donated and forfeited to Canopy or its successors, any Consideration held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate(s) representing MTL Shares formerly held by such former Registered MTL Shareholder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to Canopy and will be cancelled. Neither MTL nor Canopy, or any of their respective successors, will be liable to any person in respect of any Consideration (including any consideration previously held by the Depositary in trust for any such former Registered MTL Shareholder) which is forfeited to MTL or Canopy or delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law.

**Lost or Stolen Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding MTL Shares that were transferred to Canopy pursuant to the Plan of Arrangement will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, the Consideration deliverable in accordance with such holder's validly completed and duly signed letter of transmittal. When authorizing such payment or delivery in exchange for any lost, stolen or destroyed certificate, the person to whom such Consideration is to be delivered shall as a condition precedent to the delivery of such Consideration give a bond satisfactory to Canopy and the Depositary in such sum as Canopy may direct, or

otherwise indemnify Canopy and MTL in a manner satisfactory to Canopy and MTL, each acting reasonably, against any claim that may be made against the Parties with respect to the certificate alleged to have been lost, stolen or destroyed.

**Mail Services Interruption**

Notwithstanding the provisions of the Arrangement, this Circular, the letter of transmittal, DRS Advice(s) representing the Share Consideration and cheques representing the Cash Consideration in payment for MTL Shares deposited pursuant to the Arrangement will not be mailed if MTL and Canopy determine that delivery thereof by mail may be delayed.

Persons entitled to DRS Advice(s), cheques and other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the letter of transmittal and, if applicable, the certificate(s) representing MTL Shares were originally deposited upon application to the Depositary until such time as MTL and Canopy have determined that delivery by mail will no longer be delayed.

The use of mail to transmit certificates representing MTL Shares and the letter of transmittal will be at the risk of the Registered MTL Shareholders. MTL recommends that such documents be delivered by hand to the Depositary and a receipt therefor be obtained or that registered mail with return receipt requested, properly insured, be used.

**No Fractional Shares to be Issued**

MTL Shareholders will not be entitled to fractional Canopy Shares. Where the aggregate number of Canopy Shares to be issued to an MTL Shareholder as Share Consideration under the Arrangement would result in a fraction of a Canopy Share being issuable, then the number of Canopy Shares to be issued to such MTL Shareholder will be rounded down to the nearest whole Canopy Share and no compensation will be issued in lieu of the issuance of a fractional Canopy Share.

**No Fractional Cash Consideration to be Paid**

MTL Shareholders will not be entitled to fractional Cash Consideration. Where the aggregate amount of Cash Consideration to be paid to an MTL Shareholder as Cash Consideration under the Arrangement would result in a fraction of a cent being paid, then the amount of Cash Consideration owing to such MTL Shareholder will be rounded down to the nearest whole cent.

**Withholding Rights**

MTL, Canopy and the Depositary, as applicable, will be entitled to deduct and withhold from any consideration otherwise payable or deliverable to any former Registered MTL Shareholder under the Arrangement (including, without limitation, any payments to Dissenting Shareholders, MTL RSU Holders, MTL DSU Holders, MTL Optionholders, MTL Warrant Holders, MTL Compensation Optionholders and MC Shareholders) such amounts as MTL, Canopy, or the Depositary, as applicable, is required to deduct and withhold, or reasonably believes to be required to deduct and withhold, with respect to such payment or delivery under any provision of any Laws in respect of Taxes. All withheld amounts will be treated for all purposes under the Arrangement

as having been paid to the former Registered MTL Shareholder for whom such deduction and withholding was made on account of the obligation to make payment to such person thereunder, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of MTL, Canopy or the Depositary, as applicable.

Each of MTL, Canopy and the Depositary is authorized to sell or otherwise dispose of any portion of such portion of Canopy Shares payable as Share Consideration or the MC Shareholder Consideration as if necessary to provide sufficient funds to MTL, Canopy or the Depositary, as applicable, to enable it to implement such deduction or withholding, and MTL, Canopy or the Depositary will notify the holder of such sale and remit to the holder any unapplied balance of the net proceeds (after deduction for (a) the amounts required to satisfy the required withholding under the Arrangement in respect of such Person, (b) reasonable commissions payable to the broker, and (c) other reasonable costs and expenses) of such sale. Any sale will be made in accordance with applicable Laws and at prevailing market prices and none of MTL, Canopy the Depositary or their respective agents, as the case may be, shall have any liability to, or be under any obligation to obtain a particular price or to indemnify, any MTL securityholder in respect of a particular price, for the portion of the Share Consideration or MC Shareholder Consideration so sold.

**Effective Date of Arrangement**

If (a) the Required Approval is obtained at the MTL Meeting; (b) the Final Order is obtained from the Court; (c) the required Regulatory Approvals to the Arrangement are obtained by MTL and Canopy; (d) the documents required to be filed with the Director relating to the Arrangement have been filed; and (e) all other conditions precedent to the completion of the Arrangement contained in the Arrangement Agreement have been satisfied or waived and all documents agreed to be delivered pursuant to the Arrangement Agreement have been delivered, the Arrangement will become effective at the Effective Time on the Effective Date.

**Notwithstanding the approval of the Arrangement Resolution by the MTL Shareholders or that the Arrangement has been approved by the Court, subject to the terms of the Arrangement Agreement, the Arrangement Resolution authorizes the directors of MTL not to proceed with the Arrangement without further notice to or approval of the MTL Shareholders.**

**Dissent Rights in Respect of the Arrangement**

The Interim Order expressly provides Registered MTL Shareholders with Dissent Rights in respect of the Arrangement Resolution, pursuant to Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order. If a Registered MTL Shareholder wishes to exercise its Dissent Rights it must strictly comply with the Dissent Procedures and failure to do so may result in the loss of such MTL Shareholder's Dissent Rights. A Non-Registered MTL Shareholder will not be entitled to exercise its Dissent Rights directly (unless the MTL Shares are re-registered in the Non-Registered MTL Shareholder's name). A Non-Registered MTL Shareholder that wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered MTL Shareholder deals in respect of its MTL Shares. Accordingly, each MTL Shareholder that is considering exercising Dissent Rights should carefully consider and comply

with the Dissent Procedures and consult their legal advisor. See "*Rights of Dissenting Shareholders*".

## Risk Factors

### Risks Associated with the Arrangement

The completion of the Arrangement involves risks. In addition to the risk factors described under the heading "*Risk Factors*" in Part I, Item 1A in the Canopy Annual Report, which is specifically incorporated by reference into this Circular, and the risk factors described elsewhere in this Circular, the following are additional and supplemental risk factors which MTL Shareholders should carefully consider before making a decision regarding approving the Arrangement Resolution. Readers are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to MTL or Canopy, may also adversely affect MTL or Canopy prior to, or following the completion of the Arrangement.

*The Arrangement Agreement may be terminated in certain circumstances.*

Each of MTL and Canopy has the right, in certain circumstances, to terminate the Arrangement Agreement in certain circumstances, including in circumstances outside the control of MTL, such as the Required Approval not being obtained. Accordingly, there is no certainty, nor can MTL provide any assurance, that the Arrangement Agreement will not be terminated by either MTL or Canopy before the completion of the Arrangement. Failure to complete the Arrangement could negatively impact the trading price of the MTL Shares or otherwise adversely affect the business of MTL.

*There can be no certainty that all conditions precedent to the Arrangement will be satisfied and that the Arrangement will be completed.*

The completion of the Arrangement is subject to a number of conditions precedents, certain of which are outside the control of MTL, including receipt of the Required Approval, the Final Order and the Regulatory Approvals. There can be no certainty, nor can MTL provide any assurance, that such conditions will be satisfied or, if satisfied, when they will be satisfied or that the Arrangement will be completed as currently contemplated or at all. If, for any reason, the Arrangement is not completed or its completion is substantially delayed, the market price of MTL Shares may be adversely effected. In such events, MTL's business, financial condition or results of operations could also be subject to material adverse consequences.

*The Required Approval may not be obtained.*

To be effective, the Arrangement Resolution must be approved by: (a) not less than $66^2/_3\%$ of the votes cast on the Arrangement Resolution by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, by any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101. There can

be no certainty, nor can MTL provide any assurance, that the Required Approval will be obtained. See *"Information Concerning the Arrangement"*. If the Required Approval is not obtained and the Arrangement is not completed, the market price of the MTL Shares may be adversely affected and MTL may be required to pay the Termination Fee to Canopy as described under "*Information Concerning the Arrangement – The Arrangement Agreement -Termination Fee"*.

*MTL Shareholders will receive a fixed number of Canopy Shares.*

MTL Shareholders will receive a fixed number of Canopy Shares as partial consideration under the Arrangement, rather than a variable number of Canopy Shares with a fixed relative market value. As the number of Canopy Shares to be received in respect of each MTL Share under the Arrangement will not be adjusted to reflect any change in the relative market value of MTL Shares, the value of the Canopy Shares received by MTL Shareholders under the Arrangement may vary significantly from the relative market value of MTL Shares expressed at the dates referenced in this Circular. There can be no assurance that the relative market price of MTL Shares on the Effective Date will be the same or similar to the relative market price of such shares on the date of the MTL Meeting. The underlying cause of any such change in relative market price may not constitute a Material Adverse Effect, the occurrence of which in respect of a Party could entitle the other Party to terminate the Arrangement Agreement or otherwise entitle either Party to terminate the Arrangement Agreement. Many of the factors that affect the market prices of the MTL Shares or Canopy Shares are beyond the control of MTL or Canopy, respectively. These factors include fluctuations in pricing, fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations. There can also be no assurance that the trading price of the Canopy Shares will not decline following the completion of the Arrangement.

*MTL will incur costs even if the Arrangement is not completed and MTL and Canopy may have to pay various expenses incurred in connection with the Arrangement.*

All out-of-pocket third party transaction expenses incurred by MTL in connection with the Arrangement, including costs of legal, accounting and Financial Advisor, must be paid by MTL whether or not the Arrangement is completed.

MTL and Canopy have also incurred and expect to incur additional material non-recurring expenses in connection with the Arrangement and completion of the transactions contemplated by the Arrangement Agreement, including costs related to obtaining required MTL Shareholder, in the case of MTL, and Regulatory Approvals. Additional unanticipated costs or expenses may be incurred by Canopy in the course of coordinating the businesses of Canopy and MTL following the completion of the Arrangement.

*MTL could be required to be required to pay the Termination Fee if the Arrangement Agreement is terminated in certain circumstances and the Termination Fee may discourage other parties from attempting to acquire MTL.*

Pursuant to the Arrangement Agreement, MTL will be required to pay the Termination Fee of $4,000,000 to Canopy in the event the Arrangement Agreement is terminated in certain circumstances, as described in the section of this Circular *"Information Concerning the Arrangement - The Arrangement Agreement - Termination Fee"*. The Termination Fee may

discourage other parties from attempting to enter into a business transaction with MTL, even if those parties would otherwise be willing to offer greater value than that offered pursuant to the Arrangement Agreement. In addition, payment of such amount may have a material adverse effect on the business and affairs of MTL. Even if the Arrangement Agreement is terminated without payment of the Termination Fee, MTL may be required to pay the Termination Fee to Canopy in the future in certain circumstances. See *"Information Concerning the Arrangement - The Arrangement Agreement -Termination Fee"*.

*MTL directors and officers may have interests in the Arrangement that are different from the interests of MTL Shareholders following completion of the Arrangement.*

Certain of the directors and executive officers of MTL negotiated the terms of the Arrangement Agreement and the MTL Board has unanimously recommended that MTL Shareholders vote in favour of the Arrangement Resolution. These directors and executive officers may have interests in the Arrangement that are different from, or in addition to, those of MTL Shareholders generally. MTL Shareholders should be aware of these interests when they consider the MTL Board Recommendation. The MTL Board was aware of, and considered, these interests when they declared the advisability of the Arrangement Agreement and unanimously recommended that MTL Shareholders approve the Arrangement Resolution.

*The Arrangement may divert the attention of MTL's and Canopy's management.*

The pendency of the Arrangement may result in a diversion of management's time and attention away from the day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of MTL regardless of whether the Arrangement is ultimately completed, or of Canopy if the Arrangement is completed.

*Uncertainty surrounding the Arrangement could adversely affect MTL's and Canopy's retention of suppliers and personnel and could negatively impact future business and operations.*

Third parties with which MTL and Canopy currently do business or may do business with in the future, including industry partners, customers, suppliers and employees, may experience uncertainty associated with the Arrangement, including with respect to current or future relationships with MTL or Canopy. Such uncertainty could have a material and adverse effect on the business, financial condition and results of operations or prospects of MTL.

*The market price for the MTL Shares may decline.*

If the Arrangement is not completed, the market price of the MTL Shares may decline to the extent that the current market price of the MTL Shares reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the MTL Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total Consideration to be paid pursuant to the Arrangement.

*MTL is restricted from taking certain actions until the Effective Time or until the Arrangement Agreement is terminated.*

Pursuant to the Arrangement Agreement, MTL must generally conduct its business in a proper and prudent manner and in accordance with good industry practice and applicable Laws, and until the completion of the Arrangement or the termination of the Arrangement Agreement, MTL is restricted from taking certain specified actions without the consent of Canopy. In addition, pursuant to the Arrangement Agreement, MTL is restricted, subject to certain exceptions, from making, initiating, soliciting, promoting, entertaining or knowingly encouraging any inquiry, proposal or offer that constitutes or that could reasonably be expected to constitute an Acquisition Proposal. As the Arrangement Agreement does not terminate in the event of a Superior Proposal, the Supporting Shareholders will be required to comply with the terms of the Support Agreements and vote in favour of the Arrangement Resolution even if the MTL Board makes a Change of Recommendation, which will further prevent MTL from pursuing an Acquisition Proposal.

These restrictions may prevent MTL from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement. If the Arrangement is not completed for any reason, the announcement of the Arrangement, the dedication of MTL's resources to the completion thereof and the restrictions that were imposed on MTL under the Arrangement Agreement may have an adverse effect on the current future operations, financial condition and prospects of MTL as a standalone entity.

*MTL and Canopy may be the targets of legal claims, securities class action, derivative lawsuits and other claims and any such claims may delay or prevent the Arrangement from being completed.*

MTL and Canopy may be the target of securities class action and derivative lawsuits which could result in substantial costs and may delay or prevent the Arrangement from being completed. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into an agreement to acquire a public company or to be acquired. Third parties may also attempt to bring claims against MTL or Canopy seeking to restrain the Arrangement or seeking monetary compensation or other redress. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. In addition, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Arrangement, then that injunction may delay or prevent the Arrangement from being completed.

*MTL and Canopy may not realize the currently anticipated benefits of the Arrangement due to challenges associated with integrating the operations, technologies and personnel of MTL with Canopy.*

The anticipated success of Canopy following the Arrangement will depend in large part on the success of management of Canopy in integrating the operations, technologies and personnel of MTL with those of Canopy in an efficient and effective manner after the Effective Date and will pose special risks, including possible unanticipated liabilities, unanticipated costs, significant one-time write-offs or restructuring charges, diversion of management's attention and the loss of key employees. Although MTL, Canopy, and their respective advisors have conducted due diligence on the various operations, there can be no guarantee that Canopy will be aware of any and all liabilities of MTL or the Arrangement. There can be no assurance that there will be operational or

other synergies realized by Canopy, or that the integration of MTL's and Canopy's operations, systems, management and cultures will be timely or effectively accomplished or ultimately will be successful in increasing earnings and reducing costs. As a result of these factors, it is possible that certain benefits expected from the Arrangement may not be realized. The failure of Canopy to achieve such integration could result in the failure of Canopy to realize the anticipated benefits of the Arrangement and could impair the results of operations, profitability and financial results of Canopy following completion of the Arrangement.

*Potential payments to MTL Shareholders who exercise Dissent Rights could have an adverse effect on Canopy's financial condition or prevent the completion of the Arrangement.*

MTL Shareholders have the right to exercise Dissent Rights and demand payment equal to the fair value of their MTL Shares in cash. If Dissent Rights are exercised in respect of a significant number of MTL Shares, a substantial cash payment may be required to be made to such MTL Shareholders, which could have an adverse effect on Canopy's financial condition and cash resources. Further, MTL's and Canopy's obligation to complete the Arrangement is conditional upon MTL Shareholders holding no more than 10% of the outstanding MTL Shares having exercised Dissent Rights. Accordingly, the Arrangement may not be completed if MTL Shareholders exercise Dissent Rights in respect of more than 10% of the outstanding MTL Shares.

*The issuance of Canopy Shares under the Arrangement and their subsequent sale may cause the market price of Canopy Shares to decline.*

Market reaction to the Arrangement is unpredictable and could have an adverse effect on the future trading price of Canopy Shares.

After completion of the Arrangement, a significant number of Canopy Shares will be available for trading in the public market. This increase in the number of Canopy Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, the Canopy Shares. As of the Record Date, there were 377,862,634 Canopy Shares issued and outstanding and there were 120,302,960 MTL Shares issued and outstanding. After giving effect to the transactions contemplated by the Arrangement, assuming that the current number of MTL Shares and Canopy Shares outstanding does not change from the respective dates of the information provided herein and assuming the closing price of MTL Shares on the CSE on the Record Date, which is equal to $0.67, is the closing price of the MTL Shares on the last trading date immediately prior to the Effective Date, and including (i) the deemed vesting and exercise, as applicable, of the MTL RSUs, MTL DSUs, MTL In-The-Money Options and MTL In-The-Money Warrants and (ii) the exchange of the Release for Canopy Shares, in each case, pursuant to the Plan of Arrangement, it is expected that there will be approximately 422,186,658 Canopy Shares issued and outstanding, of which approximately 10.50% will be held by former MTL Shareholders, MTL RSU Holders, MTL DSU Holders, former holders of MTL In-The-Money Options, former holders of MTL In-The-Money Warrants and MC Shareholders (on a non-diluted basis), assuming no additional shares are issued by any of the Parties other than pursuant to the Arrangement. The issuance of Canopy Shares under the Arrangement and the resale of such Canopy Shares may cause the market price of Canopy Shares to decline.

*Canopy may issue additional equity securities.*

Canopy may issue equity securities to finance its activities, including pursuant to its at-the-market offering or in order to finance acquisitions. If Canopy issues additional equity securities, the ownership interest of MTL Shareholders may be diluted and some or all of Canopy's financial measures on a per share basis could be reduced. Moreover, as Canopy's intention to issue additional equity securities becomes publicly known, Canopy's share price may be materially adversely affected. The Arrangement Agreement does not prohibit Canopy's ability to issue additional equity securities in any manner.

*MTL has not verified the reliability of the information regarding Canopy included in, or which have been omitted from this Circular.*

Unless otherwise indicated, all historical information regarding Canopy contained in this Circular, including all Canopy financial information, has been derived from Canopy's publicly disclosed information or provided by Canopy. Although MTL has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in Canopy's publicly disclosed information, including the information about or relating to Canopy contained in this Circular, could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect MTL's operational and development plans and its results of operations and financial condition.

**Risks Related to MTL**

If the Arrangement is completed, MTL will continue to face many of the risks that it currently faces with respect to its business and affairs. See *"Risk Factors"* in Appendix "F" – *"Additional Information Concerning MTL"* to this Circular.

**Risks Related to Canopy**

If the Arrangement is completed, Canopy will continue to face many of the risks that it currently faces with respect to its business and affairs. See *"Risk Factors"* in Appendix "G" - *Additional Information Concerning Canopy* and "Appendix "H" - *Additional Information Concerning Canopy Following the Completion of the Arrangement"* to this Circular.

## Certain Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations under the Tax Act that are generally applicable to beneficial owners of MTL Shares who, at all relevant times and for purposes of the Tax Act, deal at arm's length with, and are not affiliated with, MTL or Canopy and hold their MTL Shares and hold any Canopy Shares received pursuant to the Arrangement, as capital property (each, a "**Holder**"), all within the meaning of the Tax Act. MTL Shares and Canopy Shares will generally be considered to be capital property to a Holder unless the Holder holds or uses the MTL Shares or Canopy Shares, or is deemed to hold or use the MTL Shares or Canopy Shares, as the case may be, in the course of carrying on a business of trading or dealing in securities or has acquired them or is deemed to have acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder: (i) that is a "financial institution" for purposes of the "mark-to-market" rules contained in the Tax Act, (ii) an interest in which is or would constitute a "tax shelter investment" as defined in the Tax Act, (iii) that is a "specified financial institution" as defined in the Tax Act, (iv) who makes, or has made, a "functional currency" reporting election under section 261 of the Tax Act, (v) who received MTL Shares upon exercise of a stock option or other form of employee compensation plan or arrangement, (vi) who has entered into or will enter into, with respect to their MTL Shares or Canopy Shares, a "synthetic disposition arrangement" or a "derivative forward agreement" as those terms are defined in the Tax Act, (vii) that will receive dividends on Canopy Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act), or (viii) that is a "foreign affiliate" (as defined in the Tax Act) of a taxpayer resident in Canada, or (ix) that is exempt from tax under the Tax Act. **All such Holders should consult their own tax advisors with respect to the Arrangement, including the exchange of MTL Shares for Canopy Shares and cash pursuant to the Arrangement and the ownership and disposition of Canopy Shares.**

Additional considerations not discussed herein may apply to a Holder that is a corporation resident in Canada, or a corporation that does not deal at "arm's length" (within the meaning of the Tax Act) with a corporation resident in Canada, that is or becomes, as part of a transaction or event or a series of transactions or events that includes the transactions described in this Circular, controlled by a non-resident person (or group of non-resident persons that do not deal with each other at arm's length) for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. **Such Holders should consult their own tax advisors.**

The tax treatment of holders of MTL DSUs, MTL RSUs, MTL Options, MTL 2017 Debentures, MTL Warrants, and MTL Compensation Options is not addressed in this summary. **All holders of MTL DSUs, MTL RSUs, MTL Options, MTL Warrants, and MTL Compensation Options should consult their own tax advisors with respect to the Arrangement.**

This summary is based on the facts set out in this Circular, the current provisions of the Tax Act in force as of the date hereof, specific proposals to amend the Tax Act (the "**Proposed Amendments**") which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the published administrative policies and assessing practices of the CRA publicly available prior to the date of this Circular.

Except for the Proposed Amendments, this summary does not take into account or anticipate any other changes in law or any changes in the CRA's administrative policies and assessing practices, whether by way of judicial, governmental or legislative action or decision, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein. No assurances can be given that the Proposed Amendments will be enacted as proposed or at all, or that legislative, judicial, or administrative changes will not modify or change the statements expressed herein.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Arrangement or the ownership and disposition of Canopy Shares. This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or income tax advice to any particular Holder. Holders should consult**

**their own income tax advisors with respect to the tax consequences applicable to them having regard to their own particular circumstances.**

**Holders Resident in Canada**

This part of the summary is generally applicable only to a Holder who, at all relevant times, and for purposes of the Tax Act, is resident, or is deemed to be resident, in Canada (a "**Resident Holder**"). Certain Resident Holders whose MTL Shares or Canopy Shares might not otherwise constitute capital property may be eligible to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their MTL Shares, Canopy Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years, be deemed to be capital property. **Resident Holders contemplating such an election should first consult their own tax advisors.**

***Exchange of MTL Shares***

No Section 85 Election

A Resident Holder who exchanges MTL Shares for Canopy Shares and cash pursuant to the Arrangement (other than an Eligible Holder who makes a Section 85 Election with Canopy as discussed below under "*Holders Resident in Canada – Exchange of MTL Shares – Section 85 Election*") will be considered to have disposed of the MTL Shares for proceeds of disposition equal to the aggregate fair market value of the Canopy Shares received and the amount of cash received. As a result, the Resident Holder will generally realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the MTL Shares immediately before the exchange. See "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" below for a general discussion of the treatment of capital gains and capital losses under the Tax Act.

The cost to the Resident Holder of the Canopy Shares acquired on the exchange will be equal to the fair market value of the Canopy Shares at the time of the exchange. The Resident Holder's adjusted cost base of the Canopy Shares so acquired will be determined by averaging such cost with the adjusted cost base to the Resident Holder of all Canopy Shares (if any) owned by the Resident Holder as capital property immediately prior to such exchange.

Section 85 Election

A Resident Holder who is an Eligible Holder and who receives Canopy Shares and cash pursuant to the Arrangement may obtain a full or partial deferral of a capital gain that would otherwise be recognized for purposes of the Tax Act in respect of the exchange of the Eligible Holder's MTL Shares by filing with the CRA (and, where applicable, with a provincial tax authority) a joint election made by the Eligible Holder and Canopy under subsection 85(1) of the Tax Act (or, in the case of a partnership, under subsection 85(2) of the Tax Act, provided all members of the partnership jointly elect) and the corresponding provisions of any applicable provincial tax legislation (collectively, the "**Section 85 Election**").

The availability and extent of the deferral will depend on the Elected Amount (as defined below) designated and the Resident Holder's adjusted cost base of MTL Shares at the time of the exchange and is subject to the Section 85 Election requirements being met under the Tax Act.

An Eligible Holder making a Section 85 Election will be required to designate an amount (the "**Elected Amount**") in the Section 85 Election form that will be deemed to be the proceeds of disposition of the Eligible Holder's MTL Shares. In general, the Elected Amount may not be:

(a) less than the aggregate amount of cash received by the Eligible Holder on the exchange;

(b) less than the lesser of (i) the Eligible Holder's aggregate adjusted cost base of MTL Shares immediately before the time of exchange, and (ii) the aggregate fair market value of such MTL Shares, at the time of the exchange; or

(c) greater than the aggregate fair market value of such MTL Shares at the time of exchange.

Elected Amounts that do not comply with the foregoing limitations will be automatically adjusted under the Tax Act so that they are in compliance.

The Canadian federal income tax treatment to an Eligible Holder who makes a valid Section 85 Election generally will be as follows:

(a) the Eligible Holder will be deemed to have disposed of the Eligible Holder's MTL Shares for proceeds of disposition equal to the Elected Amount;

(b) the Eligible Holder will not realize any capital gain or capital loss if the Elected Amount (subject to the limitations described above and set out in the Tax Act) equals the aggregate of the Eligible Holder's adjusted cost base of the MTL Shares at the time of exchange and any reasonable costs of disposition;

(c) to the extent that the Elected Amount exceeds the aggregate of the Eligible Holder's adjusted cost base of the MTL Shares and any reasonable costs of disposition, the Eligible Holder will in general realize a capital gain equal to such excess amount; and

(d) the cost to the Eligible Holder of Canopy Shares acquired on the exchange will be equal to the Elected Amount less the amount of cash received, and such cost will be averaged with the adjusted cost base of all other Canopy Shares (if any) held by the Eligible Holder immediately prior to the exchange as capital property for the purpose of determining thereafter the adjusted cost base of each Canopy Share held by such Eligible Holder.

Procedure for Making Section 85 Election

Upon receipt of the letter of transmittal in which an Eligible Holder has indicated that such holder intends to make a Section 85 Election, Canopy will deliver a tax instruction letter ("**Tax**

**Instruction Letter**") to such holder. The Tax Instruction Letter will provide general instructions on how to make the Section 85 Election with Canopy in order to obtain a full or partial tax deferred rollover for Canadian income tax purposes in respect of the sale of the Eligible Holder's MTL Shares to Canopy.

An Eligible Holder may make a Section 85 Election by providing two signed copies of the necessary joint election forms to either Canopy or an appointed representative, as directed by Canopy in the Tax Instruction Letter, within 60 days after the Effective Date, duly completed with the details of the number of MTL Shares transferred and the applicable agreed amounts for the purposes of such joint elections. Subject to such Section 85 Elections being correct and complete and in compliance with requirements imposed under the Tax Act (or any analogous provision of provincial income tax Law), Canopy will complete, sign and return to the Eligible Holder for filing with the CRA (or the applicable provincial tax authority) the applicable Section 85 Election form(s) within 90 days after the Effective Date. Each Eligible Holder will be solely responsible for ensuring the Section 85 Election is filed with the CRA (and any applicable provincial income tax authorities) by the required filing deadline. Canopy will provide an Eligible Holder with a reasonable opportunity to rectify any errors or omissions in a completed Section 85 Worksheet and allow the Eligible Holder to submit to Canopy an amended Section 85 Worksheet.

Neither MTL, Canopy nor any successor corporation shall be responsible for the proper completion and filing of any Section 85 Election, and except for the obligation to sign and return the duly completed Section 85 Elections which are received within 60 days of the Effective Date, for any taxes, interest or penalties arising as a result of the failure of an Eligible Holder to properly or timely complete and file such Section 85 Elections in the form and manner prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Canopy or any successor corporation may choose to sign and return a Section 85 Election received by it from an Eligible Holder more than 60 days following the Effective Date, but will have no obligation to do so.

Eligible Holders wishing to make a Section 85 Election should consult their own tax advisors without delay and should provide the relevant information to Canopy, as set out in the Tax Instruction Letter, as soon as possible. A Section 85 Election will be valid only if it meets all the applicable requirements under the Tax Act (and any applicable provincial tax legislation) and is filed on a timely basis. These requirements are complex, are not discussed in any detail in this summary, and meeting these requirements with respect to preparing and filing the Section 85 Election will be the sole responsibility of the Eligible Holder.

**Any Eligible Holder who does not ensure that information necessary to make a Section 85 Election has been received by Canopy in accordance with the procedures set out in the Tax Instruction Letter within the time period noted above may not be able to benefit from the tax deferral provisions in subsections 85(1) or 85(2) of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation). Accordingly, all Eligible Holders who wish to make a Section 85 Election with Canopy should give their immediate attention to this matter.**

***Dissenting Resident Holders***

A Resident Holder who validly exercises Dissent Rights in respect of the Arrangement (a "**Resident Dissenting Holder**") and who transfers MTL Shares to Canopy in consideration for a cash payment from Canopy equal to the fair value of such MTL Shares, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Resident Dissenting Holder's MTL Shares.

Any capital gain or capital loss realized by the Resident Dissenting Holder will be treated in the same manner as described under the heading "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" below.

A Resident Dissenting Holder will be required to include in computing its income any interest awarded by a court in connection with the Arrangement. In addition, a Resident Dissenting Holder that, throughout its relevant taxation year, is a "Canadian-controlled private corporation" or that at any time in the taxation year is a "substantive CCPC" (each as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income for the year, including interest income, as described below under "*Holders Resident in Canada – Additional Refundable Tax*".

***Dividends on Canopy Shares***

Dividends received or deemed to be received on Canopy Shares held by a Resident Holder will be included in the Resident Holder's income for the purposes of the Tax Act. Such dividends received or deemed to be received by a Resident Holder who is an individual (including certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit rules applicable to any dividend that Canopy designates as an "eligible dividend" in accordance with the Tax Act. There may be limitations on the ability of Canopy to designate dividends as "eligible dividends".

In the case of a Resident Holder of Canopy Shares that is a corporation, dividends received or deemed to be received on Canopy Shares will be required to be included in computing the corporation's income for the taxation year in which such dividends are received or deemed to be received and will generally be deductible in computing the corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Accordingly, Resident Holders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of this provision.

A Resident Holder of Canopy Shares that is a "private corporation" (as defined in the Tax Act) or any other corporation resident (other than a private corporation) in Canada and controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on Canopy Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the year.

***Disposition of Canopy Shares***

A disposition or deemed disposition of a Canopy Share by a Resident Holder (other than a disposition to Canopy except where such disposition is the result of a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market) will generally result in a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the Canopy Share immediately before the disposition. For a description of the tax treatment of capital gains and capital losses, see "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" below.

***Taxation of Capital Gains and Capital Losses***

One half of the amount of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year will be required to be included in computing the Resident Holder's income for that year. A Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to and in accordance with the detailed rules contained in the Tax Act.

The amount of any capital loss realized on the disposition of an MTL Share or Canopy Share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of any dividends received or deemed to have been received by the corporation on such share (or on a share for which such share is substituted or exchanged). Similar rules may apply where a corporation is, directly or through a trust or partnership, a beneficiary of a trust or a member of a partnership that owns such shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

***Additional Refundable Tax***

A Resident Holder that is throughout the year a "Canadian controlled private corporation" or, at any time in a relevant taxation year, a "substantive CCPC" (each as defined in the Tax Act), may be liable to pay an additional refundable tax on certain investment income for the year, including interest, taxable capital gains realized and dividends (including deemed dividends) that are not deductible in computing the Resident Holder's taxable income for the taxation year.

***Alternative Minimum Tax***

Capital gains realized and taxable dividends received or deemed to be received by a Resident Holder who is an individual (including certain trusts) may give rise to a liability for minimum tax. Resident Holders should consult their own tax advisors with respect to the application of the minimum tax.

**Holders Not Resident in Canada**

This part of the summary is generally applicable to a Holder who, at all relevant times and for purposes of the Tax Act is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, MTL Shares or Canopy Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This part of the summary is not applicable to a Non-Resident Holder that is an insurer carrying on an insurance business in Canada and elsewhere or to an "authorized foreign bank", as defined in the Tax Act. Non-Resident Holders should consult their own tax advisors for advice having regard to their own particular tax circumstances.

***Exchange of MTL Shares and Subsequent Disposition of Canopy Shares***

A Non-Resident Holder who exchanges their MTL Shares for Canopy Shares and cash pursuant to the Arrangement will not be subject to tax under the Tax Act on any capital gain, or entitled to deduct any capital loss, realized on the exchange, unless such MTL Shares are: (a) "taxable Canadian property" to the Non-Resident Holder at the time of disposition for purposes of the Tax Act; and (b) not "treaty-protected property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition.

Similarly, a Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of a Canopy Share acquired pursuant to the Arrangement, unless the Canopy Share is: (a) "taxable Canadian property" to the Non-Resident Holder at the time of disposition for purposes of the Tax Act; and (b) not "treaty-protected property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition.

Generally, an MTL Share and a Canopy Share will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition (including upon the exchange of the MTL Shares) provided that the particular share is listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the CSE, TSX and Nasdaq), unless at any time during the 60-month period immediately preceding the disposition,

(a) 25% or more of the issued shares of any class of the capital stock of MTL or Canopy, as applicable, were owned by or belonged to any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and

(b) more than 50% of the fair market value of the applicable shares was derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists.

Notwithstanding the foregoing, an MTL Share or Canopy Share may be deemed to be "taxable Canadian property" in certain other circumstances under the Tax Act. Non-Resident Holders should consult their own tax advisors in this regard.

In circumstances where an MTL Share constitutes taxable Canadian property of the Non-Resident Holder, any capital gain (or loss) that would be realized on the exchange of the MTL Share under the Arrangement that is not treaty-protected property, generally will be subject to the same Canadian tax consequences discussed above for a Resident Holder under the headings *"Holders Resident in Canada – Exchange of MTL Shares"* and *"Holders Resident in Canada – Taxation of Capital Gains and Capital Losses"*. Similarly, with respect to a Canopy Share owned by a Non-Resident Holder in the aforesaid circumstances, the tax consequences discussed above for a Resident Holder under the headings *"Holders Resident in Canada – Disposition of Canopy Shares"* and *"Holders Resident in Canada – Taxation of Capital Gains and Capital Losses"* will generally apply.

**Non-Resident Holders who may hold shares as "taxable Canadian property" should consult their own tax advisors in this regard, including with respect to the potential Canadian income tax filing requirements of owning and disposing of such shares.**

A Non-Resident Holder that is an Eligible Holder and who receives Canopy Shares pursuant to the Arrangement may make a Section 85 Election jointly with Canopy to obtain a full or partial deferral for purposes of the Tax Act of the capital gain that would otherwise be realized on the exchange depending on the Elected Amount and the Eligible Holder's adjusted cost base of the MTL Shares at the time of the exchange. The procedures for making a Section 85 Election and the effects of filing such an election under the Tax Act are as described above for a Resident Holder under the headings *"Holders Resident in Canada – Exchange of MTL Shares – Section 85 Election"* and *"Holders Resident in Canada – Exchange of MTL Shares – Procedure for Making Section 85 Election"*. **Non-Resident Holders should consult their own advisors with respect to the availability and advisability of making a Section 85 Election.**

***Non-Resident Dissenting Holders***

A Non-Resident Holder who validly exercises Dissent Rights in respect of the Arrangement (a "**Dissenting Non-Resident Holder**") and disposes of MTL Shares to Canopy in consideration for a cash payment from Canopy equal to the fair value of such MTL Shares, will generally not be subject to tax under the Tax Act on any capital gain, or entitled to deduct any capital loss, realized on the disposition of the MTL Shares unless such MTL Shares are: (a) "taxable Canadian property" to the Non-Resident Holder at the time of disposition for purposes of the Tax Act; and (b) not "treaty-protected property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition.

For a description of the circumstances where an MTL Share constitutes taxable Canadian property to a Dissenting Non-Resident Holder, see *"Holders Not Resident in Canada – Exchange of MTL Shares and Subsequent Disposition of Canopy Shares"* above.

In circumstances where an MTL Share constitutes taxable Canadian property of the Dissenting Non-Resident Holder, any capital gain (or loss) that would be realized on the exchange of the MTL

Share under the Arrangement that is not exempt from tax under the Tax Act pursuant to an applicable income tax treaty (including as a result of the application of the MLI, as defined herein), generally will be subject to the same Canadian tax consequences discussed above for a Resident Holder under the headings *"Holders Resident in Canada – Dissenting Resident Holders"* and *"Holders Resident in Canada – Taxation of Capital Gains and Capital Losses"*.

Where a Dissenting Non-Resident Holder receives interest in connection with the exercise of Dissent Rights in respect of the Arrangement, the interest will generally not be subject to Canadian withholding tax under the Tax Act.

***Dividends on Canopy Shares***

Any dividends paid or credited, or deemed to be paid or credited, in respect of Canopy Shares to a Non-Resident Holder will generally be subject to Canadian withholding tax at a rate of 25% on the gross amount of such dividend, subject to any reduction pursuant to an applicable income tax treaty or convention. For example, under the *Canada-United States Tax Convention (1980)*, as amended (the "**U.S. Treaty**"), where the beneficial owner of dividends is a Non-Resident Holder who is a U.S. resident for the purpose of, and who is entitled to the benefits in accordance with the provisions of, the U.S. Treaty, the applicable rate of Canadian withholding tax generally is reduced to 15% of the gross amount of the dividend. The *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (the "**MLI**") of which Canada is a signatory, affects many of Canada's income tax treaties (but not the U.S. Treaty), including the ability to claim benefits thereunder. **Non-Resident Holders should consult their own tax advisors regarding the application of the U.S. Treaty or any other tax treaty.**

***Eligibility for Investment***

Based on the provisions of the Tax Act in force as of the date hereof, a Canopy Share, if issued on the date hereof, will be a "qualified investment" under the Tax Act at the Effective Time for a trust governed by a "registered retirement savings plan", a "registered retirement income fund", a "registered education savings plan", a "registered disability savings plan", a "tax-free savings account" and a "first home savings account" (each one a "**Registered Plan**"), or a "deferred profit sharing plan" (as those terms are used in the Tax Act), provided that at the time of acquisition, the Canopy Share is listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX and Nasdaq).

Notwithstanding that a Canopy Share may be a qualified investment for a Registered Plan, if the Canopy Share is a "prohibited investment" within the meaning of the Tax Act for a Registered Plan, the annuitant, holder, or subscriber of the Registered Plan, as the case may be (the "**Controller**") will be subject to a penalty tax as set out in the Tax Act. A Canopy Share will generally not be a prohibited investment for a Registered Plan if the Controller:

(a) deals at arm's length with Canopy for the purposes of the Tax Act; and

(b) does not have a "significant interest" (as defined in the Tax Act for the purposes of the prohibited investment rules) in Canopy.

In addition, a Canopy Share will not be a "prohibited investment" if the Canopy Share is "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for the Registered Plan.

Resident Holders who intend to hold Canopy Shares in a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

## Securities Laws and Considerations

The following is a brief summary of the Canadian Securities Laws and U.S. Securities Laws considerations applicable to the Arrangement.

### Status under Canadian Securities Laws

Canopy is, and following completion of the Arrangement, will continue to be a reporting issuer in all of the provinces and territories of Canada. The Canopy Shares are listed on the TSX (symbol: WEED) and Nasdaq (symbol: CGC).

MTL is a reporting issuer in British Columbia, Alberta, Ontario and Quebec. The MTL Shares are listed on the CSE (symbol: MTLC) and on the OTCQX (symbol: MTLNF). It is anticipated that the MTL Shares will be de listed from the CSE (anticipated to be effective on or prior to the Effective Date) and the OTCQX shortly following completion of the Arrangement.

Subject to applicable Law, Canopy will, as soon as possible following completion of the Arrangement, apply to have MTL cease to be a reporting issuer in British Columbia, Alberta, Ontario and Quebec.

It is a mutual condition to completion of the Arrangement that the TSX will have conditionally approved the listing of the Consideration Shares and the MC Shareholder Consideration issuable pursuant to the Arrangement on the TSX, and that all required filings will have been made with the Nasdaq to list the Consideration Shares and the MC Shareholder Consideration thereon, other than customary post-closing filings. The TSX has conditionally approved the listing of the Canopy Shares to be issued under the Arrangement, subject to Canopy filing certain documents and fulfilling all of the conditions of the TSX.

### Issuance and Resale of Canopy Shares under Canadian Securities Laws

The issuance of the Canopy Shares to the MTL Shareholders and to the MC Shareholders under the Plan of Arrangement constitutes a distribution of securities which is exempt from the registration and prospectus requirements of applicable Canadian Securities Laws. The Canopy Shares issued to former MTL Shareholders and to the MC Shareholders will generally be "freely tradeable" (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) and may be resold in each of the provinces and territories of Canada, provided the trade is not a "control distribution" as defined in the applicable Canadian Securities Laws, no unusual effort is made to prepare the market or create a demand for the Canopy Shares, no extraordinary commission or consideration is paid in respect of that sale and, if the holder is an insider or officer of Canopy, the holder has no reasonable grounds to believe that Canopy is in default of applicable Canadian Securities Laws.

**Each MTL Shareholder is urged to consult such MTL Shareholder's professional advisers to determine the conditions and restrictions applicable to trades in the Canopy Shares to which the MTL Shareholders are entitled under the Arrangement. Resales of any such securities acquired in connection with the Arrangement may be required to be made through properly registered securities dealers.**

**MI 61-101**

As MTL is a reporting issuer in the provinces of Ontario, Alberta and Quebec, it is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring, among other things, enhanced disclosure, approval by a majority of securityholders (excluding "interested parties" or "related parties") and independent valuations. The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61-101) that terminate the interests of securityholders without their consent (regardless of whether the equity security is replaced with another security).

MI 61-101 provides that, in certain circumstances, where a "related party" of an issuer (such as MTL) is entitled to receive a "collateral benefit" (as such terms are defined in MI 61-101) in connection with an acquisition transaction (such as the Arrangement), such transaction may be considered a "business combination" under MI 61-101 and as a result such related party will be an "interested party" and the issuer may be subject to minority approval and formal valuation requirements.

A "collateral benefit" (as defined in MI 61-101) includes any benefit that a "related party" of MTL (which includes the directors and senior officers of MTL, as well as any securityholder having beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the voting securities of MTL) is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of MTL or of another person, regardless of the existence of any offsetting costs to the related party or whether the benefit is provided, or agreed to, by MTL or Canopy. MI 61-101 expressly excludes from the meaning of "collateral benefit" a payment or distribution per security that is identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class as well as certain benefits to a related party received solely in connection with the related party's services as an employee or director of an issuer, of an affiliated entity of the issuer or of a successor to the business of such issuer where (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; (c) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (d) either (i) at the time the transaction was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than 1% of the outstanding securities of each class of equity securities of the issuer; or (ii) for business combinations: (A) the related party discloses to an independent committee of the issuer the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the transaction, in exchange for the securities beneficially owned by the related party; (B) the independent committee, acting in good faith, determines that the value of the benefit, net of

any offsetting costs to the related party, is less than 5% of the value referred to in clause (A); and (C) the independent committee's determination is disclosed in the disclosure document for the transaction.

**In connection with the Arrangement, the unvested MTL Options owned by each member of the MTL Board and officer of MTL immediately prior to the Effective Time may be accelerated in accordance with the Plan of Arrangement if they constitute MTL In-The-Money Options. In addition, Messrs. Richard Clément and Michel Clément are each entitled to receive certain benefits from the Arrangement, described in more detail above under "*Information Concerning the Arrangement - Interests of Certain Persons in the Arrangement*". Accordingly, there are no "independent directors", within the meaning of MI 61-101, to determine whether the total value of the benefits, as described above under "*Information Concerning the Arrangement - Interests of Certain Persons in the Arrangement*" to be received by Messrs. Bertacchini, Richard Clément or Michel Clément (who each hold more than 1% of the outstanding MTL Shares), is less than five percent of the consideration each of them expects to receive for their MTL Shares pursuant to the Arrangement. Each of Messrs. Bertacchini, Richard Clément or Michel Clément is considered to have received a "collateral benefit" pursuant to MI 61-101, and in order to ensure compliance with the requirements under MI 61-101, the requisite shareholder approval for the Arrangement Resolution will require the majority of the MTL Shares to be voted at the MTL Meeting in favour of the Arrangement Resolution, excluding all MTL Shares beneficially owned, or over which control or direction is exercised by Messrs. Bertacchini, Richard Clément or Michel Clément**.

The table below sets forth the votes of Interested Parties (or related parties of Interested Parties) excluded for the purposes of determining minority approval in accordance with MI 61-101:

| **Name** | **Number of MTL Shares to be Excluded** |
|---|---|
| Erik Bertacchini | 2,601,941 |
| Richard Clément | 43,238,461 |
| Michel Clément | 43,553,461 |

**As each other member of the MTL Board and officer of MTL, being Messrs. Matten, Ahmed, Perron and Nalewanyj, holds less than 1% of the outstanding MTL Shares, holds their unvested MTL RSUs, MTL DSUs and MTL Options, as applicable, solely in connection with their services as a director or officer of MTL, the accelerated vesting and settlement of such securities pursuant to the Arrangement was not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to such individuals for securities relinquished under the Arrangement and the accelerated vesting and settlement was not conditional on any of such individuals supporting the Arrangement, such individuals are not considered to have received a "collateral benefit" pursuant to the Arrangement and the MTL Shares held by Messrs. Matten, Ahmed, Perron and Nalewanyj will not be excluded for the purposes of the minority approval requirements of MI 61-101**.

MTL is relying on the exemption set out in Section 4.4(1)(a) of MI 61-101 in connection with the requirement to obtain a formal valuation as no securities of MTL are listed or quoted on the TSX the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States.

To the knowledge of the directors and officers of MTL, after reasonable enquiry, there have been no prior valuations (as defined in MI 61-101) prepared in respect of MTL within the 24 months preceding the date of this Circular. Disclosure is also required for any *bona fide* prior offer for the MTL Shares during the 24 months before entry into the Arrangement Agreement. There has not been any such offer during such 24 month period.

**See "*Information Concerning the Arrangement - Interests of Certain Persons in the Arrangement*" for information concerning the benefits received by MTL directors and executive officers in connection with the Arrangement.**

### Status under U.S. Securities Laws

The following discussion is a general overview of certain requirements of U.S. federal securities laws that may be applicable to former MTL Shareholders, former MTL RSU Holders, former MTL DSU Holders, former MTL Warrant Holders, former MTL Optionholders, former MTL Compensation Optionholders and MC Shareholders reselling their Canopy securities in the United States. All such former MTL Shareholders, former MTL RSU Holders, former MTL DSU Holders, former MTL Warrant Holders, former MTL Optionholders, former MTL Compensation Optionholders and MC Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Canopy securities issued and exchanged with them under the Arrangement complies with applicable U.S. Securities Laws.

The following discussion does not address applicable Canadian Securities Laws that will apply to the issue of Canopy securities or the resale of these securities under applicable Canadian Securities Laws by such former MTL Shareholders, former MTL RSU Holders, former MTL DSU Holders, former MTL Warrant Holders, former MTL Optionholders, former MTL Compensation Optionholders and MC Shareholders. Former MTL Shareholders, former MTL RSU Holders, former MTL DSU Holders, former MTL Warrant Holders, former MTL Optionholders, former MTL Compensation Optionholders and MC Shareholders reselling their Canopy securities in Canada must comply with applicable Canadian Securities Laws, as outlined elsewhere above this Circular.

### Exemption from the Registration Requirements of the U.S. Securities Act

In accordance with the Plan of Arrangement:

- the Canopy Shares to be issued to MTL Shareholders in exchange for their MTL Shares (including the MTL Shares issued upon exchange of the MTL RSUs, MTL DSUs, MTL In-The-Money Warrants, and MTL In-The-Money Options as part of the Plan of Arrangement),
- the Canopy Shares to be issued to the MC Shareholders in exchange for the Release,

- the Replacement Options to be issued to the MTL Optionholders in exchange for the MTL Out-Of-The-Money Options, and
- the Replacement Warrants to be issued to the MTL Warrant Holders in exchange for MTL Out-Of-The-Money Warrants (collectively, the "Section 3(a)(10) Securities"),

in each case, pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued and exchanged in reliance upon the Section 3(a)(10) Exemption and exemptions provided under the securities laws of each state of the United States in which MTL Shareholders, MTL RSU Holders, MTL DSU Holders, MTL Warrant Holders, MTL Optionholders, MTL Compensation Optionholders and MC Shareholders reside. In general, the Section 3(a)(10) Exemption exempts from the general registration requirements under the U.S. Securities Act, securities issued in exchange for one or more bona fide outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of the issuance and exchange are approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and be heard.

On January 14, 2026, MTL obtained the Interim Order, a copy of which is attached as Appendix "C" to this Circular. Subject to the terms of the Arrangement Agreement and, if the Arrangement Resolution is approved at the MTL Meeting, a hearing for the Final Order approving the Arrangement will be held before the Supreme Court of British Columbia for the Final Order approving the Arrangement at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on February 23, 2026, at 9:45 a.m. (Vancouver time) or as soon thereafter as counsel may be heard. All MTL Shareholders, MTL RSU Holders, MTL DSU Holders, MTL Warrant Holders, MTL Optionholders, MTL Compensation Optionholders, and MC Shareholders wishing to appear in person or to be represented by counsel and make submissions at the hearing of the application for the Final Order may do so provided that they comply with certain procedural requirements, including by serving and filing a Notice of Appearance in the manner set out in the Notice of Hearing of Petition attached as Appendix "D" to this Circular and the Interim Order. Please see the Notice of Hearing of Petition, attached as Appendix "D" to this Circular, with respect to the hearing of the application for the Final Order for further information on participating or presenting evidence at the hearing for the Final Order. If the Arrangement Resolution is approved by the Required Approval, then final approval of the Court must be obtained before the Arrangement may proceed. The Court has been advised that the Final Order, if granted, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act, pursuant to Section 3(a)(10) thereof, with respect to the issuance of the Section 3(a)(10) Securities to MTL securityholders in exchange for their respective MTL securities pursuant to the Arrangement.

**Resales of Canopy Shares after the Completion of the Arrangement**

The Canopy Shares to be issued to MTL Shareholders (including the Canopy Shares issued upon exchange of the MTL Shares issued upon exchange of the MTL RSUs, MTL DSUs, MTL In-The-Money Options, and MTL In-The-Money Warrants as part of the Plan of Arrangement) and MC Shareholders pursuant to the Arrangement will be freely tradable under the U.S. Securities Act, except by persons who are "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of

Canopy after the Effective Time or were affiliates of Canopy within 90 days prior to the Effective Time. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Typically, persons who are executive officers, directors or 10% or greater shareholders of an issuer are considered to be its "affiliates".

Canopy Shares held by such an affiliate (or, if applicable, former affiliate) may not be sold unless such Canopy Shares are registered under the U.S. Securities Act or an exemption or exclusion from such registration, such as the exemption provided by Rule 144 under the U.S. Securities Act or the exclusion provided by Regulation S under the U.S. Securities Act, is available. In general, under Rule 144 under the U.S. Securities Act, persons who are "affiliates" of Canopy after the Effective Time or were affiliates of Canopy within 90 days prior to the Effective Time will be entitled to sell pursuant to Rule 144 under the U.S. Securities Act, during any three month period, those Canopy Shares that they receive pursuant to the Arrangement, provided that the number of such shares sold, together with all other shares of the same class sold for their account during any three-month period, does not exceed the greater of one percent of the then outstanding securities of such class or the average weekly trading volume of Canopy Shares on a United States securities exchange during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer. In addition, such an affiliate (or, if applicable, former affiliate), may resell such securities pursuant to Regulation S under the U.S. Securities Act, if available. Persons that are affiliates of Canopy after the Effective Time will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of Canopy and for 90 days thereafter. The foregoing discussion is only a general overview of certain requirements of the U.S. Securities Act applicable to the resale of the Canopy Shares to be issued to MTL Shareholders (including the Canopy Shares issued upon exchange of the MTL Shares issued upon exchange of the MTL RSUs, MTL DSUs, MTL In-The-Money Options, and MTL In-The-Money Warrants as part of the Plan of Arrangement) and MC Shareholders upon completion of the Arrangement. **All holders of such securities are urged to consult with their own counsel to ensure that the resale of their securities complies with applicable securities legislation.**

### Exercise of Replacement Options, Replacement Warrants, and Replacement Compensation Options and Resale of Canopy Shares Issuable Thereunder

The Canopy Shares issuable upon exercise of the Replacement Options, Replacement Warrants, Replacement Compensation Options and Canopy Unit Warrants may not be issued in reliance upon the Section 3(a)(10) Exemption. The Replacement Options, Replacement Warrants, Replacement Compensation Options and Canopy Unit Warrants may only be exercised pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of any Canopy Shares pursuant to any such exercise of Replacement Options, Replacement Warrants, Replacement Compensation Options, and Canopy Unit Warrants after the Effective Time, Canopy may require evidence (which may include in an opinion of counsel of recognized standing) reasonably satisfactory to Canopy to the effect that the issuance of such Canopy Shares does not require registration under the U.S.

Securities Act or applicable state securities laws. Former MTL securityholders should be aware, however, that it may not be possible to provide satisfactory evidence of such an exemption, and that therefore, they may be unable to exercise such securities.

Canopy Shares received upon exercise of the Replacement Warrants, Replacement Compensation Options and Canopy Unit Warrants after the Effective Time by holders in the United States, unless registered under the U.S. Securities Act will be "restricted securities", as such term is defined in Rule 144(a)(3) under the U.S. Securities Act, and may not be resold unless such securities are registered under the U.S. Securities Act and all applicable state securities laws or unless an exemption from such registration requirements is available. The issuance of Canopy Shares upon the exercise of Replacement Options is expected to be registered under the U.S. Securities Act on a Form S-8 registration statement. Accordingly, Canopy Shares received upon the exercise of Replacement Options by persons who are not "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Canopy are not expected to be "restricted securities" and, thus, are expected to be freely tradable under the U.S. Securities Act, except by persons who are "affiliates" of Canopy at the time of sale of Canopy Shares or were "affiliates" of Canopy within 90 days prior to the time of any sale of Canopy Shares.

## RIGHTS OF DISSENTING SHAREHOLDERS

The Interim Order expressly provides Registered MTL Shareholders with Dissent Rights in respect of the Arrangement Resolution in the manner provided in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement.

This section summarizes the provisions of section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. This summary is not a comprehensive statement of the procedures for exercising Dissent Rights, which are technical and complex. A copy of Section 190 of the CBCA is attached as Appendix J to this Circular. **If you are a Registered MTL Shareholder and wish to dissent from the Arrangement Resolution, you should obtain your own legal advice and carefully read the provisions of the section 190 of the CBCA, the Interim Order and the Plan of Arrangement, as failure to strictly comply with the provisions of the CBCA (as modified by the Interim Order and Plan of Arrangement) may prejudice their Dissent Rights and result in the loss of all rights thereunder**.

Non-Registered MTL Shareholders who wish to dissent from the Arrangement Resolution should be aware that only Registered MTL Shareholders are entitled to exercise Dissent Rights. A Non-Registered MTL Shareholder that wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered MTL Shareholder deals in respect of its MTL Shares and either (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered MTL Shareholder's behalf (which, if the MTL Shares are registered in the name of CDS or other clearing agency, may require that such MTL Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such MTL Shares in the name of the Non-Registered MTL Shareholder, in which case the Non-Registered MTL Shareholder would be able to exercise the Dissent Rights directly. In addition, pursuant to Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, a Dissenting Shareholder may not exercise Dissent Rights in respect of only a portion of such Dissenting Shareholder's MTL Shares but may dissent only with respect to all MTL Shares held by such Dissenting Shareholder.

Each MTL Share held by a Dissenting Shareholder who has validly exercised Dissents Rights and which Dissent Rights remain valid immediately prior to the Effective Time, shall be cancelled and the holder shall cease to have any rights as a holder of such MTL Share other than the right to be paid the faire value of such MTL Share, as determined pursuant to the Interim Order.

MTL Shareholders who duly exercise Dissent Rights and who:

(a) are ultimately determined to be entitled to be paid fair value (as determined as of the close of business on the day before the Arrangement Resolution was adopted) by Canopy for their Dissent Shares, notwithstanding anything to the contrary contained in Section 190 of the CBCA, will be deemed to have irrevocably transferred such Dissenting Shares to Canopy in accordance with the Plan of Arrangement, without further act or formality, free and clear of any Liens; or

(b) are ultimately not entitled, for any reason, to be paid fair value for their Dissent Shares, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting MTL Shareholder,

but in no case will MTL, Canopy, the Depositary or any other person be required to recognize Dissenting Shareholders as MTL Shareholders after the Effective Time, and the names of such Dissenting Shareholders will be deleted from the central securities register as MTL Shareholders at the Effective Time.

The Dissent Procedures must be strictly complied with in order for a registered MTL Shareholder to receive cash representing the fair value of Dissent Shares held. A registered MTL Shareholder who wishes to dissent must ensure that a Dissent Notice is received by MTL, c/o Farris LLP, P.O. Box 10026, Pacific Centre South, 25th Floor, 700 W Georgia Street, Vancouver, British Columbia, V7Y 1B3, Attention: Daniel Everall by no later than 5:00 p.m. (Vancouver time) on February 12, 2026, or in the case of any adjourned or postponed MTL Meeting, by no later than 5:00 p.m. (Vancouver time) on the second Business Day immediately preceding the date of the adjourned or postponed MTL Meeting and must otherwise strictly comply with the Dissent Procedures described in this Circular. It is important that MTL Shareholders strictly comply with the Dissent Procedures set out in this Circular, which are different from the statutory dissent provisions of the CBCA which would permit a Dissent Notice to be provided at or prior to the MTL Meeting.

MTL is required within 10 days after the MTL Shareholders adopt the Arrangement Resolution to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any MTL Shareholder that voted in favour of the Arrangement Resolution or who has withdrawn his or her Dissent Notice.

A Dissenting Shareholder that has not withdrawn its Dissent Notice prior to the MTL Meeting must, within 20 days after receipt of notice that the Arrangement Resolution has been adopted, or if the Dissenting Shareholder does not receive such notice, within 20 days after learning that the Arrangement Resolution has been adopted, send to MTL a Demand for Payment. Within 30 days after sending the Demand for Payment, the Dissenting Shareholder must send to MTL certificates representing the Dissent Shares. MTL or the Depositary will endorse on the share certificate(s) received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and

will forthwith return the share certificates to the Dissenting Shareholder. A Dissenting Shareholder that fails to make a Demand for Payment in the time required, or to send certificates representing Dissent Shares in the time required, has no right to make a claim under Section 190 of the CBCA, as modified by the Interim Order and Plan of Arrangement.

Under Section 190 of the CBCA, as modified by the Interim Order and Plan of Arrangement, after sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as an MTL Shareholder in respect of its Dissent Shares other than the right to be paid the fair value of the Dissent Shares by Canopy, as determined pursuant to the Interim Order, unless: (i) the Dissenting Shareholder withdraws its Dissent Notice before Canopy makes an Offer to Pay; (ii) Canopy fails to make an Offer to Pay in accordance with subsection 190(12) of the CBCA and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the MTL Board revokes the Arrangement Resolution. In (i) and (ii), the Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same basis as any non-Dissenting Shareholder as at and from the Effective Time.

Canopy is required, not later than seven days after the later of the Effective Date and the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder that has sent a Demand for Payment an Offer to Pay for its Dissent Shares in an amount considered by Canopy to be the fair value of the Dissent Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay for Dissent Shares of the same class must be on the same terms. Canopy must pay for the Dissent Shares of a Dissenting Shareholder within ten days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such offer lapses if Canopy does not receive an acceptance within 30 days after the Offer to Pay has been made.

If Canopy fails to make an Offer to Pay for a Dissenting Shareholder's Dissent Shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, Canopy may, within 50 days after the Effective Date or within such further period as the Court may allow, apply to the Court to fix a fair value for the Dissent Shares. If Canopy fails to apply to the Court, a Dissenting Shareholder may apply to the Court for the same purpose within a further period of 20 days or within such further period as the Court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Any such application by Canopy or a Dissenting Shareholder must be made to the Court in British Columbia or a court having jurisdiction in the place where the Dissenting Shareholder resides if Canopy carries on business in that province.

Before making any such application to the Court itself after receiving a notice that a Dissenting Shareholder has made an application to a Court, Canopy will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of a Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon an application to the Court, all Dissenting Shareholders that have not accepted an Offer to Pay will be joined as parties and be bound by the decision of the Court. Upon any such application to the Court, the Court may determine whether any other person is a Dissenting Shareholder that should be joined as a party, and the Court will then fix a fair value for the Dissent Shares of all Dissenting Shareholders. The Final Order of the Court will be rendered against Canopy in favour of each Dissenting Shareholder for the amount of the fair value of its Dissent Shares as fixed by the Court. The Court may, in its

discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

In no circumstances will MTL, Canopy or any other person be required to recognize a person as a Dissenting Shareholder: (i) unless such person is the holder of the MTL Shares in respect of which Dissent Rights are purported to be exercised immediately prior to the Effective Time; (ii) if such person has voted or instructed a proxy holder to vote such MTL Shares in favor of the Arrangement Resolution; or (iii) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in the CBCA, as modified by the Interim Order and Plan of Arrangement and does not withdraw such Notice of Dissent prior to the Effective Time.

The filing of a Dissent Notice does not deprive a Registered MTL Shareholder of the right to vote at the MTL Meeting; however, a Registered MTL Shareholder who has submitted a Dissent Notice and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to MTL Shares voted in favour of the Arrangement Resolution. If such Dissenting Shareholder votes in favour of the Arrangement Resolution in respect of a portion of the MTL Shares registered in his, her or its name and held by same on behalf of any one Non-Registered MTL Shareholder, such vote approving the Arrangement Resolution will be deemed to apply to the entirety of the MTL Shares held by such Dissenting Shareholder, given that section 190 of the CBCA provides there is no right of partial dissent. A vote against the Arrangement Resolution will not constitute a Dissent Notice, and a Registered MTL Shareholder is not required to vote its MTL Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered MTL Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such MTL Shares in favour of the Arrangement Resolution and thereby causing the Registered MTL Shareholder to forfeit its Dissent Rights.

The above is only a summary of the provisions of the CBCA pertaining to Dissent Rights, as modified by the Interim Order and the Plan of Arrangement, which are technical and complex. If you are an MTL Shareholder holding MTL Shares and wish to directly or indirectly exercise Dissent Rights, you should seek your own legal advice as failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice or result in the loss of your Dissent Rights.

## ADDITIONAL INFORMATION CONCERNING MTL

Additional information relating to MTL is contained in this Circular in Appendix "F" – *"Additional Information Concerning MTL"*.

## ADDITIONAL INFORMATION CONCERNING CANOPY

Additional information relating to Canopy is contained in this Circular in Appendix "G" - *"Additional Information Concerning Canopy"*.

## ADDITIONAL INFORMATION CONCERNING CANOPY FOLLOWING THE COMPLETION OF THE ARRANGEMENT

Additional information relating to Canopy following the completion of the Arrangement, is contained in this Circular in Appendix "H" - *"Additional Information Concerning Canopy Following the Completion of the Arrangement".*

## INTERESTS OF INFORMED PERSONS AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed under "*Information Concerning the Arrangement - Interests of Certain Persons in the Arrangement*", or elsewhere in this Circular, including in Appendix "F" - "*Additional Information Concerning MTL*", no informed person (as defined in Canadian Securities Laws) of MTL or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction since the commencement of the most recently completed financial year of MTL or in any proposed transaction that has materially affected or would materially affect any of MTL or any of its subsidiaries.

## INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed under *"Information Concerning the Arrangement - Interests of Certain Persons in the Arrangement",* or elsewhere in this Circular, MTL is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of MTL or anyone who has held office as such since the beginning of MTL last financial year, or of any associate or affiliate of the foregoing, in any matter to be acted upon at the MTL Meeting.

## AUDITORS AND TRANSFER AGENT

The auditor of MTL is MNP LLP, located at 1155, Boul. René-Lévesque O., 23e Étage, Montréal, Québec, H3B 2K2, Canada.

The registrar and transfer agent for the MTL Shares is Odyssey at its office at 1230-300 5th Ave SW, Calgary, Alberta, T2P 3C4, Canada.

## INTEREST OF EXPERTS

The following persons and companies have prepared certain sections of this Circular and/or Appendices attached hereto as described below, or are named as having prepared or certified a report, statement or opinion in or incorporated by reference in this Circular.

| **Name of Expert** | **Nature of Relationship** |
|---|---|
| Haywood Securities Inc.[(1)] | Financial advisor and responsible for the preparation of the fairness opinion attached to this Circular as Appendix "I". |

| | |
|---|---|
| MNP LLP[(2)] | Auditor of MTL. |
| PKF O'Connor Davies, LLP[(3)] | Auditor of Canopy. |

**Notes:**

(1) To the knowledge of MTL, as of the date hereof, the "designated professionals" (as that term is defined under applicable Canadian Securities Laws) owned, directly and indirectly, in the aggregate, less than 1% of the outstanding MTL Shares.

(2) The expert so named is independent in accordance with the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

(3) The expert so named is independent with respect to Canopy within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation and is an independent registered public accounting firm with respect to Canopy Growth within the meaning of the U.S. Securities Act and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States).

## OTHER MATTERS

Management of MTL is not aware of any matters to come before the MTL Meeting other than as set forth in the Notice that accompanies this Circular. If any other matter properly comes before the MTL Meeting, it is the intention of the persons named in the enclosed proxy to vote the MTL Shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Additional information with respect to MTL is included at Appendix "F" and additional information with respect to Canopy is included at Appendix "G".

MTL Shareholders may obtain a copy of the Arrangement Agreement and the Plan of Arrangement on MTL's profile on the SEDAR+ website at www.sedarplus.ca, or may obtain a copy of each such document at MTL's records office during regular business hours prior to the MTL Meeting at: 1773 Bayly Street Pickering, Ontario Canada L1W 2Y7.

## APPROVAL OF BOARD

The contents and the sending of this Circular have been approved by the MTL Board. The information concerning Canopy contained in this Circular, including the appendices attached hereto and the information incorporated by reference herein, has been provided by Canopy. MTL has relied upon this information without having made any independent inquiry as to the accuracy thereof. MTL assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Canopy to disclose facts or events which may affect the accuracy of any such information.

DATED at Vancouver, British Columbia, January 15, 2026.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) *"Michael Perron"*

Michael Perron, Chief Executive Officer
MTL Cannabis Corp.

## CONSENT OF HAYWOOD SECURITIES INC.

To: The Board of Directors (the "**MTL Board**") of MTL Cannabis Corp. ("**MTL**")

We hereby consent (i) to the references within the management information circular of MTL dated January 15, 2026, (the "**Circular**") to our fairness opinion dated December 14, 2025. (the "**Fairness Opinion**"), which we prepared for the Special Committee of MTL in connection with the Arrangement Agreement dated December 14, 2025, between MTL and Canopy Growth Corporation, as amended by the Amending Agreement, (ii) to the inclusion of the full text of the Fairness Opinion as Appendix "I" to the Circular and (iii) to the filing of the Circular with the Fairness Opinion included therein with the applicable securities regulatory authorities in the provinces and territories of Canada. In providing our consent, we do not intend or permit that any persons other than the Special Committee of MTL shall rely upon the Fairness Opinion which remains subject to the analyses, assumptions, limitations and qualifications contained therein.

(signed) "*Haywood Securities Inc.*"

Haywood Securities Inc.

**APPENDIX "A"**
**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

A. The arrangement (as it may be modified or amended, the "**Arrangement**") under Section 192 of the Canada Business Corporations Act involving MTL Cannabis Corp. (the "**Company**"), its shareholders and Canopy Growth Corporation (the "**Purchaser**"), all as more particularly described and set forth in the plan of arrangement (as it may be modified or amended, the "**Plan of Arrangement**") attached as Appendix "B" to the Management Information Circular of the Company dated January 15, 2026 (the "**Circular**"), and all transactions contemplated thereby, are hereby authorized, approved and adopted.

B. The Arrangement Agreement dated as of December 14, 2025 between the Company and the Purchaser, as amended on January 6, 2026, as it may be amended from time to time (the "**Arrangement Agreement**"), and the transactions contemplated therein, the actions of the directors of the Company in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and causing the performance by the Company of its obligations thereunder are hereby confirmed, ratified, authorized and approved.

C. The Company be and is hereby authorized to apply for a final order from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).

D. Notwithstanding that this resolution has been passed (and the Arrangement approved and agreed to) by shareholders of the Company or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Company are hereby authorized and empowered without further approval of any shareholders of the Company (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or Plan of Arrangement and (ii) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Arrangement Agreement).

E. Any director or officer of the Company is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, for filing with the Director under the Canada Business Corporations Act, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of articles of arrangement or other such documents.

F. Any director or officer of the Company is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all

such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.

**APPENDIX "B"**
**PLAN OF ARRANGEMENT**

[*See Attached*]

**PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT UNDER SECTION 192**
**OF THE *CANADA BUSINESS CORPORATIONS ACT***

## ARTICLE 1
## DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**affiliate**" has the meaning ascribed thereto under the *Securities Act* (Ontario);

"**Anti-Dilution Shares**" means the Anti-Dilution Event Consideration Shares as defined in Section 2.2(a)(ii) in the Share Exchange Agreement;

"**Arrangement**" means the arrangement of the Company under Section 192 of the CBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.9 of the Arrangement Agreement and this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Purchaser and the Company, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated December 14, 2025 between the Company and the Purchaser to which this Plan of Arrangement is attached as Schedule A, together with the Schedules attached thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms of thereof;

"**Arrangement Resolution**" means the special resolution to be considered, and, if thought advisable, passed by the Company Shareholders at the Company Meeting to approve the Arrangement, substantially in the form of Schedule B to the Arrangement Agreement;

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement to be filed with the Director in compliance with the CBCA after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in form and content satisfactory to the Company and the Purchaser, each acting reasonably;

"**Business Day**" means any day, other than a Saturday, a Sunday or any other day on which commercial banking institutions in Toronto, Ontario or Vancouver, British Columbia are authorized or required by applicable Law to be closed;

"**Canadian Resident**" means a person that, immediately prior to the Effective Time, is a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention;

"**Cash Consideration**" means $0.144 in cash for each Company Share;

"**CBCA**" means the *Canada Business Corporations Act*, and includes any successor thereto;

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA in respect of the Articles of Arrangement;

"**Circular**" means the notice of meeting and accompanying management information circular (including all schedules, appendices and exhibits thereto) to be sent to the Company Shareholders in connection with the Company Meeting, including any amendments or supplements thereto;

"**Company**" means MTL Cannabis Corp., a corporation existing under the federal laws of Canada;

"**Company Archerwill Debenture Warrants**" means the 1,733,333 warrants of the Company, each exercisable to acquire one Company Share until August 5, 2027 at an exercise price of $0.74737 per Company Share, subject to adjustment in accordance with their terms;

"**Company Archerwill Prepayment Warrants**" means the 16,640,858 warrants of the Company, each exercisable to acquire one Company Share until August 5, 2027 at an exercise price of $0.5749 per Company Share, subject to adjustment in accordance with their terms;

"**Company Compensation Option Holder**" means a holder of one or more Company Compensation Options;

"**Company Compensation Options**" means the 220,360 compensation options of the Company, each exercisable to acquire one Company Unit until September 19, 2028 at an exercise price of $0.65 per Company Unit, subject to adjustment in accordance with their terms;

"**Company DSU Holder**" means a holder of one or more Company DSUs;

"**Company DSUs**" means all deferred share units of the Company outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the Company Incentive Plan;

"**Company Incentive Plan**" means the Long-Term Incentive Plan of the Company approved by the Company Board on June 6, 2025;

"**Company In-The-Money Option**" means a Company Option having a Company Option In-The-Money Amount;

"**Company In-The-Money Warrant**" means a Company Warrant having a Company Warrant In-The-Money Amount and that has duly delivered a Company Warrant Exercise Notice;

"**Company March 2020 Warrants**" means the 3,244,757 warrants of the Company, each exercisable to acquire one Company Share until December 31, 2026 at an exercise price of $1.50 per Company Share, subject to adjustment in accordance with their terms;

"**Company Meeting**" means the special meeting of the Company Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought advisable, approving the Arrangement Resolution;

"**Company Option In-The-Money Amount**" in respect of a Company Option means the amount, if any, by which the total fair market value of the Company Share, which will be equal to the closing price of Company Shares on the CSE on the last trading day immediately prior to the Effective Date, that a holder is entitled to acquire on exercise of the Company Option immediately prior to the Effective Time exceeds the exercise price to acquire the Company Share issuable pursuant to the Company Option;

"**Company Optionholder**" means a holder of one or more Company Options;

"**Company Option Plan**" means the Amended and Restated Stock Option Plan of the Company approved by the Company Shareholders on July 28, 2023;

"**Company Options**" means all options to acquire Company Shares outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the Company Option Plan

"**Company Option Shares**" means the Company Shares to be issued to holders of Company In-The-Money Options pursuant to Section 3.1(f) of the Plan of Arrangement;

"**Company Out-Of-The-Money Option**" means a Company Option that is not a Company In-The-Money Option;

"**Company Out-Of-The-Money Warrant**" means a Company Warrant that is not a Company In-The-Money Warrant, including any Company Warrant for which a Company Warrant Exercise Notice has not been duly delivered;

"**Company RSU Holder**" means a holder of one or more Company RSUs;

"**Company RSUs**" means all restricted share units of the Company outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the Company Incentive Plan;

"**Company Securityholders**" means, collectively, Company Shareholders, Company RSU Holders, Company DSU Holders, Company Warrant Holders, Company Optionholders and Company Compensation Option Holders;

"**Company September 2025 Warrants**" means the 1,652,669 warrants of the Company, each exercisable to acquire one Company Share until September 19, 2028 at an exercise price of $0.98 per Company Share, subject to adjustment in accordance with their terms;

"**Company Shareholder**" means a holder of one or more Company Shares;

"**Company Shares**" means the common shares without par value in the capital of the Company;

"**Company Unit**" means a unit of the Company comprised of one Company Share and one half of one Company Unit Warrant;

"**Company Unit Warrant**" means a warrant of the Company exercisable to acquire one Company Share until September 19, 2028 at an exercise price of $0.98 per Company Share, subject to adjustment in accordance with its terms;

"**Company Warrant Exercise Notice**" means a written notice of cashless exercise, in a form reasonably satisfactory to the Company and the Purchaser, delivered by a Company Warrant Holder to the Company at least two (2) Business Days in advance of the Effective Date;

"**Company Warrant Holder**" means a holder of one or more Company Warrants;

"**Company Warrant In-The-Money Amount**" in respect of a Company Warrant means the amount, if any, by which the total fair market value of the Company Share, which will be equal to the closing price of Company Shares on the CSE on the last trading day immediately prior to the Effective Date, that a holder is entitled to acquire on exercise of the Company Warrant immediately prior to the Effective Time exceeds the exercise price to acquire the Company Share issuable pursuant to the Company Warrant;

"**Company Warrant Shares**" means the Company Shares to be issued to holders of Company In-The-Money Warrants pursuant to Section 3.1(e) of the Plan of Arrangement;

"**Company Warrants**" means, collectively, the Company Archerwill Debenture Warrants, the Company Archerwill Prepayment Warrants, the Company March 2020 Warrants and the Company September 2025 Warrants;

"**Consideration**" means the consideration to be received pursuant to the Plan of Arrangement in respect of each Company Share, consisting of (i) the Share Consideration and (ii) the Cash Consideration;

"**Consideration Shares**" means the Purchaser Shares to be issued as Share Consideration pursuant to the Arrangement;

"**Court**" means the Supreme Court of British Columbia, sitting in Vancouver, British Columbia, or other court as applicable;

"**CRA**" means the Canada Revenue Agency;

"**CSE**" means the Canadian Securities Exchange;

"**Depositary**" means Odyssey Trust Company or any other trust company, bank or other financial institution agreed to in writing by the Company and the Purchaser for the purpose of, among other things, exchanging certificates representing Company Shares for the Consideration in connection with the Arrangement;

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA:

"**Dissent Rights**" has the meaning specified in Section 5.1;

"**Dissent Shares**" means Company Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights;

"**Dissenting Shareholder**" means a registered Company Shareholder that has duly and validly exercised Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of Company Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Purchaser and the Company may agree to in writing before the Effective Date;

"**Eligible Holder**" means a Canadian Resident (other than a Tax Exempt Person), or an Eligible Non-Resident;

"**Eligible Non-Resident**" means a Non-Resident Shareholder whose Company Shares are "taxable Canadian property" and not "treaty-protected property", in each case as defined in the Tax Act;

"**Exchange Ratio**" means the number of Purchaser Shares to be issued for each Company Share pursuant to Section 3.1(g);

"**Final Order**" means the final order of the Court approving the Arrangement under Section 192 of the CBCA, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at

any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment, modification, supplement or variation is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Former Company DSU Holders**" means, at and following the Effective Time, the holders of Company DSUs immediately prior to the Effective Time;

"**Former Company In-The-Money Optionholders**" means, at and following the Effective Time, the holders of Company In-The-Money Options immediately prior to the Effective Time;

"**Former Company In-The-Money Warrant Holder**" means, at and following the Effective Time, the holders of Company In-The-Money Warrants immediately prior to the Effective Time;

"**Former Company RSU Holders**" means, at and following the Effective Time, the holders of Company RSUs immediately prior to the Effective Time;

"**Former Company Shareholders**" means, at and following the Effective Time, the holders of Company Shares immediately prior to the Effective Time;

"**Former Company Warrant Holders**" means, at and following the Effective Time, the holders of Company Warrants immediately prior to the Effective Time;

"**Interim Order**" means the interim order of the Court to be issued following the application therefor submitted to the Court pursuant to Section 192 of the CBCA, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both the Company and the Purchaser, each acting reasonably;

"**Laws**" means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity and the term "applicable" with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such person or its business, undertaking, property or securities;

"**Letter of Transmittal**" means the letter of transmittal to be delivered by the Company to Company Shareholders for use in connection with the Arrangement;

"**MC Shareholder Consideration**" means 2,956,391 Purchaser Shares to be issued to the MC Shareholders with such Purchaser Shares subject to transfer restrictions for a period of 18 months following the Effective Date; provided that, any exercise of the Company Archerwill Prepayment Warrants prior to the Effective Date shall result in an automatic and proportionate reduction to the MC Shareholder Consideration in so far as an MC Shareholder receives Anti-Dilution Shares;

"**MC Shareholders**" means, collectively, the David Bow Family Trust, the Michael Rancourt Family Trust, the Michel Clément Family Trust, the Richard Clément Family Trust and the Massimo Caporusso Family Trust (2021);

"**Non-Resident**" means a person that, immediately prior to the Effective Time, is not, and is not deemed to be, a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention;

"**Non-Resident Shareholder**" means a Company Shareholder that is a Non-Resident or a partnership of which a Non-Resident is a member;

"**Plan**" or "**Plan of Arrangement"** means this plan of arrangement proposed under Section 192 of the CBCA, as amended, modified or supplemented from time to time in accordance with the terms hereof and Section 8.9 of the Arrangement Agreement, or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

"**Purchaser**" means Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada;

"**Purchaser Equity Incentive Plan**" means the Omnibus Equity Incentive Plan of the Purchaser as approved by shareholders of the Purchaser on September 25, 2023, as the same may be amended, supplemented or restated in accordance therewith, prior to the Effective Time.

"**Purchaser Shares**" means common shares in the capital of the Purchaser;

"**Purchaser Unit**" means a unit of the Purchaser comprised of one Purchaser Share and one half of one Purchaser Unit Warrant;

"**Purchaser Unit Warrant**" means a warrant of the Purchaser exercisable to acquire one Purchaser Share until September 19, 2028 at an exercise price of $2.61 per Purchaser Share, subject to adjustment in accordance with its terms;

"**Release**" has the meaning specified in Section 3.1(a);

"**Replacement Compensation Option**" has the meaning specified in Section 3.1(i);

"**Replacement Option**" has the meaning specified in Section 3.1(h);

"**Replacement Warrant**" has the meaning specified in Section 3.1(i);

"**Section 85 Election**" has the meaning specified in Section 4.1(f);

"**Share Consideration**" means 0.32 of a Purchaser Share for each Company Share;

"**Share Exchange Agreement**" means the Second Restated Share Exchange Agreement dated June 28, 2023, among the Company, Montreal Cannabis Medical Inc., Michel Clément, Richard Clément and the MC Shareholders;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, and the regulations promulgated thereunder;

"**Tax Exempt Person**" means a person who is exempt from tax under Part I of the Tax Act; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

Any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Arrangement Agreement. In addition, words and phrases used herein and defined in the CBCA and not

otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

### 1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into articles, sections, subsections and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction, meaning or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles, sections, subsections and subparagraphs are to articles, sections, subsections and subparagraphs of this Plan of Arrangement, and use of the terms "herein", "hereof" and "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion of this Plan of Arrangement.

### 1.3 Number, Gender and Persons

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, trusts, estates, trustees, executors, administrators, legal representatives, governments (including any Governmental Authority), regulatory authorities, syndicate or other entities, whether or not having legal status.

### 1.4 Date for any Action

In the event that the date on which any action is required to be taken hereunder by any of the parties hereto is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

### 1.5 Statutory References

References in this Plan of Arrangement to any statute or sections thereof shall include such statute and all rules and regulations made or promulgated thereunder, as it or they may have been or may from time to time be amended, substituted or re-enacted, unless stated otherwise.

### 1.6 Currency

In this Plan of Arrangement, unless otherwise stated, all references to sums of money are expressed in lawful money of Canada.

### 1.7 Governing Law

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

### 1.8 Time

Time shall be of the essence in every matter or action contemplated hereunder. All references to time are to local time, Vancouver, British Columbia.

## ARTICLE 2
## ARRANGEMENT AGREEMENT

### 2.1 Arrangement Agreement

This Plan of Arrangement constitutes an Arrangement under Section 192 of the CBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

### 2.2 Binding Effect

At the Effective Time, this Plan of Arrangement and the Arrangement shall, without any further authorization, act or formality on the part of any person, become effective and be binding upon the Purchaser, the Company, the Depositary, all registered and beneficial holders of Company Shares, including Dissenting Shareholders, all registered and beneficial holders of Company RSUs, Company DSUs, Company Warrants, Company Options and Company Compensation Options, the MC Shareholders, the registrar and transfer agent in respect of the Company Shares, and all other persons.

### 2.3 Effect of the Arrangement

The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 3.1 has become effective in the sequence and at the times set out therein.

## ARTICLE 3
## ARRANGEMENT

### 3.1 The Arrangement

Commencing and effective as at the Effective Time, each of the events set out below shall occur and shall be deemed to occur sequentially in the following order without any further act or formality required on the part of any person, except as otherwise expressly provided herein, effective as at five-minute intervals starting at the Effective Time:

(a) each MC Shareholder shall and shall be deemed to irrevocably, fully and finally release the Company, the Purchaser and their respective affiliates, from any and all obligations owing to such MC Shareholders pursuant to the Share Exchange Agreement, including, for greater certainty, each MC Shareholder's entitlement to the Anti-Dilution Shares (the "**Release**") in exchange for the MC Shareholder Consideration;

(b) each Dissent Share shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, to the Purchaser (free and clear of any Liens of any nature whatsoever) and the Purchaser shall thereupon be obligated to pay the amount therefor determined and payable in accordance with Article 5, and:

(i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the holder of such Dissent Share and to have any rights as a Company Shareholder other than the right to be paid the fair value by the Purchaser for such Dissent Share as set out in Section 5.1;

(ii) such Dissenting Shareholder's name shall be, and shall be deemed to be, removed from the register of Company Shareholders maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the transferee of such Dissent Shares (free and clear of any Liens of any nature whatsoever) and the register of Company Shareholders maintained by or on behalf of the Company shall be, and shall be deemed to be, revised accordingly;

(c) subject to Section 4.6, each Company RSU, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such Company RSU shall be, and shall be deemed to be, surrendered and disposed of to the Company by the Company RSU Holder for one

Company Share and the Company Shares issuable in connection therewith shall be deemed to be issued to such Former Company RSU Holder as fully paid and non-assessable shares in the capital of the Company, provided that no share certificates shall be issued with respect to such shares; and:

(i) such Former Company RSU Holder shall cease to be, and shall be deemed to cease to be, the holder of such Company RSU and shall cease to have any rights as a Company RSU Holder in respect of such Company RSU;

(ii) such Former Company RSU Holder's name shall be, and shall be deemed to be, removed from the register of the Company RSUs; and

(iii) all agreements, grants and similar instruments relating to such Company RSU shall be, and shall be deemed to be, cancelled, and neither the Company nor the Purchaser shall have any further liabilities or obligations to the Former Company RSU Holder with respect thereto;

(d) subject to Section 4.6, each Company DSU, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such Company DSU shall be, and shall be deemed to be, surrendered and disposed of to the Company by the Company DSU Holder for one Company Share and the Company Shares issuable in connection therewith shall be deemed to be issued to such Former Company DSU Holder as fully paid and non-assessable shares in the capital of the Company, provided that no share certificates shall be issued with respect to such shares; and:

(i) such Former Company DSU Holder shall cease to be, and shall be deemed to cease to be, the holder of such Company DSU and shall cease to have any rights as a Company DSU Holder in respect of such Company DSU;

(ii) such Former Company DSU Holder's name shall be, and shall be deemed to be, removed from the register of the Company DSUs; and

(iii) all agreements, grants and similar instruments relating to such Company DSU shall be, and shall be deemed to be, cancelled, and neither the Company nor the Purchaser shall have any further liabilities or obligations to the Former Company DSU Holder with respect thereto;

(e) subject to Section 4.6, each Company In-The-Money Warrant, shall be, and shall be deemed to be, exercised by the holder thereof on a cashless basis and surrendered and forfeited to the Company (free and clear of any Liens of any nature whatsoever) and the relevant Former Company In-The-Money Warrant Holder shall receive, from the Company, Company Warrant Shares having a fair market value equal to the relevant Company Warrant In-The-Money Amount and the Company Warrant Shares issuable in connection therewith shall be deemed to be issued to such Former Company In-The-Money Warrant Holder as fully paid and non-assessable shares in the capital of the Company, provided that no share certificates shall be issued with respect to such Company Warrant Shares, and:

(i) such Former Company In-The-Money Warrant Holder shall cease to be, and shall be deemed to cease to be, the holder of such Company In-The-Money Warrant and shall cease to have any rights as a Company Warrant Holder in respect of such Company In-The-Money Warrant;

(ii) such Former Company In-The-Money Warrant Holder's name shall be, and shall be deemed to be, removed from the register of the Company Warrants; and

(iii) all warrant agreements, grants and similar instruments relating to such Company In-The-Money Warrant shall be, and shall be deemed to be, cancelled, and neither the Company nor the Purchaser shall have any further liabilities or obligations to the Former Company In-The-Money Warrant Holder with respect thereto;

(f) subject to Section 4.6, each Company In-The-Money Option, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such Company In-The-Money Option shall be, and shall be deemed to be, exercised by the holder thereof on a cashless basis and surrendered and forfeited to the Company (free and clear of any Liens of any nature whatsoever) and the relevant Former Company In-The-Money Optionholder shall receive, from the Company, Company Option Shares having a fair market value equal to the relevant Company Option In-The-Money Amount and the Company Option Shares issuable in connection therewith shall be deemed to be issued to such Former Company In-The-Money Optionholder as fully paid and non-assessable shares in the capital of the Company, provided that no share certificates shall be issued with respect to such Company Option Shares, and:

(i) such Former Company In-The-Money Optionholder shall cease to be, and shall be deemed to cease to be, the holder of such Company In-The-Money Option and shall cease to have any rights as a Company Optionholder in respect of such Company In-The-Money Option;

(ii) such Former Company In-The-Money Optionholder's name shall be, and shall be deemed to be, removed from the register of the Company Options; and

(iii) all option agreements, grants and similar instruments relating to such Company In-The-Money Option shall be, and shall be deemed to be, cancelled, and neither the Company nor the Purchaser shall have any further liabilities or obligations to the Former Company In-The-Money Optionholder with respect thereto;

(g) each Company Share (excluding (i) any Dissent Share or (ii) any Company Share held by the Purchaser or any of its affiliates but including (i) the Company Shares issuable pursuant to Section 3.1(c) and Section 3.1(d); (ii) the Company Option Shares issuable pursuant to Section 3.1(f); and (iii) the Company Warrant Shares issuable pursuant to Section 3.1(e)) shall be, and shall be deemed to be, assigned and transferred by the holder thereof, without any further act or formality on its part, to the Purchaser (free and clear of any Liens of any nature whatsoever), in exchange for the Consideration, less any amounts withheld pursuant to Section 4.6, and:

(i) each holder of such Company Shares shall cease to be, and shall be deemed to cease to be, the holder thereof and to have any rights as a Company Shareholder other than the right to be paid the Consideration per Company Share in accordance with this Plan of Arrangement;

(ii) the name of each such holder shall be, and shall be deemed to be, removed from the register of Company Shareholders maintained by or on behalf of the Company;

(iii) the Purchaser shall be deemed to be the transferee of such Company Shares (free and clear of any Liens of any nature whatsoever) and the register of Company

Shareholders maintained by or on behalf of the Company shall be, and shall be deemed to be, revised accordingly; and

(iv) for greater certainty, applicable amounts may be withheld from the Consideration pursuant to Section 4.6(a), and the Purchaser Shares (payable as Share Consideration) so withheld may be sold pursuant to and in accordance with Section 4.6(b) to satisfy the withholding and deduction in respect of the surrender, assignment and transfer, of the Company RSUs pursuant to Section 3.1(c), the Company DSUs pursuant to Section 3.1(d) and the Company-In-The-Money Options pursuant to Section 3.1(f);

(h) each outstanding Company Out-Of-The-Money Option shall be exchanged at the Effective Time for an option (a "**Replacement Option**") to purchase from the Purchaser 0.32 of a Purchaser Share, at an exercise price per Purchaser Share that would otherwise be payable to acquire a Company Share pursuant to the Company Out-Of-The-Money Option it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Purchaser Shares issuable pursuant to the relevant former Company Out-Of-The-Money Option holder's Replacement Options having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, all other terms and conditions of such Replacement Option, including the conditions to and manner of exercise (provided any Replacement Option shall be exercisable at the offices of the Purchaser), shall be as nearly equivalent as practicable as the terms and conditions of the certificates governing the Company Out-Of-The-Money Option so exchanged, and shall be governed by the terms of the Purchaser Equity Incentive Plan, and any document evidencing a Company Out-Of-The-Money Option shall thereafter evidence and be deemed to evidence such Replacement Option. Each Company Out-Of-The-Money Option shall cease to be, and shall be deemed to cease to be, an option or right to acquire Company Shares;

(i) each outstanding Company Out-Of-The-Money Warrant shall be exchanged at the Effective Time for a warrant (a "**Replacement Warrant**") to purchase from the Purchaser 0.32 of a Purchaser Share, at an exercise price per Purchaser Share that would otherwise be payable to acquire a Company Share pursuant to the Company Out-Of-The-Money Warrant it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Purchaser Shares issuable pursuant to the relevant former Company Out-Of-The-Money Warrant holder's Replacement Warrants having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, the term to expiry, conditions to and manner of exercise (provided any Replacement Warrant shall be exercisable at the offices of the Purchaser) and other terms and conditions of each of the Replacement Warrants shall be as nearly equivalent as practicable to the terms and conditions of the certificates governing the Company Out-Of-The-Money Warrant for which it is exchanged, and any document evidencing a Company Out-Of-The-Money Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant. Each Company Out-Of-The-Money Warrant shall cease to be, and shall be deemed to cease to be, a warrant or right to acquire Company Shares.

(j) each outstanding Company Compensation Option shall be exchanged at the Effective Time for an option (a "**Replacement Compensation Option**") to purchase from the Purchaser 0.32 of a Purchaser Unit, at an exercise price per Purchaser Unit that would otherwise be payable to acquire a Company Unit pursuant to the Company Compensation Option it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole

cent), except that the aggregate number of whole Purchaser Units issuable pursuant to the relevant former Company Compensation Option holder's Replacement Compensation Options having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, the term to expiry, conditions to and manner of exercise (provided any Replacement Compensation Option shall be exercisable at the offices of the Purchaser) and other terms and conditions of each of the Replacement Compensation Options shall be as nearly equivalent as practicable to the terms and conditions of the certificates governing the Company Compensation Option for which it is exchanged and any document evidencing a Company Compensation Option shall thereafter evidence and be deemed to evidence such Replacement Compensation Option. Each Company Compensation Option shall cease to be, and shall be deemed to cease to be, an option or right to acquire Company Units, Company Shares and Company Unit Warrants; and

(k) in exchange for the Release from each MC Shareholder, the Purchaser shall issue Purchaser Shares with a legend imposing an 18-month transfer restriction to each MC Shareholder based on such MC Shareholder's pro rata entitlement to the MC Shareholder Consideration, which shall and shall be deemed to be received in full and final satisfaction of the Release.

The exchanges and cancellations provided for in this Section 3.1 shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

## ARTICLE 4
## CERTIFICATES AND PAYMENTS

### 4.1 Payment and Delivery of Consideration

(a) Following receipt of the Final Order and on the Business Day prior to the Effective Date, the Purchaser shall deliver or cause to be delivered to the Depositary, for the benefit of applicable holders of Company Shares and the MC Shareholders, sufficient Purchaser Shares to satisfy the aggregate Share Consideration and MC Shareholder Consideration payable to the Company Shareholders and MC Shareholders, as applicable, in accordance with Section 3.1 and the aggregate amount of cash to satisfy the Cash Consideration payable to the Company Shareholders in accordance with Section 3.1, which Purchaser Shares and cash shall be held by the Depositary as agent and nominee for such Former Company Shareholders and MC Shareholders for distribution to such Former Company Shareholders and MC Shareholders, as applicable, in accordance with the provisions of this Article 4;

(b) (i) upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Shares, together with a duly completed and executed Letter of Transmittal and any such additional documents and instruments as the Depositary may reasonably require, the Company Shareholder shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such Former Company Shareholder, the Consideration that such Former Company Shareholder has the right to receive under this Plan of Arrangement for such Company Shares, less any amounts withheld pursuant to Section 4.6, and any certificate so surrendered shall forthwith be cancelled; and (ii) immediately following the Effective Time, each MC Shareholder shall be entitled to receive in accordance with their written delivery and registration instructions, and the Depositary shall deliver to such MC Shareholder, the Purchaser Shares representing

the MC Shareholder Consideration that such MC Shareholder has the right to receive under this Plan of Arrangement with a legend imposing a transfer restriction expiring 18-months after the Effective Date;

(c) Until surrendered for cancellation as contemplated by Section 4.1(b)(i), each certificate that immediately prior to the Effective Time represented one or more Company Shares (other than Dissent Shares or Company Shares held by the Purchaser or any of its affiliates) shall be deemed after the Effective Time to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate is entitled to receive in accordance with Section 3.1, less any amounts withheld pursuant to Section 4.6.

(d) each Former Company Out-Of-The-Money Warrant Holder shall be entitled to receive in exchange therefor, and the Purchaser shall promptly following the Effective Time deliver to such Former Company Out-Of-The-Money Warrant Holder, the Replacement Warrant that such Former Company Out-Of-The-Money Warrant Holder has the right to receive under this Plan of Arrangement for such Company Out-Of-The-Money Warrant;

(e) each Former Company Out-Of-The-Money Options Holder shall be entitled to receive in exchange therefor, and the Purchaser shall promptly following the Effective Time deliver to such Former Company Out-Of-The-Money Optionholder, the Replacement Option that such Former Company Out-Of-The-Money Optionholder has the right to receive under this Plan of Arrangement for such Company Out-Of-The-Money Option;

(f) An Eligible Holder who is entitled to receive Consideration Shares under Section 3.1(g) shall be entitled to make a joint income tax election, pursuant to Section 85 of the Tax Act (and any analogous provision of provincial income tax law) (a "**Section 85 Election**") with respect to the disposition of Company Shares under this Plan of Arrangement by providing two signed copies of the necessary joint election forms to an appointed representative, as directed by the Purchaser, within 60 days after the Effective Date, duly completed with the details of the Company Shares transferred and the applicable agreed amount for the purposes of such joint elections. The Purchaser shall, within 30 days after receiving the completed joint election forms from an Eligible Holder, and subject to such joint election forms being correct and complete and in compliance with requirements imposed under the Tax Act (or any analogous provision of provincial income tax law), sign and return such forms to such Eligible Holder. Neither the Company, the Purchaser nor any successor corporation shall be responsible for the proper completion and filing of any joint election form, and except for the obligation to sign and return the duly completed joint election forms which are received within 60 days of the Effective Date, for any taxes, interest or penalties arising as a result of the failure of an Eligible Holder to properly or timely complete and file such joint election forms in the form and manner prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, the Purchaser or any successor corporation may choose to sign and return a joint election form received by it from an Eligible Holder more than 60 days following the Effective Date, but will have no obligation to do so.

(g) Subject to Section 4.1(f) and Section 4.1(h), upon receipt of a duly completed and executed Letter of Transmittal, or other written confirmation from an Eligible Holder which has been delivered to the Purchaser, in which such Eligible Holder has indicated that the Eligible Holder intends to make a Section 85 Election, the Purchaser will promptly deliver a tax instruction letter, together with the relevant tax election forms (including the provincial tax election forms, if applicable) to the Eligible Holder.

(h) The Purchaser, in its sole discretion, may post to its website instructions for Eligible Holders wishing to make a Section 85 Election, and in such case, the Purchaser will provide, in the Letter of Transmittal, its website address where such instructions will be posted. Final instructions with respect to the mechanics for Eligible Holders to make a Section 85 Election will be included in the Circular.

**4.2 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were transferred pursuant to Section 3.1(g) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, the Consideration deliverable in accordance with such holder's duly completed and executed Letter of Transmittal. When authorizing such payment or delivery in exchange for any lost, stolen or destroyed certificate, the person to whom such Consideration is to be delivered shall as a condition precedent to the delivery of such Consideration, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Purchaser and the Company in a manner satisfactory the Purchaser and the Company, each acting reasonably, against any claim that may be made against the Purchaser and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

**4.3 No Fractional Purchaser Shares**

In no event shall any holder of Company Shares or any of the MC Shareholders be entitled to a fractional Purchaser Share. Where the aggregate number of Purchaser Shares to be issued to a Company Shareholder as Share Consideration or an MC Shareholder as MC Shareholder Consideration under this Plan of Arrangement would result in a fraction of a Purchaser Share being issuable, then the number of Purchaser Shares to be issued to such Company Shareholder or MC Shareholder, as applicable, shall be rounded down to the nearest whole number and no compensation shall be issued in lieu of the issuance of a fractional Purchaser Share.

**4.4 No Fractional Cash Consideration.**

In no event shall any holder of Company Shares be entitled to a fractional Cash Consideration. Where the aggregate amount of Cash Consideration to be paid to a Company Shareholder as Cash Consideration under this Plan of Arrangement would result in a fraction of a cent being paid, then the aggregate amount of Cash Consideration owing to such Company Shareholder shall be rounded down to the nearest whole cent.

**4.5 Post-Effective Time Dividends and Distributions**

All dividends and distributions made after the Effective Time with respect to any Purchaser Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the holder of such Purchaser Shares. All monies received by the Depositary shall be invested by it in interest bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. Subject to this Section 4.5, the Depositary shall pay and deliver to any such holder, as soon as reasonably practicable after application therefor is made by such holder to the Depositary in such form as the Depositary may reasonably require, such dividends and distributions and any interest thereon to which such holder is entitled pursuant to the Arrangement, net of any applicable withholding and other taxes.

**4.6 Withholding Rights**

(a) The Company, the Purchaser and the Depositary, as applicable, will be entitled to deduct and withhold from any consideration otherwise payable or deliverable to any person under this Plan of Arrangement and the Arrangement Agreement (including, without limitation, any payments to Dissenting Shareholders, Company RSU Holders, Company DSU Holders, Company Warrant Holders, Company Optionholders, Company Compensation Option Holders and MC Shareholders), such amounts as the Company, the Purchaser or the Depositary, as applicable, is required to deduct and withhold, or reasonably believe to be required to deduct and withhold, with respect to such payment or delivery under any provision of any Laws in respect of Taxes. For the purposes hereof, all such withheld amounts shall be treated for all purposes under this Plan of Arrangement and the Arrangement Agreement as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of the Company, the Purchaser or the Depositary, as applicable.

(b) Each of the Company, the Purchaser and the Depositary is hereby authorized to sell or otherwise dispose of such portion of Purchaser Shares payable as Share Consideration or the MC Shareholder Consideration as is necessary to provide sufficient funds to the Company, the Purchaser or the Depositary, as applicable, to enable it to implement such deduction or withholding, and the Company, the Purchaser or the Depositary will notify the holder thereof and remit to the holder any unapplied balance of the net proceeds (after deduction for (a) the amounts required to satisfy the required withholding under this Plan of Arrangement and the Arrangement Agreement in respect of such Person, (b) reasonable commissions payable to the broker, and (c) other reasonable costs and expenses) of such sale. Any sale will be made in accordance with applicable Laws and at prevailing market prices and none of the Company, the Purchaser, the Depositary or their respective agents, as the case may be, shall have any liability to, or be under any obligation to obtain a particular price or to indemnify, any Company Securityholder in respect of a particular price, for the portion of the Share Consideration or MC Shareholder Consideration so sold.

**4.7 Extinction of Rights**

If any Former Company Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under Section 4.1 in order for such Former Company Shareholder to receive the Consideration which such former holder is entitled to receive pursuant to Section 3.1, on or before the third anniversary of the Effective Date, on the third anniversary of the Effective Date: (a) such former holder will be deemed to have donated and forfeited to the Purchaser or its successor any Consideration held by the Depositary in trust for such former holder to which such former holder is entitled and (b) any certificate representing Company Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to the Purchaser and will be cancelled. Neither the Company nor the Purchaser, or any of their respective successors, will be liable to any person in respect of any Consideration (including any consideration previously held by the Depositary in trust for any such former holder) which is forfeited to the Company or the Purchaser or delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law.

**4.8 No Liens**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

**4.9 Paramountcy**

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares, Company RSUs, Company DSUs, Company Warrants, Company Options and Company Compensation Options issued prior to the Effective Time; (b) the rights and obligations of the Company Securityholders (other than the Purchaser or any of its affiliates), the MC Shareholders, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement and the Arrangement Agreement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Shares, Company RSUs, Company DSUs, Company Warrants, Company Options, Company Compensation Options, the Share Exchange Agreement or the Anti-Dilution Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

## ARTICLE 5
## DISSENTING SHAREHOLDERS

**5.1 Dissent Rights**

(a) Each registered Company Shareholder may exercise rights of dissent ("**Dissent Rights**") with respect to the Company Shares held by such Company Shareholder in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and this Section 5.1, provided that, notwithstanding Section 190(5) of the CBCA, the written objection to the Arrangement Resolution contemplated by Section 190(5) of the CBCA must be received by the Company not later than 5:00 p.m. two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Shareholders who duly exercise such Dissent Rights and who:

(i) are ultimately determined to be entitled to be paid fair value (as determined as of the close of business on the day before the Arrangement Resolution was adopted) from the Purchaser for the Dissenting Shares in respect of which they have exercised Dissent Rights, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be deemed to have irrevocably transferred such Dissent Shares to the Purchaser pursuant to Section 3.1(a) in consideration of such fair value and shall (other than Section 3.1(a) be deemed not to have participated in the transactions in Article 3); or

(ii) are ultimately not entitled, for any reason, to be paid by the Purchaser the fair value for their Dissent Shares, shall be deemed to have participated in the Arrangement in respect of those Company Shares on the same basis as a non-dissenting Company Shareholder and shall be entitled to receive only the Consideration from the Purchaser in the same manner as such non-dissenting Company Shareholders.

(b) In no event shall the Purchaser or the Company or any other person be required to recognize a Dissenting Shareholder as a registered or beneficial owner of Company Shares or any interest therein (other than the rights set out in this Section 5.1) at or after the Effective Time, and as at the Effective Time the names of such Dissenting Shareholders shall be deleted from the central securities register of the Company.

(c) For greater certainty, in addition to any other restrictions in the Interim Order and under Section 190 of the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) Company Shareholders who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares); and (ii) holders of Company RSUs, Company DSUs, Company Warrants, Company Options or Company Compensation Options.

## ARTICLE 6
## AMENDMENTS

### 6.1 Amendments

(a) The Purchaser and the Company reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any such amendment, modification or supplement must be agreed to in writing by each of the Purchaser and the Company, each acting reasonably, and filed with the Court, and, if made following the Company Meeting, then: (i) approved by the Court; and (ii) communicated to the Company Securityholders, if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement, if agreed to by the Purchaser and the Company, each acting reasonably, may be proposed by the Purchaser or the Company at any time prior to or at the Company Meeting, with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Company Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting will be effective only if: (i) it is agreed to in writing by each of the Purchaser and the Company, each acting reasonably, and (ii) if required by the Court, by some or all of the Company Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made by mutual agreement by the Purchaser and the Company without the approval of or communication to the Court or the Company Securityholders, provided that it concerns a matter which, in the reasonable opinion of the Purchaser and the Company is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Company Securityholders.

## ARTICLE 7
## FURTHER ASSURANCES

### 7.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Company and the Purchaser shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Plan of Arrangement and to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

## ARTICLE 8
## U.S. SECURITIES LAW EXEMPTION

### 8.1 U.S. Securities Law Exemptions

Notwithstanding any provision herein to the contrary, the Company and the Purchaser each agree that the Plan of Arrangement will be carried out with the intention that, and they will use their commercially reasonable best efforts to ensure that, all: (a) Company Shares to be issued to holders of (i) Company RSUs pursuant to Section 3.1(c); (ii) Company DSUs pursuant to Section 3.1(d); (iii) Company In-The-Money Warrants pursuant to Section 3.1(e); and (iii) Company-In-The-Money Options pursuant to Section 3.1(f) (b) Consideration Shares to be issued in exchange for Company Shares (including those Company Shares issued pursuant to Sections 3.1(c), Section 3.1(d), Section 3.1(e) and Section 3.1(f)); (c) Replacement Options to be issued to holders of Company Out-Of-The-Money Options in exchange for Company Out-Of-The-Money Options pursuant to Section 3.1(h); (d) Replacement Warrants to be issued to Company Warrant Holders in exchange for Company Out-Of-The-Money Warrants pursuant to Section 3.1(i); (e) Replacement Compensation Options to be issued to Company Compensation Option Holders in exchange for Company Compensation Options pursuant to Section 3.1(j) and (f) MC Shareholder Consideration to be issued in exchange for the Release pursuant to Section 3.1(k), whether in the United States, Canada or any other country, will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and similar exemptions under applicable state securities laws, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement and this Plan of Arrangement. Holders of Company Out-Of-The-Money Options entitled to receive Replacement Options, Company Warrant Holders entitled to receive Replacement Warrants and Company Compensation Option Holders entitled to receive Replacement Compensation Options will be advised that the exemption provided by the U.S. Securities Act pursuant to Section 3(a)(10) thereof, will not be available for the issuance of any Purchaser Shares, Purchaser Units and Purchaser Unit Warrants, as applicable, issuable upon the exercise of the Replacement Options, Replacement Warrants, Replacement Compensation Options and Purchaser Unit Warrants, as applicable, if any. The Purchaser Shares, Purchaser Units and Purchaser Unit Warrants, as applicable, issuable upon the exercise of the Replacement Options, Replacement Warrants, Replacement Compensation Options or Purchaser Unit Warrants, if any, may be issued only pursuant to an available exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws.

**APPENDIX "C"**
**INTERIM ORDER**

[*See Attached*]

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY
JAN 14 2026
ENTERED

No. S260184
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 192 OF THE
*CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MTL CANNABIS CORP. AND CANOPY GROWTH CORPORATION**

**MTL CANNABIS CORP.**

PETITIONER

# ORDER MADE AFTER APPLICATION

BEFORE ASSOCIATE JUDGE ROBINSON ) January 14, 2026

ON THE APPLICATION of the Petitioner, MTL Cannabis Corp. ("MTL") for an Interim Order pursuant to its Application filed on Monday, January 12, 2026, without notice, except to the director appointed under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "CBCA") and coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Wednesday, January 14, 2026, and on hearing Tevia Jeffries, counsel for MTL, and on reading the material filed, including the Petition, the Notice of Application, Affidavit of Jason Nalewanyj, sworn January 12, 2026 (the "Nalewanyj Affidavit"); and upon being advised that the staff of the Director appointed under the CBCA has determined that the Director does not need to appear or be heard on the Application; and upon being advised by counsel for MTL that it is the intention of the parties to rely on section 3(a)(10) of the *United States Securities Act* of 1933, as amended (the "U.S. Securities Act"), and that the declaration of fairness of, and the approval of, the Arrangement by this Honourable Court will serve as the basis for an exemption from the registration requirements of the U.S. Securities Act pursuant to section 3(a)(10) thereof, for the issuance of securities in connection with the Arrangement:

THIS COURT ORDERS THAT:

Definitions

1. All capitalized terms used in this Interim Order, unless otherwise defined herein, shall have the respective meaning given to them in the Management Information Circular of MTL dated as of January 15, 2026 (the "Circular"). A draft copy of the Circular that is in substantially final form is attached as Exhibit "A" to the Nalewanyj Affidavit.

The MTL Meeting

2. Pursuant to section 192 of the CBCA, the Petitioner is permitted to convene, hold and conduct a special meeting (the "MTL Meeting") of the holders (the "MTL Shareholders") of common shares in the capital of MTL ("MTL Shares") to be held at the offices of Farris LLP at 700 W Georgia St., #2500, Vancouver BC, V7Y 1B3 at 9:00 a.m. (Vancouver Time) on February 17, 2026, or on such other date and time as may result from postponement or adjournment in accordance with this Interim Order and any further Order of this Court.

3. At the MTL Meeting, the MTL Shareholders will, *inter alia*, consider and, if deemed advisable, pass, with or without amendment, a special resolution (the "Arrangement Resolution"), in the form attached as Appendix "A" to the Circular, authorizing, approving and adopting in accordance with section 192 of the CBCA a statutory plan of arrangement (the "Arrangement") involving MTL, Canopy Growth Corporation ("Canopy"), and the securityholders of MTL, as described in the plan of arrangement (the "Plan of Arrangement"), a copy of which is attached as Appendix "B" to the Circular.

4. At the MTL Meeting, MTL will also seek to transact such further or other business as may properly come before the MTL Meeting or any adjournment or postponement thereof as detailed in the Circular.

5. The MTL Meeting shall be called, held and conducted in accordance with the Notice of Special Meeting of MTL Shareholders (the "Notice of Meeting") to be delivered in substantially the form attached to and forming part of the Circular, and in accordance with the applicable provisions of the CBCA, MTL's articles, applicable securities legislation, and the Circular, all subject to the terms of this Interim Order, and any further order of this Court, and the rulings and directions of the Chair of the MTL Meeting, such rulings and directions not to be inconsistent with this Interim Order.

6. The record date for determination of the MTL Shareholders entitled to notice of, to attend, and to vote at, the MTL Meeting shall be the close of business on January 9, 2026 (the "Record Date"). Notice of Record Date, which has been given by the Petitioner pursuant to (a) the general publication in the Globe and Mail on December 22, 2025; (b) the filing of a notice of the Record Date on MTL's profile

on the System for Electronic Data Analysis and Retrieval + (SEDAR+); and (c) the delivery of the Meeting Materials (as defined below) in accordance with the terms of this Interim Order, is sufficient notice to the MTL Shareholders of the Record Date. The Record Date will not change in respect of any adjournment of postponement of the MTL Meeting.

Notice of Meeting

7. In order to effect notice of the MTL Meeting, MTL shall send, or cause to be sent, the Circular (including the Notice of Hearing of Petition and this Interim Order), the Notice of Meeting, the Plan of Arrangement, the Form of Proxy (as defined below), the voting instruction forms and the letter of transmittal, in substantially the same form attached to the Nalewanyj Affidavit, with such amendments and inclusions thereto as counsel for MTL may advise are necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of this Interim Order (the "Meeting Materials"), as follows:

   (a) to the registered MTL Shareholders, at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the MTL Meeting, excluding the date of sending and the date of the MTL Meeting, by one or more of the following methods:

      (i) by pre-paid ordinary or first-class mail at the addresses of the registered MTL Shareholders as they appear on the central securities register of MTL as at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of MTL;

      (ii) by delivery, in person or by recognized courier service, to the address specified in (i) above; or

      (iii) by facsimile or electronic transmission (including email) to any MTL Shareholder who has approved electronic delivery (including email);

   (b) to the non-registered holders of MTL Shares by providing sufficient copies of the Meeting Materials (including electronic copies thereof), as applicable, to intermediaries and registered nominees in accordance with the procedures prescribed by *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators* at least three (3) Business Days prior to the twenty-first (21st) day prior to the date of the MTL Meeting; and

   (c) to the respective directors and auditors of MTL and the Director appointed under the CBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first-class mail or, by facsimile, or by electronic transmission (including email), at least twenty-one (21) days prior to the

date of the MTL Meeting, excluding the date of sending and the date of the MTL Meeting.

8. Concurrently with the sending of the Meeting Materials described in paragraph 7 of this Interim Order, MTL shall send a copy of the Circular (including the Notice of Hearing of Petition and this Interim Order) and any other communications or documents determined by MTL to be necessary or desirable (collectively, the "Court Materials") to the holders of options to purchase MTL Shares (the "MTL Options"), restricted share units of MTL (the "MTL RSUs"), deferred share units of MTL (the "MTL DSUs"), compensation options of MTL (the "MTL Compensation Options"), and warrants of MTL (the "MTL Warrants") (collectively, the holders of MTL Options, MTL RSUs, MTL DSUs, MTL Compensation Options and MTL Warrants are referred to herein as the "MTL Securityholders") and the MC Shareholders, by any method permitted for notice to MTL Shareholders as set forth in paragraph 7 above. Distribution to such persons shall be to their addresses as they appear on the books and records of MTL or its registrar and transfer agent at the close of business on the Record Date.

9. Good and sufficient notice of the MTL Meeting for all purposes will be given by MTL by the sending of the Meeting Materials and the Court Materials, as applicable, in accordance with paragraphs 7 and 8 of this Interim Order. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 135(6)(a) of the CBCA, and MTL shall not be required to send to the MTL Shareholders, MTL Securityholders or the MC Shareholders any other or additional statement pursuant to section 135(6)(a) of the CBCA or otherwise.

10. Delivery of the Meeting Materials in accordance with paragraph 7 of this Interim Order and the Court Materials in accordance with paragraph 8 of this Interim Order will constitute good and sufficient service or delivery of such Court Materials upon all persons who are entitled to receive the Meeting Materials and the Court Materials pursuant to this Interim Order and no other form of service need be made and no other material, including the Petition and supporting Affidavits, need be served on such persons in respect of these proceedings except upon written request to the solicitors for MTL at their addresses for delivery set out in the Petition.

11. Accidental failure or omission by MTL to give notice of the MTL Meeting or to distribute the Meeting Materials or the Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of MTL, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor a defect in the calling of the MTL Meeting, nor shall it invalidate any resolution passed or proceedings taken at the MTL Meeting. If any such failure or omission is brought to the attention of MTL, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

Deemed Receipt of Meeting Materials

12. The Meeting Materials and Court Materials will be deemed, for the purposes of this Interim Order, to have been received by the MTL Shareholders, MTL Securityholders or MC Shareholders, as applicable:

    (a) In the case of mailing or personal courier delivery, on that day (Saturdays, Sundays and holidays excepted) following the date of mailing or acceptance by the courier service, respectively; and

    (b) In the case of delivery by electronic transmission (including email), on the day that it was transmitted.

Amendments to the Arrangement and Plan of Arrangement

13. Subject to the terms and conditions of the Arrangement Agreement and Plan of Arrangement, after the date of this Interim Order and prior to the time of the MTL Meeting, MTL is authorized to make such amendments, modifications, revisions or supplements to the Plan of Arrangement, in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, without any additional notice to the MTL Shareholders, MTL Securityholders or MC Shareholders, and the Arrangement Agreement and/or Plan of Arrangement as so amended, revised and supplemented shall be the Arrangement Agreement and/or Plan of Arrangement submitted to the MTL Meeting, and the subject of the Arrangement Resolution.

14. If any amendments, revisions or supplements to the Arrangement Agreement or Plan of Arrangement as referred to in paragraph 13 above would, if disclosed, reasonably be expected to affect a MTL Shareholders' decision to vote for or against the Arrangement Resolution, notice of such amendment, revision or supplement shall be distributed, subject to further order of this Court, by news release, newspaper advertisement, or by notice sent to MTL Shareholders, MTL Securityholders and MC Shareholders by one of the methods specified in paragraph 7 and 8 of this Interim Order, as determined to be the most appropriate method of communication by MTL.

Updating Meeting Materials and Court Materials

15. Notice of any amendments, revisions, updates or supplements to any of the information provided in the Meeting Materials and Court Materials may be communicated, at any time prior to the MTL Meeting, to the MTL Shareholders, MTL Securityholders and MC Shareholders by news release, newspaper advertisement, or by notice sent to MTL Shareholders, MTL Securityholders and MC Shareholders by one of the methods specified in paragraph 7 and 8 of this Interim Order, as determined to be the most appropriate method of communication by MTL.

Chair of the MTL Meeting

16. The Chair of the MTL Meeting shall be an officer or director of MTL or such other person as may be appointed by the MTL Shareholders for that purpose.

17. The Chair of the MTL Meeting is at liberty to call on the assistance of legal counsel of MTL at any time and from time to time, as the Chair of the MTL Meeting may deem necessary or appropriate, during the MTL Meeting.

18. The Chair of the MTL Meeting shall be permitted to ask questions of, and demand the production of evidence, from the MTL Shareholders or such other persons in attendance or represented at the MTL Meeting, as he, she, they or it considers appropriate having regard to the orderly conduct of the MTL Meeting, the authority of any person to vote at the MTL Meeting, and the validity and propriety of the votes cast and the proxies submitted in respect of the Arrangement Resolution.

19. The Chair of the MTL Meeting may, in the Chair's sole discretion, waive the deadline specified in the Form of Proxy for the deposit of proxies, provided that if the Chair waives the deadline, the Chair must accept all proxies deposited after this deadline.

20. The Chair or another representative of MTL present at the MTL Meeting shall, in due course after the MTL Meeting, file with the Court an affidavit verifying the actions taken and the decisions reached at the MTL Meeting with respect to the Arrangement.

Permitted Attendees

21. The only people entitled to attend the MTL Meeting will be: (i) the MTL Shareholders and their duly appointed proxyholders; (ii) the officers, directors and auditors of MTL; (iii) MTL's legal and financial advisors; (iv) representatives of Canopy, including any of its directors, officers and/or advisors, and (v) other such persons as may be approved by the Chair of the MTL Meeting.

Adjournments and Postponements

22. MTL, if it deems advisable, is specifically authorized to adjourn or postpone the MTL Meeting for any reason on one or more occasions, subject to the terms of the Arrangement Agreement, without the necessity of first convening the MTL Meeting, or first obtaining any vote of the MTL Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by such method and in the time that is reasonable in the circumstances, as MTL may determine appropriate. This provision shall not limit the authority of the Chair of the MTL Meeting in respect of adjournments and postponements.

Quorum

23. The quorum for the MTL Meeting is as set out in MTL's constating documents, namely, 10% of the MTL Shares entitled to vote at the meeting, present in person or represented by proxy. Quorum need not be present throughout the meeting provided there is quorum at the opening of the meeting.

Voting

24. The vote required to pass the Arrangement Resolution is:

    (a) not less than 66⅔% of the votes cast on the Arrangement Resolution by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and

    (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

25. The only persons entitled to vote on the Arrangement Resolution, or such other business as may be properly brought before the MTL Meeting, shall be the registered MTL Shareholders who held MTL Shares as of the Record Date and their valid proxyholders as described in the Circular and as determined by the Chair of the MTL Meeting in consultation with the Scrutineer (as defined below) and legal counsel to MTL. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions on one or more resolutions (including the Arrangement Resolution) shall be voted in favour of such resolution (including the Arrangement Resolution).

Scrutineer

26. Representatives of MTL's registrar and transfer agent (or any agent thereof), Odyssey Trust Company, are authorized to act as scrutineers for the MTL Meeting (the "Scrutineer").

Solicitation of Proxies

27. MTL is authorized to permit the MTL Shareholders to vote by proxy using the form of proxy (the "Form of Proxy"), substantially in the form of the draft attached as Exhibit "B" to the Nalewanyj Affidavit, with such amendments, revisions or supplemental information as MTL may determine are necessary or desirable. MTL is authorized at its expense to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives, including

proxy advisory firms, as they may retain for the purpose, by mail or such other forms of personal or electronic communication as it may determine.

28. Proxies must be received by no later than 9:00 a.m. (Vancouver time) on February 12, 2026, or, if the MTL Meeting is adjourned or postponed, at least 48 hours (not including Saturdays, Sundays and holidays in the Province of British Columbia) before the time that the MTL Meeting is reconvened.

29. The Chair of the MTL Meeting may waive generally, in its discretion, the time limits set for the deposit or revocation of proxies, if MTL considers it advisable to do so.

Dissent Rights

30. Registered MTL Shareholders may exercise dissent rights with respect to the MTL Shares held by such holders ("Dissent Rights") in connection with the Arrangement pursuant to and in the manner set forth in section 190 of the CBCA, as modified by this Interim Order, the Final Order and Section 5.1 of the Plan of Arrangement; provided that, notwithstanding subsection Part XV of the CBCA, the written notice of intent to exercise the right to demand the purchase of MTL Shares contemplated by subsection 190(5) of the CBCA must be received by MTL not later than 5:00 p.m. (Vancouver time) on February 12, 2026 or in the case of any adjourned or postponed MTL Meeting, by no later than 5:00 p.m. (Vancouver time) on the second Business Day immediately preceding the date of the adjourned or postponed MTL Meeting, and provided that such notice of intent must otherwise comply with the requirements of the CBCA. Dissenting MTL Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the MTL Shares held by them and in respect of which Dissent Rights have been validly exercised to Canopy free and clear of all Liens, as provided in Section 3.1(b) of the Plan of Arrangement and if they:

    (a) ultimately are entitled to be paid fair value for such MTL Shares: (i) shall be deemed not to have participated in the transactions in Article 3 of the Plan of Arrangement (other than Section 3.1(b)); (ii) will be entitled to be paid the fair value of such MTL Shares by Canopy which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business, in respect of the MTL Shares, on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights in respect of such MTL Shares; or

    (b) ultimately are not entitled, for any reason, to be paid fair value for such MTL Shares, shall be deemed to have participated in the Arrangement on the same basis as MTL Shareholders who have not exercised Dissent Rights in respect of such MTL Shares and shall be entitled to receive the Consideration to which MTL Shareholders who have not exercised Dissent

Rights are entitled under Section 3.1(g) of the Plan of Arrangement, less any applicable withholdings.

31. Registered MTL Shareholders will be the only MTL Shareholders entitled to exercise Dissent Rights. A beneficial holder of MTL Shares registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the Registered MTL Shareholder to dissent on behalf of the beneficial holder of MTL Shares or, alternatively, make arrangements to become a Registered MTL Shareholder.

32. Subject to further order of this Court, the rights available to the MTL Shareholders under the CBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the MTL Shareholders with respect to the Arrangement.

33. Notice to the MTL Shareholders of their Dissent Rights with respect to the Arrangement Resolution and to receive, subject to the provisions of the CBCA and the Plan of Arrangement, the fair value of their MTL Shares, will be given by including information with respect to the Dissent Rights in the Circular to be sent to MTL Shareholders in accordance with the terms of this Interim Order.

34. In no case shall Canopy, MTL, or any other Person be required to recognize holders of MTL Shares who exercise Dissent Rights as holders of MTL Shares after the time that is immediately prior to the Effective Time, and the names of the Dissenting Shareholders shall be deleted from the central securities register as holders of MTL Shares at the time at which the step in section 3.1(b) of the Plan of Arrangement occurs.

35. For greater certainty, no MTL Securityholders shall be entitled to Dissent Rights in respect of such holder's MTL Options, MTL RSUs, MTL DSUs, MTL Compensation Options or MTL Warrants.

Application for Final Order

36. Upon approval, with or without variation, by the MTL Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, MTL may set the Petition down for hearing and apply to this Court for, *inter alia,* a final order: (i) approving the Arrangement contemplated by the Plan of Arrangement, and (ii) determining that the Arrangement is procedurally and substantively fair and reasonable, all pursuant to section 192 of the CBCA (collectively, the "Final Order"), at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on February 23, 2026 at 9:45 a.m., or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

37. The form of Notice of Hearing of Petition attached as Appendix "E" to the Circular is hereby approved as the form of Notice of Proceedings for such approval.

38. Any MTL Shareholder, the Director appointed under the CBCA, any MTL Securityholder and any MC Shareholder, or other interested party, has the right to appear (either in person or by counsel) and make submissions at the application for the Final Order provided that such person shall file with this Court and deliver a copy of the filed Response to Petition together with a copy of all affidavits or other materials upon which they intend to rely, in the form prescribed by the British Columbia *Supreme Court Civil Rules,* to the solicitors for MTL at their addresses for delivery as set out in the Petition, with a copy to Canopy's counsel, Jessica Lewis at jlewis@cassels.com, on or before 5:00 p.m. (Vancouver time) on February 19, 2026, or as the Court may otherwise direct.

39. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraphs 7 and 8 of this Interim Order will constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings. In particular, service of the Petition herein and the accompanying Affidavit and additional Affidavits as may be filed, is dispensed with.

40. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.

Precedence

41. To the extent of any inconsistency or discrepancy between this Interim Order and the articles of MTL, the Circular, the CBCA or applicable securities laws, this Interim Order shall govern.

Variance and Direction

42. MTL shall, and hereby does, have liberty to apply at any time to vary this Interim Order or apply for such further order or orders or to seek such directions as may be appropriate.

Extra-Territorial Assistance

43. This Court seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY

*Signature of*

☒ Lawyer for Petitioner

Tevia Jeffries

*By the Court*

Registrar



CHECKED

**APPENDIX "D"**
**PETITION TO THE COURT**

[*See Attached*]

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY
JAN 12 2026

S-260184

No. _____
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 192 OF THE
*CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MTL CANNABIS CORP. AND CANOPY GROWTH CORPORATION**

**MTL CANNABIS CORP.**

PETITIONER

# PETITION TO THE COURT

The address of the registry is: 800 Smithe Street, Vancouver

The petitioners estimate that the hearing of the petition will take 15 minutes.

[X] This matter is not an application for judicial review. **This proceeding is brought by the Petitioner for the relief set out in Part 1 below.**

If you intend to respond to this petition, you or your lawyer must

(a) file a Response to Petition in Form 67 in the above-named registry of this Court within the time for Response to Petition described below, and

(b) serve on the Petitioner

(i) 2 copies of the filed Response to Petition, and

(ii) 2 copies of each filed Affidavit on which you intend to rely at the hearing.

**Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the Response to Petition within the time for response.**

## TIME FOR RESPONSE TO PETITION

A Response to Petition must be filed and served on the Petitioner,

(a) if you were served with the petition anywhere in Canada, within 21 days after that service,

(b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the petition anywhere else, within 49 days after that service, or

(d) if the time for response has been set by order of the Court, within that time.

The address of the registry is:

Vancouver Registry
800 Smithe Street
Vancouver, BC V6Z 2E1

The ADDRESS FOR DELIVERY is:

c/o Tevia R.M. Jeffries
Farris LLP
PO Box 10026, Pacific Centre South
25th Floor, 700 W Georgia Street
Vancouver BC V7Y 1B3

Fax number address for delivery (if any): None

E-mail address for delivery (if any): tjeffries@farris.com

The name and office address of the Petitioner's lawyer is:

**c/o Tevia R.M. Jeffries**
Farris LLP
PO Box 10026, Pacific Centre South
25th Floor, 700 W Georgia Street
Vancouver BC V7Y 1B3

# CLAIM OF THE PETITIONER

## Part 1: ORDERS SOUGHT

The Petitioner, MTL Cannabis Corp. ("**MTL**" or the "**Company**"), applies to this Court for the following orders pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"):

1. an *ex parte* interim order in the form attached as Schedule "A" to this Petition (the "**Interim Order**");

2. an order attached as Schedule "B" to this Petition (the "**Final Order**"):

    (a) approving the arrangement (the "**Arrangement**") involving MTL, Canopy Growth Corporation ("**Canopy**") and the securityholders of MTL, as set forth in the plan of arrangement (the "**Plan of Arrangement**"), included as Appendix "B" to the Management Information Circular of MTL dated as of January 15, 2026 (the "**Circular**"). A draft copy of the Circular that is in substantially final form (subject only to certain amendments that are necessary or desirable to complete the final form of the document) is attached as Exhibit "A" to the Affidavit of Jason Nalewanyj made January 12, 2026 (the "**Nalewanyj Affidavit**") and filed herein;

    (b) declaring that the Arrangement is procedurally and substantively fair and reasonable to those who will receive securities in the exchanges provided for in the Plan of Arrangement, and hereby providing notice that it is the intention of the parties to rely upon Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") as a basis for an exemption from the registration requirements thereof with respect to securities issued and distributed under the proposed Plan of Arrangement; and

3. any other order for such further relief as this Court shall deem just.

## Part 2: FACTUAL BASIS

### A. Definitions

4. All capitalized terms used in this Petition, unless otherwise defined herein, shall have the respective meaning given to them in the draft Circular.

### B. MTL

5. The Petitioner, MTL, is incorporated under the CBCA.

6. MTL's registered office, head office, and principal place of business is located at 4225 Autoroute Transcanadienne, Pointe-Claire, Québec, H9R 1B4 Canada.

7. MTL is a reporting issuer in each of the provinces of Alberta, British Columbia, Ontario, and Québec. The common shares of MTL (the "**MTL Shares**") are listed on the Canadian Securities Exchange (the "**CSE**") under the symbol "MTLC" and on the OTCQX Best Market under the symbol "MTLNF".

8. MTL, through its subsidiaries, engages in the cultivation and production of cannabis products, including dried flower, hash and pre-rolled joints, for adult-use and medical purposes in Canada. MTL also operates clinics across Canada that work directly with primary care teams to provide specialized cannabinoid therapy services to patients suffering from medical conditions.

9. As of January 9, 2026, the Record Date (as defined below), 120,302,960 MTL Shares were issued and outstanding.

10. MTL has also issued:

    (a) options to acquire MTL Shares (the "**MTL Options**"), granted pursuant to or otherwise subject to the Amended and Restated Stock Option Plan of MTL approved by the MTL Shareholders on July 28, 2023;

    (b) restricted share units of MTL (the "**MTL RSUs**"), granted pursuant to or otherwise subject to the Long-Term Incentive Plan of MTL approved by the MTL Board (as defined below) on June 6, 2025 (the "**MTL Incentive Plan**");

    (c) deferred share units of MTL (the "**MTL DSUs**"), granted pursuant to or otherwise subject to the MTL Incentive Plan;

    (d) compensation options of MTL, each exercisable to acquire one MTL Unit (as defined below) pursuant to, and subject to adjustment in accordance with the terms of, the respective compensation option certificates (the "**MTL Compensation Options**"); and

    (e) warrants of MTL exercisable to acquire MTL Shares pursuant to, and subject to adjustment in accordance with the terms of the respective warrant certificates (the "**MTL Warrants**"),

    (collectively, the holders of MTL Options, MTL RSUs, MTL DSUs, MTL Compensation Options, and MTL Warrants are referred to herein as the "**MTL Securityholders**").

11. MTL also has outstanding a 18% unsecured convertible debenture of the Company in an aggregate principal amount of $5,000 due on demand, which will not be arranged, but will remain outstanding.

12. As of the date of the Circular, there are 6,093,331 MTL Options, 2,000,000 MTL RSUs, 3,750,000 MTL DSUs, 23,271,617 MTL Warrants and 22,360 MTL Compensation Options, with each MTL Compensation Option providing for the issuance of one unit of MTL (each a "**MTL Unit**"), each MTL Unit consisting of one

MTL Share and one-half of one common share purchase warrant, issued and outstanding. As of the date of the Circular, a total of 35,148,488 MTL Shares were available for reservation pursuant to the outstanding MTL Options, MTL RSUs, MTL DSUs, MTL Warrants, and MTL Compensation Options, representing approximately 23% of the issued and outstanding MTL Shares on a fully diluted basis.

### C. Canopy

13. Canopy is a corporation incorporated under the CBCA.

14. Canopy's head office and registered office is located at 1 Hershey Drive, Smiths Falls ON, K7A 0A8 Canada. Canopy is a reporting issuer in all of the provinces and territories of Canada. The common shares of Canopy (the "**Canopy Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "WEED" and on the Nasdaq under the symbol "CGC".

15. Canopy is a world-leading cannabis company which produces, distributes, and sells a diverse range of cannabis and cannabis related products. Canopy's cannabis products are principally sold for adult-use and medical purposes under a portfolio of distinct brands. Canopy's core operations are in Canada, Europe and Australia.

16. The purpose of the Arrangement is to effect the business combination of Canopy and MTL. Upon completion of the Arrangement, Canopy will own all of the issued and outstanding MTL Shares and MTL will become a wholly-owned subsidiary of Canopy.

17. It is anticipated that following completion of the Arrangement: (i) the MTL Shares will be delisted from the CSE and the OTCQX; (ii) MTL will cease to be a reporting issuer, and (iii) the Canopy Shares will continue to be listed for trading on the TSX and Nasdaq. It is a mutual condition to completion of the Arrangement that the TSX will have conditionally approved the listing of the Consideration Shares and the MC Shareholder Consideration issuable pursuant to the Arrangement on the TSX.

### D. The Arrangement

18. On December 14, 2025, Canopy and MTL entered into an arrangement agreement, as amended on January 6, 2026 (the "**Arrangement Agreement**") pursuant to which MTL and Canopy agreed to undertake the Arrangement. The Arrangement is an acquisition by Canopy of all of the issued and outstanding MTL Shares in exchange for the Consideration (as defined below) by way of a court-approved plan of arrangement under Section 192 of the CBCA.

19. On January 6, 2026, MTL and Canopy entered into the Amending Agreement which replaced Schedule "A" of the Arrangement Agreement with the Plan of Arrangement attached to the Circular as Appendix "B".

20. The Arrangement requires, among other things, the approval of at least 66⅔% of the votes cast by holders of MTL Shares (the "**MTL Shareholders**") present in person or represented by proxy and entitled to vote at a special meeting of the MTL Shareholders (the "**MTL Meeting**").

21. Notice of both the MTL Meeting, as well as detailed information concerning the Arrangement, will be distributed to MTL Shareholders through the Circular and as directed by the Interim Order.

22. If completed, the Arrangement will result in the issuance, at the Effective Time, of 0.32 of a Canopy Share (the "**Share Consideration**") and $0.144 in cash (the "**Cash Consideration**" and, together with the Share Consideration, the "**Consideration**") for each MTL Share held by MTL Shareholders at the Effective Time (excluding any Dissent Shares and any MTL Shares held by Canopy and its affiliates) . The Consideration represents a premium of approximately 82% to the closing price of the MTL Shares on the CSE, and approximately 57% to the 30-day volume weighted average trading price of the MTL Shares on the CSE based on the closing price of the Canopy Shares on the TSX on December 12, 2025.

23. Pursuant to the terms of the Plan of Arrangement, the David Bow Family Trust, the Michael Rancourt Family Trust, the Michel Clément Family Trust, the Richard Clément Family Trust, and the Massimo Caporusso Family Trust (2021) (collectively, the "**MC Shareholders**") will be entitled to receive Canopy Shares outside of their capacity as MTL Shareholders, if applicable (the "**MC Shareholder Consideration**") in exchange for a release in favour of MTL, Canopy and their respective affiliates from any and all obligations owing to such MC Shareholders pursuant to a second restated share exchange agreement dated June 28, 2023 among MTL, Montréal Medical Cannabis Inc., a wholly-owned subsidiary of MTL, and the MC Shareholders, (the "**Share Exchange Agreement**"), as further described below.

24. If approved by the MTL Shareholders and the British Columbia Supreme Court, and subject to the satisfaction of the other conditions to closing, the Arrangement will become effective at the Effective Time and will be binding at and after the Effective Time on each of MTL, Canopy, former MTL Shareholders (including dissenting MTL Shareholders), former MTL Securityholders and the MC Shareholders.

25. Under the Plan of Arrangement, commencing at the Effective Time, each of the events set out below will occur and will be deemed to occur sequentially in the following order without any further act or formality, effective as at five-minute intervals starting at the Effective Time:

    (a) each MC Shareholder shall and shall be deemed to irrevocably, fully and finally release MTL, Canopy, and their respective affiliates, from any and all obligations owing to such MC Shareholders pursuant to the Share Exchange Agreement, including, for greater certainty, each MC

Shareholder's entitlement to the Anti-Dilution Shares (the "**Release**") in exchange for the MC Shareholder Consideration;

(b) each Dissent Share shall be, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, to Canopy (free and clear of any Liens of any nature whatsoever) and Canopy shall thereupon be obligated to pay the amount therefor determined and payable in accordance with the Plan of Arrangement, and

(i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the holder of such Dissent Share and to have any rights as an MTL Shareholder other than the right to be paid the fair value by Canopy for such Dissent Share as set out in Section 5.1 of the Plan of Arrangement;

(ii) such Dissenting Shareholder's name shall be, and shall be deemed to be, removed from the register of MTL Shareholders maintained by or on behalf of MTL; and

(iii) Canopy shall be deemed to be the transferee of such Dissent Shares (free and clear of any Liens of any nature whatsoever) and the register of MTL Shareholders maintained by or on behalf of MTL shall be, and shall be deemed to be, revised accordingly;

(c) subject to the withholding rights set out in the Plan of Arrangement, each MTL RSU, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such MTL RSU shall be, and shall be deemed to be, surrendered and disposed of to MTL by the MTL RSU Holder for one MTL Share and the MTL Shares issuable in connection therewith shall be deemed to be issued to such former MTL RSU Holder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such shares; and

(i) such former MTL RSU Holder shall cease to be, and shall be deemed to cease to be, the holder of such MTL RSU and shall cease to have any rights as an MTL RSU Holder in respect of such MTL RSU;

(ii) such former MTL RSU Holder's name shall be, and shall be deemed to be, removed from the register of the MTL RSUs; and

(iii) all agreements, grants and similar instruments relating to such MTL RSU shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL RSU Holder with respect thereto;

(d) subject to the withholding rights set out in the Plan of Arrangement, each MTL DSU, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such MTL DSU shall be, and shall be deemed to be,

surrendered and disposed of to MTL by the MTL DSU Holder for one MTL Share and the MTL Shares issuable in connection therewith shall be deemed to be issued to such former MTL DSU Holder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such shares; and

(i) such former MTL DSU Holder shall cease to be, and shall be deemed to cease to be, the holder of such MTL DSU and shall cease to have any rights as an MTL DSU Holder in respect of such MTL DSU;

(ii) such former MTL DSU Holder's name shall be, and shall be deemed to be, removed from the register of the MTL DSUs; and

(iii) all agreements, grants and similar instruments relating to such MTL DSU shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL DSU Holder with respect thereto;

(e) subject to the withholding rights set out in the Plan of Arrangement, each MTL In-The-Money Warrant, shall be, and shall be deemed to be, exercised by the holder thereof on a cashless basis and surrendered and forfeited to MTL (free and clear of any Liens of any nature whatsoever) and the relevant former MTL In-The-Money Warrant Holder shall receive, from MTL, MTL Warrant Shares having a fair market value equal to the relevant MTL Warrant In-The-Money Amount and the MTL Warrant Shares issuable in connection therewith shall be deemed to be issued to such former MTL In-The-Money Warrant Holder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such MTL Warrant Shares, and

(i) such former MTL In-The-Money Warrant Holder shall cease to be, and shall be deemed to cease to be, the holder of such MTL In-The-Money Warrant and shall cease to have any rights as an MTL Warrant Holder in respect of such MTL In-The-Money Warrant;

(ii) such former MTL In-The-Money Warrant Holder's name shall be, and shall be deemed to be, removed from the register of the MTL Warrants; and

(iii) all warrant agreements, grants and similar instruments relating to such MTL In-The-Money Warrant shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL In-The-Money Warrant Holder with respect thereto;

(f) subject to the withholding rights set out in the Plan of Arrangement, each MTL In-The-Money Option, whether vested or unvested, shall be deemed to be vested to the fullest extent, and such MTL In-The-Money Option shall

be, and shall be deemed to be, exercised by the holder thereof on a cashless basis and surrendered and forfeited to MTL (free and clear of any Liens of any nature whatsoever) and the relevant former MTL In-The-Money Optionholder shall receive, from MTL, MTL Option Shares having a fair market value equal to the relevant MTL Option In-The-Money Amount and the MTL Option Shares issuable in connection therewith shall be deemed to be issued to such former MTL In-The-Money Optionholder as fully paid and non-assessable shares in the capital of MTL, provided that no share certificates shall be issued with respect to such MTL Option Shares, and

(i) such former MTL In-The-Money Optionholder shall cease to be, and shall be deemed to cease to be, the holder of such MTL In-The-Money Option and shall cease to have any rights as an MTL Optionholder in respect of such MTL In-The-Money Option;

(ii) such former MTL In-The-Money Optionholder's name shall be, and shall be deemed to be, removed from the register of the MTL Options; and

(iii) all option agreements, grants and similar instruments relating to such MTL In-The-Money Option shall be, and shall be deemed to be, cancelled, and neither MTL nor Canopy shall have any further liabilities or obligations to the former MTL In-The-Money Optionholder with respect thereto;

(g) each MTL Share (excluding any Dissent Share and any MTL Share held by Canopy or any of its affiliates but including (i) the MTL Shares issuable pursuant to subsections (c), (d), (e), and (f) above) shall be, and shall be deemed to be, assigned and transferred by the holder thereof, without any further act or formality on its part, to Canopy (free and clear of any Liens of any nature whatsoever), in exchange for the Consideration, less any amounts withheld pursuant to the Plan of Arrangement, and

(i) each holder of such MTL Shares shall cease to be, and shall be deemed to cease to be, the holder thereof and to have any rights as an MTL Shareholder other than the right to be paid the Consideration per MTL Share in accordance with the Plan of Arrangement;

(ii) the name of each such holder shall be, and shall be deemed to be, removed from the register of MTL Shareholders maintained by or on behalf of MTL;

(iii) Canopy shall be deemed to be the transferee of such MTL Shares (free and clear of any Liens of any nature whatsoever) and the register of MTL Shareholders maintained by or on behalf of MTL shall be, and shall be deemed to be, revised accordingly; and

(iv) for greater certainty, applicable amounts may be withheld from the Consideration pursuant to Section 4.6(a) of the Plan of Arrangement, and Canopy Shares (payable as Share Consideration) so withheld may be sold pursuant to and in accordance with Section 4.6(b) of the Plan of Arrangement to satisfy the withholding and deduction in respect of the surrender, assignment and transfer, of the MTL RSUs, MTL DSUs, MTL In-The-Money Options, and MTL In-The-Money Warrants pursuant to subsections (c), (d), (e), and (f) above;

(h) each outstanding MTL Out-Of-The-Money Option shall be exchanged at the Effective Time for a Replacement Option to purchase from Canopy 0.32 of a Canopy Share, at an exercise price per Canopy Share that would otherwise be payable to acquire an MTL Share pursuant to the MTL Out-Of-The-Money Option it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Canopy Shares issuable pursuant to the relevant former MTL Out-Of-The-Money Option holder's Replacement Options having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, all other terms and conditions of such Replacement Option, including the conditions to and manner of exercise (provided any Replacement Option shall be exercisable at the offices of Canopy), shall be as nearly equivalent as practicable as the terms and conditions of the certificates governing the MTL Out-Of-The-Money Option so exchanged, and shall be governed by the terms of the Canopy Equity Incentive Plan, and any document evidencing an MTL Out-Of-The-Money Option shall thereafter evidence and be deemed to evidence such Replacement Option. Each MTL Out-Of-The-Money Option shall cease to be, and shall be deemed to cease to be, an option or right to acquire MTL Shares;

(i) each outstanding MTL Out-Of-The-Money Warrant shall be exchanged at the Effective Time for a Replacement Warrant to purchase from Canopy 0.32 of a Canopy Share, at an exercise price per Canopy Share that would otherwise be payable to acquire an MTL Share pursuant to the MTL Out-Of-The-Money Warrant it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Canopy Shares issuable pursuant to the relevant former MTL Out-Of-The-Money Warrant holder's Replacement Warrants having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, the term to expiry, conditions to and manner of exercise (provided any Replacement Warrant shall be exercisable at the offices of Canopy) and other terms and conditions of each of the Replacement Warrants shall be as nearly equivalent as practicable to the terms and conditions of the certificates governing the MTL Out-Of-The-Money Warrant for which it is exchanged, and any document evidencing an MTL Out-Of-The-Money Warrant shall thereafter evidence and be deemed to evidence such Replacement

Warrant. Each MTL Out-Of-The-Money Warrant shall cease to be, and shall be deemed to cease to be, a warrant or right to acquire MTL Shares;

(j) each outstanding MTL Compensation Option shall be exchanged at the Effective Time for a Replacement Compensation Option to purchase from Canopy 0.32 of a Canopy Unit, at an exercise price per Canopy Unit that would otherwise be payable to acquire an MTL Unit pursuant to the MTL Compensation Option it replaces less an amount equal to the Cash Consideration (rounded up to the nearest whole cent), except that the aggregate number of whole Canopy Units issuable pursuant to the relevant former MTL Compensation Optionholder's Replacement Compensation Options having a common exercise date and price shall be rounded down to the nearest whole number. Except as set out above, the term to expiry, conditions to and manner of exercise (provided any Replacement Compensation Option shall be exercisable at the offices of Canopy) and other terms and conditions of each of the Replacement Compensation Options shall be as nearly equivalent as practicable to the terms and conditions of the certificates governing the MTL Compensation Option for which it is exchanged and any document evidencing an MTL Compensation Option shall thereafter evidence and be deemed to evidence such Replacement Compensation Option. Each MTL Compensation Option shall cease to be, and shall be deemed to cease to be, an option or right to acquire MTL Units, MTL Shares and MTL Unit Warrants; and

(k) in exchange for the Release from each MC Shareholder, Canopy shall issue Canopy Shares with a legend imposing an 18-month transfer restriction to each MC Shareholder based on such MC Shareholder's pro rata entitlement to the MC Shareholder Consideration, which shall and shall be deemed to be received in full and final satisfaction of the Release.

25. Immediately following the completion of the Arrangement, MTL will be a wholly-owned subsidiary of Canopy.

26. Based on the foregoing and assuming that the current number of MTL Shares and Canopy Shares outstanding does not change from the respective dates of the information provided herein and in the Circular, and including (i) the deemed vesting, surrender and exercise, as applicable, of the MTL RSUs, MTL DSUs, MTL In-The-Money Warrants and MTL In-The-Money Options, pursuant to the third, fourth, fifth and sixth steps of the Plan of Arrangement and (ii) the exchange of the Release for Canopy Shares pursuant to the 11th step of the Plan of Arrangement, after giving effect to the Arrangement, there will be, approximately 422,891,972 Canopy Shares issued and outstanding, of which (i) former MTL Shareholders (including the former holders of the MTL RSUs, MTL DSUs, MTL In-The-Money Warrants and MTL In-The-Money Options) and the MC Shareholders are expected to hold approximately 45,029,338 Canopy Shares, representing approximately 10.65% of the issued and outstanding Canopy Shares; and (ii) existing shareholders of Canopy are expected to hold approximately 377,862,634 Canopy

Shares, representing approximately 89.35% of the issued and outstanding Canopy Shares on a non-diluted basis.

27. The execution of the Arrangement Agreement is the result of arm's-length negotiations between representatives of MTL and Canopy and their respective legal and financial advisors.

28. A detailed description of the background to the Arrangement, including the full history of the consideration by the board of directors of MTL (the "**MTL Board**") and the Special Committee of independent directors of MTL (the "**Special Committee**"), can be found beginning at page 37 of the draft Circular.

### E. Recommendations of the Special Committee and MTL Board

29. On October 1, 2025, the Special Committee was established by the MTL Board to examine and assess the merits of a non-binding letter of intent delivered by Canopy to MTL (the "**Canopy LOI**") pursuant to which Canopy proposed to acquire all of the issued and outstanding MTL Shares at a price of $0.80 per MTL Share payable in a combination of cash and Canopy Shares.

30. After consultation with MTL's external legal counsel and with Haywood Securities Inc. (the "**Financial Advisor**"), in its capacity as financial advisor to MTL in connection with the Arrangement, and after receiving the Fairness Opinion, the Special Committee determined that that the Arrangement is fair to the MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties), and that entering into of the Arrangement Agreement was in the best interests of MTL. The Special Committee unanimously recommended that the MTL Board authorize MTL to enter into the Arrangement Agreement and recommended that MTL Shareholders vote in favour of the Arrangement Resolution.

31. After consultation with MTL's external legal counsel and with the Financial Advisor, and after receiving the recommendation of the Special Committee that received the Fairness Opinion, the MTL Board determined that that the Arrangement is fair to the MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties), and that entering into of the Arrangement Agreement was in the best interests of MTL. The MTL Board approved the Arrangement and the entering into of the Arrangement Agreement. The MTL Board unanimously recommends that the MTL Shareholders vote their MTL Shares in favour of the Arrangement Resolution.

32. In the course of the MTL Board's evaluation of the Arrangement, the MTL Board consulted with the Special Committee, with input from MTL's senior management, legal and financial advisors, performed financial, technical and legal due diligence with the help of its advisors and experts, and considered a number of factors, including, among others, the following:

    (a) **Significant Premium to MTL Shareholders.** The Arrangement provides MTL Shareholders with a significant premium per MTL Share of

approximately 82% to the closing price of the MTL Shares on the CSE on December 12, 2025, and approximately 57% to the 30-day volume weighted average trading price of the MTL Shares on the CSE based on the closing price of the Canopy Shares on the TSX on December 12, 2025.

(b) **Immediate Liquidity and Meaningful Increase in Trading Liquidity.** The MTL Shareholders will receive immediate and fixed liquidity for their MTL Shares from the Cash Consideration portion of the Consideration to be received by MTL Shareholders pursuant to the Arrangement. In addition to the Cash Consideration, MTL Shareholders will also receive the Share Consideration as a portion of the Consideration. The Canopy Shares to be received should have substantially more trading liquidity than the MTL Shares have had historically, are listed on the Nasdaq and TSX, and have had an average daily trading volume in excess of $35 million per day, providing significant liquidity and monetizable value for MTL Shareholders, which is of particular benefit to MTL Shareholders given the lack of liquidity in the MTL Shares.

(c) **Exposure to Global Cannabis Market.** Through the Share Consideration portion of the Consideration payable pursuant to the Arrangement, MTL Shareholders will receive exposure to Canopy's diversified global cannabis platform outside of Canada through its operations in Europe and Australia and the highly differentiated, and indirect exposure, into the United States, the largest cannabis market in the world, through its unconsolidated, non-controlling interest in Canopy USA, LLC, an entity that participates in the sale of cannabis and hemp derived products in the United States.

(d) **Participation by MTL Shareholders in the Future of Canopy.** The MTL Shareholders will receive Canopy Shares as a portion of the Consideration pursuant to the Arrangement and will have the opportunity to participate in the future growth of Canopy.

(e) **Enhanced Scale and Access to Capital.** MTL has historically faced challenges accessing capital markets for equity with no history of substantial equity financing or analyst coverage. If the Arrangement is completed, MTL Shareholders will, through their ownership in Canopy Shares, benefit from an enhanced capital markets presence and a broader shareholder group, with strengthened access to growth capital in the form of both debt and equity.

(f) **Canopy Management.** If the Arrangement is completed, MTL Shareholders will, through their ownership in Canopy Shares, benefit from the expertise of Canopy's management and Canopy's commitment to performance and brand excellence.

(g) **Strengthen Canopy's Leadership Capabilities Through Retention of Key MTL Management.** Canopy expects to retain core members of MTL's

leadership team, including its experience in cultivation and operations. MTL has proven expertise in high-quality flower production, genetics selection, supply chain management, and facility operations. MTL Shareholders will, through their ownership in Canopy Shares, benefit as this will complement Canopy's existing capabilities and reinforce operational discipline through integration and ongoing cultivation improvement.

(h) **Expected to Elevate Canopy to the Leading Position in Canada's Medical Cannabis Market.** MTL's complementary patient network, strategically located clinics under the Canada House brand and established online medical channel, Abba Medix, expands Canopy's ability to reach and support patients nationwide. With the addition of MTL, Canopy's Canadian medical cannabis business is expected to establish Canopy as the leading medical cannabis provider in Canada.

(i) **Elevated Share in Canada Adult-Use Market.** Canopy intends to leverage its broad distribution network and key relationships to expand the distribution of MTL's flower, pre-rolled joints and hash product portfolio in British Columbia, Alberta and Ontario.

(j) **Cost Synergies.** The Arrangement is expected to achieve potential cost synergies estimated at approximately $10 million, on an annualized basis, over a period of 18 months, which are expected to be realized from anticipated operating efficiencies and corporate integration.

(k) **Review of Alternative Strategic Options including Continuation of Standalone Business Plan.** The MTL Board also considered a number of other strategic options, including continuing MTL's standalone business strategy. The MTL Board and Special Committee determined that the Arrangement would minimize execution risk, including to refinance or repay MTL's significant indebtedness, as compared to the uncertainty associated with pursuing a standalone business strategy given the small nature of operations of MTL. The MTL Board and Special Committee concluded that the Arrangement would provide greater opportunities for MTL and, in turn, greater value to MTL Shareholders.

(l) **Fairness Opinion.** The Financial Advisor provided the Fairness Opinion to the MTL Board (including the Special Committee). The Fairness Opinion provides that, as of the date of such opinion, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Interested Parties).

(m) **Support of MTL Shareholders.** Certain directors and officers entered into the Support Agreements and the Lock-Up Agreements, as applicable, representing approximately 75% of the issued and outstanding MTL Shares

pursuant to which they each agreed, among other things and subject to the terms of their respective agreements, to vote all of the MTL Shares held by them in favour of the Arrangement.

(n) **Superior Proposal.** Pursuant to the Arrangement Agreement, the MTL Board remains able to respond to an unsolicited written Acquisition Proposal on the specific terms and conditions set forth in the Arrangement Agreement.

33. In the course of their deliberations, the Special Committee and the MTL Board also considered a variety of risks and other factors (as described in greater detail in the Circular under the heading "*Risk Factors*"), including the following:

(a) **Non-Completion.** The risks to MTL and the MTL Shareholders if the Arrangement is not completed or is delayed, including the costs to MTL in pursuing the Arrangement and the diversion of management from the conduct of MTL's business in the ordinary course, and the potential adverse impacts that may have on MTL's business and the price of MTL Shares. There can be no assurance that the conditions to completion of the Arrangement in the Arrangement Agreement will be satisfied and, as a result, the Arrangement may not be consummated.

(b) **No Longer a Public Company.** Following the Arrangement, MTL will no longer exist as a public corporation. The MTL Shareholders will forgo any potential future increase in value of the MTL Shares.

(c) **Restrictions on the Conduct of Business.** The restrictions on the conduct of MTL's business prior to the completion of the Arrangement, requiring MTL to conduct its business in a proper and prudent manner and in accordance with good industry practice and applicable Laws, subject to specific exceptions, may delay or prevent MTL from undertaking business opportunities that may arise pending completion of the Arrangement.

(d) **Non-Solicitation Covenants.** The customary limitations contained in the Arrangement Agreement on MTL's ability to solicit additional interest from third parties, Canopy's right under the Arrangement Agreement to match a Superior Proposal, the Supporting Shareholders' and Locked-Up Shareholders' requirement to comply with the terms of the Support Agreements and Lock-Up Agreements, as applicable, and vote in favour of the Arrangement Resolution even if the MTL Board makes a Change of Recommendation and that the quantum of the Termination Fee may discourage other parties from making a Superior Proposal.

(e) **No Auction.** Prior to entering into the Arrangement Agreement, MTL and the Financial Advisor considered and discussed various other potential strategic and financial counterparties and were reasonably satisfied that Canopy constituted the party most able to complete a transaction on terms

as favourable to MTL and its stakeholders as represented by the Arrangement, but no formal or broad auction process was undertaken.

(f) **Fixed Consideration.** As the Cash Consideration and Share Consideration were fixed as at signing of the Arrangement Agreement, the value of the Consideration to be received by the MTL Shareholders as of the Effective Date may differ from the value of the Consideration as of the date of signing the Arrangement Agreement.

(g) **Fees and Expenses.** The substantial time, effort, fees and expenses associated with the Arrangement, a significant portion of which will be incurred regardless of whether the Arrangement is consummated, which could disrupt the operation of MTL's business.

(h) **Irrevocable Support Agreements and Lock-Up Agreements.** The limitations contained in the Support Agreements and the Lock-Up Agreements, as applicable, agreed to in favour of Canopy restrict the ability of MTL Shareholders holding approximately 75% of the issued and outstanding MTL Shares to vote, support, or participate (in their capacity as MTL Shareholders) in connection with a Superior Proposal, which may discourage other parties from making a Superior Proposal.

(i) **Strategic and other Benefits.** For MTL Shareholders that retain their Share Consideration, the possibility that Canopy will not realize all of the anticipated strategic and other benefits of the Arrangement, including as a result of the challenges of combining the businesses, operations and workforces of Canopy and MTL.

34. All of the directors of MTL voted to approve the Arrangement at the December 14, 2025, meeting of the MTL Board, with the exception of Messrs. Michel Clément and Richard Clément who abstained from voting due to their disclosed interests in the transaction.

35. To be effective, the Arrangement must be approved by the MTL Shareholders in accordance with the Interim Order, and by the Court pursuant to the Final Order. The Court has broad discretion under the CBCA when making orders with respect to arrangements. The Court, when hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement, from a substantive and procedural point of view. Proceeding under Section 192 of the CBCA allowed MTL and Canopy to structure the Arrangement in a manner that would not have been practicable under other provisions of the CBCA, including allowing the Canopy Shares, the Replacement Options, the Replacement Warrants and the Replacement Compensation Options issued in connection with the Arrangement to be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereunder.

36. In its review of the proposed terms of the Arrangement, the MTL Board also considered a number of elements of the transaction that provided protection to the MTL Shareholders:

    (a) The Arrangement Resolution must be approved by:

        (i) not less than 66⅔% of the votes cast by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and

        (ii) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, by any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

    (b) The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court determines that the Arrangement is fair and reasonable to the MTL Shareholders and MTL Securityholders.

    (c) Registered MTL Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise Dissent Rights and receive the fair value of their MTL Shares in accordance with Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order.

37. The foregoing summary of the information and factors considered by the MTL Board is not intended to be exhaustive, but includes the material information and factors considered by the MTL Board in its consideration of the Arrangement. In view of the variety of factors and the amount of information considered in connection with the MTL Board's evaluation of the Arrangement, the MTL Board did not find it practicable to and did not quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. In addition, individual members of the MTL Board may have assigned different weights to different factors in reaching their own conclusion as to the fairness of the Arrangement.

## F. Opinion of MTL's Financial Advisor

38. Pursuant to an engagement agreement (the "**Engagement Agreement**") dated October 9, 2025, as amended on December 8, 2025, the Financial Advisor was retained to act as financial advisor to MTL in connection with the Arrangement and to provide the Special Committee with an opinion as to whether the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Interested Parties). In connection with this mandate, at a joint meeting of the MTL Board and Special Committee held to evaluate the Arrangement on December 13, 2025, the Financial Advisor prepared and delivered

its oral opinion, which was subsequently confirmed by delivery of the written Fairness Opinion on December 14, 2025.

39. The Fairness Opinion states that, based upon and subject to the scope of the review, analysis undertaken and various assumptions, limitations and qualifications set forth therein, the Financial Advisor is of the opinion that, as of December 14, 2025, the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Interested Parties). The Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety.

40. As of the date of the Fairness Opinion, neither the Financial Advisor nor any of its affiliates is an insider, associate or affiliate of MTL or Canopy or any of their respective associates or affiliates.

41. Pursuant to the Engagement Agreement, MTL agreed to pay the Financial Advisor a fixed fee for rendering the Fairness Opinion, whether or not the Arrangement is completed.

42. In addition to the fixed fee received for rendering the Fairness Opinion, the Financial Advisor will also receive additional fees for its advisory services which are contingent upon the successful completion of the Arrangement. MTL has also agreed to reimburse the Financial Advisor for its reasonable out-of-pocket expenses and to indemnify, among others, the Financial Advisor in respect of certain liabilities that might arise out of the Financial Advisor's engagement. The fees payable to the Financial Advisor pursuant to the Engagement Agreement are not, in the aggregate, financially material to the Financial Advisor and do not give the Financial Advisor any material financial incentive in respect of either the conclusions reached in the Fairness Opinion or the outcome of the Arrangement.

43. The Financial Advisor was selected as a financial advisor to MTL in connection with the Arrangement because, among other things, the Financial Advisor is an internationally recognized investment banking firm with extensive cannabis industry experience and with the sale of cannabis companies. The Financial Advisor is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions.

### G. The Meeting and Arrangement Resolution

44. If the Interim Order is granted, MTL will convene the MTL Meeting to be held at 9:00 a.m. (Vancouver time) on February 17, 2026, at the offices of Farris LLP at 700 W Georgia St #2500, Vancouver, BC V7Y 1B3, to consider, among other things, the proposed Plan of Arrangement and the Arrangement Resolution. The form of the Arrangement Resolution is found at Appendix “A” to the Circular.

45. The MTL Board has fixed the Record Date of the MTL Meeting as the close of business (Vancouver time) on January 9, 2026 (the “**Record Date**”). Only MTL

Shareholders of record on the Record Date are entitled to vote or to have their MTL Shares voted at the MTL Meeting. The Record Date will not change in respect of any adjournment of postponement of the MTL Meeting.

46. In connection with the MTL Meeting and in accordance with the Interim Order, MTL intends to send to each MTL Shareholder the following material and documentation (collectively referred to as the "**Meeting Materials**") substantially in the form attached as Exhibits "A", "B" and "C" to the Nalewanyj Affidavit, subject only to certain amendments necessary or desirable to complete the final form of the document:

    (a) the Circular, which includes, among other things:

        (i) the text of the Arrangement Resolution;

        (ii) copies of the Interim Order, the Petition, and the Notice of Hearing of Petition;

        (iii) a copy of the Plan of Arrangement;

        (iv) a copy of the Fairness Opinion; and

        (v) the relevant provisions of the CBCA relating to dissent rights.

    (b) the form of proxy and voting instruction form; and

    (c) the letter of transmittal.

47. MTL also proposes to provide the Circular (including the Notice of Hearing of Petition and the Interim Order) and any other communications or documents determined by MTL to be necessary or desirable (collectively, the "**Court Materials**") to each of the MTL Securityholders and to each of the MC Shareholders.

### H. Quorum and Voting

48. In accordance with MTL's constating documents, the quorum for the MTL Meeting is 10% of the MTL Shares entitled to vote at the meeting, present in person or represented by proxy. Quorum need not be present throughout the meeting provided there is quorum at the opening of the meeting.

49. For the Arrangement to proceed, the Arrangement Resolution must be approved by:

    (a) not less than 66⅔% of the votes cast on the Arrangement Resolution by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and

(b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

## I. Dissent Rights

50. As set out in greater detail in the draft Circular, MTL proposes to provide each Registered MTL Shareholder with the right to dissent and, if the Arrangement becomes effective, to have his, her, their or its MTL Shares transferred and assigned to Canopy in exchange for a cash payment from Canopy equal to the fair value of his, her, their or its MTL Shares as of the close of business on the day before the Arrangement Resolution was approved (the "**Dissent Rights**"), provided that they have strictly complied with the dissent procedures (the "**Dissent Procedures**") set forth in section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order.

51. Only Registered MTL Shareholders as of the Record Date for the MTL Meeting are entitled to exercise Dissent Rights. A Non-Registered MTL Shareholder that wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered MTL Shareholder deals in respect of its MTL Shares and either (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered MTL Shareholder's behalf (which, if the MTL Shares are registered in the name of CDS or other clearing agency, may require that such MTL Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such MTL Shares in the name of the Non-Registered MTL Shareholder, in which case the Non-Registered MTL Shareholder would be able to exercise the Dissent Rights directly. In addition, pursuant to Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, a Dissenting Shareholder may not exercise Dissent Rights in respect of only a portion of such Dissenting Shareholder's MTL Shares but may dissent only with respect to all MTL Shares held by such Dissenting Shareholder.

52. The Dissent Procedures must be strictly complied with in order for a Registered MTL Shareholder to receive cash representing the fair value of Dissent Shares held. A Registered MTL Shareholder who wishes to dissent must ensure that a Dissent Notice is received by MTL, c/o Farris LLP, P.O. Box 10026, Pacific Centre South, 25th Floor, 700 W Georgia Street, Vancouver, British Columbia, V7Y 1B3, Attention: Daniel Everall, by no later than 5:00 p.m. (Vancouver time) on February 12, 2026 or in the case of any adjourned or postponed MTL Meeting, by no later than 5:00 p.m. (Vancouver time) on the second Business Day immediately preceding the date of the adjourned or postponed MTL Meeting and must otherwise strictly comply with the Dissent Procedures described in the Circular.

53. Any failure by a Registered MTL Shareholder to strictly comply with the requirements set forth in the CBCA, as modified by the Interim Order, the Plan of Arrangement and any other order of the Court, may result in the loss of that holder's Dissent Rights with respect to the Arrangement.

54. If, as of the Effective Date, to Canopy's exclusive benefit, the aggregate number of MTL Shares in respect of which MTL Shareholders have duly and validly exercised Dissent Rights, or have instituted proceedings to exercise Dissent Rights in connection with the Arrangement, exceeds 10% of the MTL Shares then outstanding, Canopy is entitled, in its sole discretion, which discretion may be waived by Canopy, not to complete the Arrangement.

### J. Approval of the Arrangement

55. It is a further term of the Arrangement Agreement that, upon obtaining and receiving the approvals as set out in the Interim Order, MTL shall apply for the Final Order.

56. It is intended that this application for the Final Order will be made on February 23, 2026, or on any other date that may be specified by the Court, assuming that the MTL Shareholders approve the Arrangement Resolution at the MTL Meeting and that other conditions as described in the Circular are satisfied.

57. MTL and Canopy intend to rely upon the exemption from registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act, and similar exemptions from applicable United States laws with respect to the Canopy Shares issuable pursuant to the Arrangement upon completion of the Arrangement, and the issuance of the Replacement Options in exchange for the MTL Out-Of-The-Money Options, the issuance of Replacement Warrants in exchange for the MTL Out-Of-The-Money Warrants and the Replacement Compensation Options in exchange for the MTL Compensation Options. Such exemption will only be available if there is a court's affirmative determination that the Arrangement is both substantively and procedurally fair and reasonable.

### K. Solvency

58. MTL is not insolvent within the meaning of section 192 of the CBCA. Specifically:

    (a) MTL is not unable to pay its liabilities as they become due; and

    (b) the realizable value of the assets of MTL is not less than the aggregate of its liabilities and stated capital of all classes.

### L. Impracticability

59. MTL and Canopy are using the arrangement provisions of the CBCA to effect the transaction for the following principal reasons:

(a) section 192 of the CBCA is the most convenient and advantageous provision of the CBCA to achieve a "going private" transaction through a negotiated transaction between MTL and Canopy that provides for the simultaneous acquisition of all of the MTL Shares (other than those held by dissenting shareholders and Canopy). It is impracticable to effect the transactions provided for in the Arrangement under any provisions of the CBCA other than section 192;

(b) section 192 of the CBCA and the procedures contemplated therein provide a unique forum for interested parties to address the Court on matters concerning the fairness of the proposed transaction and for the Court to accommodate dissenting shareholders through the grant of dissent rights, which is appropriate in a transaction of this nature which involves both a "going private" transaction and a "related party" transaction;

(c) in addition, the arrangement provisions allow the parties to achieve the desired income tax consequences for all parties involved, including a modification of the standard CBCA dissent rights to provide that dissenting holders of MTL Shares will transfer their shares to Canopy (rather than being surrendered to the Company) which results in advantageous tax results; and

(d) the Arrangement is designed to fall within the exemption provided under Section 3(a)(10) of the U.S. Securities Act.

## Part 3: LEGAL BASIS

59. The principles applicable to the approval of an arrangement are set out in *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69 at paragraph 137:

(a) the statutory procedures must have been met;

(b) the application must have been put forward in good faith; and

(c) the arrangement must be fair and reasonable.

60. Here, the Arrangement provides for, among other things, the exchange of securities of MTL held by security holders for securities, rights and interests of Canopy and cash consideration.

61. This Court has, including in *Re Pacifica Papers Inc.,* 2001 BCSC 701 at paragraph 36, *leave to appeal refused,* 2001 BCCA 363 and in *Re Plutonic Power Corporation*, 2011 BCSC 804 at paragraph 16, set out the steps that generally occur to undertake an arrangement, specifically:

(a) the first step involves an application for an interim order for directions for the calling of a meeting of shareholders to consider and vote on the arrangement;

(b) the second step involves a meeting of shareholders where the arrangement must be voted on and approved by a special resolution; and

(c) the third step involves an application for final court approval of the arrangement.

62. MTL intends to apply for an Interim Order for directions, and following the MTL Meeting to be held in compliance with the terms of the Interim Order, return to this Court for approval of the Arrangement.

63. MTL anticipates that at the hearing for approval of the Final Order, it will satisfy this Court that the relevant statutory requirements have been met, as outlined in section 192 of the CBCA.

64. The Arrangement has been put forward in good faith. The Arrangement is the result of extensive arm's length negotiations conducted between MTL and Canopy, and their respective representatives and advisors over months. After consulting with their advisors, as well as management and carefully considering the totality of the information presented to it and its knowledge of the business, financial condition and prospects of MTL, the Special Committee unanimously determined and with Messrs. Michel Clément and Richard Clément declaring an interest in the Arrangement and abstaining from voting, the MTL Board then unanimously determined that the Arrangement is in the best interests of MTL and is fair to the MTL Shareholders, and the MTL Shareholders (excluding the Interested Parties).

65. The Arrangement is also fair and reasonable. As explained by the Supreme Court of Canada in *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69 at paragraphs 138 and 155*,* a proposed arrangement is not required to be the "most fair" or "best" proposal possible; it simply needs to be fair and reasonable in all the circumstances. A two-prong framework is used to determine whether the arrangement is fair and reasonable:

(a) the arrangement must have a valid business purpose; and

(b) the objections of those whose legal rights are being arranged must be resolved in a fair and balanced way.

66. The Arrangement serves a valid business purpose: to effect the combination of the businesses of MTL and Canopy.

67. In *BCE Inc. v.* 1976 *Debentureholders*, 2008 SCC 69 at paragraphs 149-154*,* the Supreme Court recognized that although no single factor is conclusive, the outcome of a shareholder vote is an important indicatory of whether a plan is fair and reasonable, which can be given "considerable weight", particularly if the

margin is large. Additional factors that may be relevant include: (i) the impact on rights of securityholders; (ii) the approval of the arrangement by the corporation's directors; (iii) the presence of a fairness opinion; and (iv) the access of shareholders to dissent and appraisal remedies.

68. These factors all support the conclusion in this case that the Arrangement is fair and reasonable and should be approved by this Court. In particular:

(c) the rights of the MTL Shareholders are not prejudiced;

(d) MTL Securityholders will receive notice of the Arrangement and are being treated fairly thereunder;

(e) the Arrangement was the result of a rigorous and fair process and was recommended unanimously by the Special Committee and MTL Board, with the benefit of legal and financial advice, including the Fairness Opinion;

(f) pursuant to the terms of the Interim Order, MTL Shareholders will receive lengthy and detailed disclosure concerning the background to the Arrangement, as well as the costs, benefits and risks associated with the Arrangement;

(g) dissent rights are available; and

(h) MTL Shareholders, MTL Securityholders and MC Shareholders will receive notice of and have the opportunity to attend and make submissions at the fairness hearing.

69. Taken together, these factors demonstrate that the rights of interested parties have been fairly and reasonably balanced under the Arrangement.

70. MTL will rely on section 192 of the CBCA and Rules 2-1(2), 4-4, 4-5, 8-1, 16-1 and 22-4(2) of the British Columbia *Supreme Court Civil Rules.*

**Part 4: MATERIAL TO BE RELIED ON**

At the hearing of this Petition will be read the following:

1. the Interim Order and any other order(s) as may be granted by this Honourable Court;

2. the Affidavit #1 of Jason Nalewanyj made January 12, 2026, together with the exhibits thereto and other materials referred to therein;

3. the supplementary Affidavit material, to be sworn, and the exhibits thereto and other materials referred to therein reporting as to the compliance with any Interim Order of this Court and as to the result of any meeting ordered by any Interim Order of this Court; and

4. such further and other material as counsel may advise and this Honourable Court may allow.

Date: January 12, 2026

Signature of ☐ Petitioner
☒ Lawyer for Petitioner

**Tevia Jeffries**

THIS PETITION is prepared and delivered by Tevia Jeffries, of the firm Farris LLP, Barristers & Solicitors, whose place of business and address for service is 2500 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. Telephone: (604) 684-9151. Email: tjeffries@farris.com. Attention: Tevia Jeffries.

***To be completed by the Court only:***

Order made

☐ in the terms requested in paragraphs _____ of Part 1 of this petition

☐ with the following variations and additional terms:

_____

_____

_____

Date: _____ _____

Signature of ☐ Judge ☐ Associate Judge

# Schedule “A” - Interim Order

No. _____
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 192 OF THE
*CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MTL CANNABIS CORP. AND CANOPY GROWTH CORPORATION**

**MTL CANNABIS CORP.**

PETITIONER

# ORDER MADE AFTER APPLICATION

BEFORE ASSOCIATE JUDGE
_____

January 14, 2026

ON THE APPLICATION of the Petitioner, MTL Cannabis Corp. ("MTL") for an Interim Order pursuant to its Application filed on Monday, January 12, 2026, without notice, except to the director appointed under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "CBCA") and coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Wednesday, January 14, 2026, and on hearing Tevia Jeffries, counsel for MTL, and on reading the material filed, including the Petition, the Notice of Application, Affidavit of Jason Nalewanyj, sworn January 12, 2026 (the "Nalewanyj Affidavit"); and upon being advised by counsel for MTL that it is the intention of the parties to rely on section 3(a)(10) of the *United States Securities Act* of 1933, as amended (the "U.S. Securities Act"), and that the declaration of fairness of, and the approval of, the Arrangement by this Honourable Court will serve as the basis for an exemption from the registration requirements of the U.S. Securities Act pursuant to section 3(a)(10) thereof, for the issuance of securities in connection with the Arrangement:

THIS COURT ORDERS THAT:

Definitions

1. All capitalized terms used in this Interim Order, unless otherwise defined herein, shall have the respective meaning given to them in the Management Information Circular of MTL dated as of January 15, 2026 (the "Circular"). A draft copy of the Circular that is in substantially final form is attached as Exhibit "A" to the Nalewanyj Affidavit.

The MTL Meeting

2. Pursuant to section 192 of the CBCA, the Petitioner is permitted to convene, hold and conduct a special meeting (the "MTL Meeting") of the holders (the "MTL Shareholders") of common shares in the capital of MTL ("MTL Shares") to be held at the offices of Farris LLP at 700 W Georgia St., #2500, Vancouver BC, V7Y 1B3 at 9:00 a.m. (Vancouver Time) on February 17, 2026, or on such other date and time as may result from postponement or adjournment in accordance with this Interim Order and any further Order of this Court.

3. At the MTL Meeting, the MTL Shareholders will, *inter alia*, consider and, if deemed advisable, pass, with or without amendment, a special resolution (the "Arrangement Resolution"), in the form attached as Appendix "A" to the Circular, authorizing, approving and adopting in accordance with section 192 of the CBCA a statutory plan of arrangement (the "Arrangement") involving MTL, Canopy Growth Corporation ("Canopy"), and the securityholders of MTL, as described in the plan of arrangement (the "Plan of Arrangement"), a copy of which is attached as Appendix "B" to the Circular.

4. At the MTL Meeting, MTL will also seek to transact such further or other business as may properly come before the MTL Meeting or any adjournment or postponement thereof as detailed in the Circular.

5. The MTL Meeting shall be called, held and conducted in accordance with the Notice of Special Meeting of MTL Shareholders (the "Notice of Meeting") to be delivered in substantially the form attached to and forming part of the Circular, and in accordance with the applicable provisions of the CBCA, MTL's articles, applicable securities legislation, and the Circular, all subject to the terms of this Interim Order, and any further order of this Court, and the rulings and directions of the Chair of the MTL Meeting, such rulings and directions not to be inconsistent with this Interim Order.

6. The record date for determination of the MTL Shareholders entitled to notice of, to attend, and to vote at, the MTL Meeting shall be the close of business on January 9, 2026 (the "Record Date"). Notice of Record Date, which has been given by the Petitioner pursuant to (a) the general publication in the Globe and Mail on December 22, 2025; (b) the filing of a notice of the Record Date on MTL's profile

on the System for Electronic Data Analysis and Retrieval + (SEDAR+); and (c) the delivery of the Meeting Materials (as defined below) in accordance with the terms of this Interim Order, is sufficient notice to the MTL Shareholders of the Record Date. The Record Date will not change in respect of any adjournment of postponement of the MTL Meeting.

Notice of Meeting

7. In order to effect notice of the MTL Meeting, MTL shall send, or cause to be sent, the Circular (including the Notice of Hearing of Petition and this Interim Order), the Notice of Meeting, the Plan of Arrangement, the Form of Proxy (as defined below), the voting instruction forms and the letter of transmittal, in substantially the same form attached to the Nalewanyj Affidavit, with such amendments and inclusions thereto as counsel for MTL may advise are necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of this Interim Order (the "Meeting Materials"), as follows:

   (a) to the registered MTL Shareholders, at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the MTL Meeting, excluding the date of sending and the date of the MTL Meeting, by one or more of the following methods:

      (i) by pre-paid ordinary or first-class mail at the addresses of the registered MTL Shareholders as they appear on the central securities register of MTL as at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of MTL;

      (ii) by delivery, in person or by recognized courier service, to the address specified in (i) above; or

      (iii) by facsimile or electronic transmission (including email) to any MTL Shareholder who has approved electronic delivery (including email);

   (b) to the non-registered holders of MTL Shares by providing sufficient copies of the Meeting Materials (including electronic copies thereof), as applicable, to intermediaries and registered nominees in accordance with the procedures prescribed by *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators* at least three (3) Business Days prior to the twenty-first (21st) day prior to the date of the MTL Meeting; and

   (c) to the respective directors and auditors of MTL and the Director appointed under the CBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first-class mail or, by facsimile, or by electronic transmission (including email), at least twenty-one (21) days prior to the

date of the MTL Meeting, excluding the date of sending and the date of the MTL Meeting.

8. Concurrently with the sending of the Meeting Materials described in paragraph 7 of this Interim Order, MTL shall send a copy of the Circular (including the Notice of Hearing of Petition and this Interim Order) and any other communications or documents determined by MTL to be necessary or desirable (collectively, the "Court Materials") to the holders of options to purchase MTL Shares (the "MTL Options"), restricted share units of MTL (the "MTL RSUs"), deferred share units of MTL (the "MTL DSUs"), compensation options of MTL (the "MTL Compensation Options"), and warrants of MTL (the "MTL Warrants") (collectively, the holders of MTL Options, MTL RSUs, MTL DSUs, MTL Compensation Options and MTL Warrants are referred to herein as the "MTL Securityholders") and the MC Shareholders, by any method permitted for notice to MTL Shareholders as set forth in paragraph 7 above. Distribution to such persons shall be to their addresses as they appear on the books and records of MTL or its registrar and transfer agent at the close of business on the Record Date.

9. Good and sufficient notice of the MTL Meeting for all purposes will be given by MTL by the sending of the Meeting Materials and the Court Materials, as applicable, in accordance with paragraphs 7 and 8 of this Interim Order. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 135(6)(a) of the CBCA, and MTL shall not be required to send to the MTL Shareholders, MTL Securityholders or the MC Shareholders any other or additional statement pursuant to section 135(6)(a) of the CBCA or otherwise.

10. Delivery of the Meeting Materials in accordance with paragraph 7 of this Interim Order and the Court Materials in accordance with paragraph 8 of this Interim Order will constitute good and sufficient service or delivery of such Court Materials upon all persons who are entitled to receive the Meeting Materials and the Court Materials pursuant to this Interim Order and no other form of service need be made and no other material, including the Petition and supporting Affidavits, need be served on such persons in respect of these proceedings except upon written request to the solicitors for MTL at their addresses for delivery set out in the Petition.

11. Accidental failure or omission by MTL to give notice of the MTL Meeting or to distribute the Meeting Materials or the Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of MTL, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor a defect in the calling of the MTL Meeting, nor shall it invalidate any resolution passed or proceedings taken at the MTL Meeting. If any such failure or omission is brought to the attention of MTL, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

Deemed Receipt of Meeting Materials

12. The Meeting Materials and Court Materials will be deemed, for the purposes of this Interim Order, to have been received by the MTL Shareholders, MTL Securityholders or MC Shareholders, as applicable:

    (a) In the case of mailing or personal courier delivery, on that day (Saturdays, Sundays and holidays excepted) following the date of mailing or acceptance by the courier service, respectively; and

    (b) In the case of delivery by electronic transmission (including email), on the day that it was transmitted.

Amendments to the Arrangement and Plan of Arrangement

13. Subject to the terms and conditions of the Arrangement Agreement and Plan of Arrangement, after the date of this Interim Order and prior to the time of the MTL Meeting, MTL is authorized to make such amendments, modifications, revisions or supplements to the Plan of Arrangement, in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, without any additional notice to the MTL Shareholders, MTL Securityholders or MC Shareholders, and the Arrangement Agreement and/or Plan of Arrangement as so amended, revised and supplemented shall be the Arrangement Agreement and/or Plan of Arrangement submitted to the MTL Meeting, and the subject of the Arrangement Resolution.

14. If any amendments, revisions or supplements to the Arrangement Agreement or Plan of Arrangement as referred to in paragraph 13 above would, if disclosed, reasonably be expected to affect a MTL Shareholders' decision to vote for or against the Arrangement Resolution, notice of such amendment, revision or supplement shall be distributed, subject to further order of this Court, by news release, newspaper advertisement, or by notice sent to MTL Shareholders, MTL Securityholders and MC Shareholders by one of the methods specified in paragraph 7 and 8 of this Interim Order, as determined to be the most appropriate method of communication by MTL.

Updating Meeting Materials and Court Materials

15. Notice of any amendments, revisions, updates or supplements to any of the information provided in the Meeting Materials and Court Materials may be communicated, at any time prior to the MTL Meeting, to the MTL Shareholders, MTL Securityholders and MC Shareholders by news release, newspaper advertisement, or by notice sent to MTL Shareholders, MTL Securityholders and MC Shareholders by one of the methods specified in paragraph 7 and 8 of this Interim Order, as determined to be the most appropriate method of communication by MTL.

Chair of the MTL Meeting

16. The Chair of the MTL Meeting shall be an officer or director of MTL or such other person as may be appointed by the MTL Shareholders for that purpose.

17. The Chair of the MTL Meeting is at liberty to call on the assistance of legal counsel of MTL at any time and from time to time, as the Chair of the MTL Meeting may deem necessary or appropriate, during the MTL Meeting.

18. The Chair of the MTL Meeting shall be permitted to ask questions of, and demand the production of evidence, from the MTL Shareholders or such other persons in attendance or represented at the MTL Meeting, as he, she, they or it considers appropriate having regard to the orderly conduct of the MTL Meeting, the authority of any person to vote at the MTL Meeting, and the validity and propriety of the votes cast and the proxies submitted in respect of the Arrangement Resolution.

19. The Chair of the MTL Meeting may, in the Chair's sole discretion, waive the deadline specified in the Form of Proxy for the deposit of proxies, provided that if the Chair waives the deadline, the Chair must accept all proxies deposited after this deadline.

20. The Chair or another representative of MTL present at the MTL Meeting shall, in due course after the MTL Meeting, file with the Court an affidavit verifying the actions taken and the decisions reached at the MTL Meeting with respect to the Arrangement.

Permitted Attendees

21. The only people entitled to attend the MTL Meeting will be: (i) the MTL Shareholders and their duly appointed proxyholders; (ii) the officers, directors and auditors of MTL; (iii) MTL's legal and financial advisors; (iv) representatives of Canopy, including any of its directors, officers and/or advisors, and (v) other such persons as may be approved by the Chair of the MTL Meeting.

Adjournments and Postponements

22. MTL, if it deems advisable, is specifically authorized to adjourn or postpone the MTL Meeting for any reason on one or more occasions, subject to the terms of the Arrangement Agreement, without the necessity of first convening the MTL Meeting, or first obtaining any vote of the MTL Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by such method and in the time that is reasonable in the circumstances, as MTL may determine appropriate. This provision shall not limit the authority of the Chair of the MTL Meeting in respect of adjournments and postponements.

Quorum

23. The quorum for the MTL Meeting is as set out in MTL's constating documents, namely, 10% of the MTL Shares entitled to vote at the meeting, present in person or represented by proxy. Quorum need not be present throughout the meeting provided there is quorum at the opening of the meeting.

Voting

24. The vote required to pass the Arrangement Resolution is:

    (a) not less than 66⅔% of the votes cast on the Arrangement Resolution by the MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting; and

    (b) a majority of the votes cast by MTL Shareholders present in person or represented by proxy and entitled to vote at the MTL Meeting, excluding for this purpose votes attached to the Excluded MTL Shares and any MTL Shares beneficially owned or over which control or direction is exercised by, directly or indirectly, any other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

25. The only persons entitled to vote on the Arrangement Resolution, or such other business as may be properly brought before the MTL Meeting, shall be the registered MTL Shareholders who held MTL Shares as of the Record Date and their valid proxyholders as described in the Circular and as determined by the Chair of the MTL Meeting in consultation with the Scrutineer (as defined below) and legal counsel to MTL. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions on one or more resolutions (including the Arrangement Resolution) shall be voted in favour of such resolution (including the Arrangement Resolution).

Scrutineer

26. Representatives of MTL's registrar and transfer agent (or any agent thereof), Odyssey Trust Company, are authorized to act as scrutineers for the MTL Meeting (the "Scrutineer").

Solicitation of Proxies

27. MTL is authorized to permit the MTL Shareholders to vote by proxy using the form of proxy (the "Form of Proxy"), substantially in the form of the draft attached as Exhibit "B" to the Nalewanyj Affidavit, with such amendments, revisions or supplemental information as MTL may determine are necessary or desirable. MTL is authorized at its expense to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives, including

proxy advisory firms, as they may retain for the purpose, by mail or such other forms of personal or electronic communication as it may determine.

28. Proxies must be received by no later than 9:00 a.m. (Vancouver time) on February 12, 2026, or, if the MTL Meeting is adjourned or postponed, at least 48 hours (not including Saturdays, Sundays and holidays in the Province of British Columbia) before the time that the MTL Meeting is reconvened.

29. The Chair of the MTL Meeting may waive generally, in its discretion, the time limits set for the deposit or revocation of proxies, if MTL considers it advisable to do so.

Dissent Rights

30. Registered MTL Shareholders may exercise dissent rights with respect to the MTL Shares held by such holders ("Dissent Rights") in connection with the Arrangement pursuant to and in the manner set forth in section 190 of the CBCA, as modified by this Interim Order, the Final Order and Section 5.1 of the Plan of Arrangement; provided that, notwithstanding subsection Part XV of the CBCA, the written notice of intent to exercise the right to demand the purchase of MTL Shares contemplated by subsection 190(5) of the CBCA must be received by MTL not later than 5:00 p.m. (Vancouver time) on February 12, 2026 or in the case of any adjourned or postponed MTL Meeting, by no later than 5:00 p.m. (Vancouver time) on the second Business Day immediately preceding the date of the adjourned or postponed MTL Meeting, and provided that such notice of intent must otherwise comply with the requirements of the CBCA. Dissenting MTL Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the MTL Shares held by them and in respect of which Dissent Rights have been validly exercised to Canopy free and clear of all Liens, as provided in Section 3.1(b) of the Plan of Arrangement and if they:

    (a) ultimately are entitled to be paid fair value for such MTL Shares: (i) shall be deemed not to have participated in the transactions in Article 3 of the Plan of Arrangement (other than Section 3.1(b)); (ii) will be entitled to be paid the fair value of such MTL Shares by Canopy which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business, in respect of the MTL Shares, on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights in respect of such MTL Shares; or

    (b) ultimately are not entitled, for any reason, to be paid fair value for such MTL Shares, shall be deemed to have participated in the Arrangement on the same basis as MTL Shareholders who have not exercised Dissent Rights in respect of such MTL Shares and shall be entitled to receive the Consideration to which MTL Shareholders who have not exercised Dissent

Rights are entitled under Section 3.1(g) of the Plan of Arrangement, less any applicable withholdings.

31. Registered MTL Shareholders will be the only MTL Shareholders entitled to exercise Dissent Rights. A beneficial holder of MTL Shares registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the Registered MTL Shareholder to dissent on behalf of the beneficial holder of MTL Shares or, alternatively, make arrangements to become a Registered MTL Shareholder.

32. Subject to further order of this Court, the rights available to the MTL Shareholders under the CBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the MTL Shareholders with respect to the Arrangement.

33. Notice to the MTL Shareholders of their Dissent Rights with respect to the Arrangement Resolution and to receive, subject to the provisions of the CBCA and the Plan of Arrangement, the fair value of their MTL Shares, will be given by including information with respect to the Dissent Rights in the Circular to be sent to MTL Shareholders in accordance with the terms of this Interim Order.

34. In no case shall Canopy, MTL, or any other Person be required to recognize holders of MTL Shares who exercise Dissent Rights as holders of MTL Shares after the time that is immediately prior to the Effective Time, and the names of the Dissenting Shareholders shall be deleted from the central securities register as holders of MTL Shares at the time at which the step in section 3.1(b) of the Plan of Arrangement occurs.

35. For greater certainty, no MTL Securityholders shall be entitled to Dissent Rights in respect of such holder's MTL Options, MTL RSUs, MTL DSUs, MTL Compensation Options or MTL Warrants.

Application for Final Order

36. Upon approval, with or without variation, by the MTL Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, MTL may set the Petition down for hearing and apply to this Court for, *inter alia,* a final order: (i) approving the Arrangement contemplated by the Plan of Arrangement, and (ii) determining that the Arrangement is procedurally and substantively fair and reasonable, all pursuant to section 192 of the CBCA (collectively, the "Final Order"), at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on February 23, 2026 at 9:45 a.m., or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

37. The form of Notice of Hearing of Petition attached as Appendix "E" to the Circular is hereby approved as the form of Notice of Proceedings for such approval.

38. Any MTL Shareholder, the Director appointed under the CBCA, any MTL Securityholder and any MC Shareholder, or other interested party, has the right to appear (either in person or by counsel) and make submissions at the application for the Final Order provided that such person shall file with this Court and deliver a copy of the filed Response to Petition together with a copy of all affidavits or other materials upon which they intend to rely, in the form prescribed by the British Columbia *Supreme Court Civil Rules,* to the solicitors for MTL at their addresses for delivery as set out in the Petition, with a copy to Canopy's counsel, Jessica Lewis at jlewis@cassels.com, on or before 5:00 p.m. (Vancouver time) on February 19, 2026, or as the Court may otherwise direct.

39. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraphs 7 and 8 of this Interim Order will constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings. In particular, service of the Petition herein and the accompanying Affidavit and additional Affidavits as may be filed, is dispensed with.

40. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.

Precedence

41. To the extent of any inconsistency or discrepancy between this Interim Order and the articles of MTL, the Circular, the CBCA or applicable securities laws, this Interim Order shall govern.

Variance and Direction

42. MTL shall, and hereby does, have liberty to apply at any time to vary this Interim Order or apply for such further order or orders or to seek such directions as may be appropriate.

Extra-Territorial Assistance

43. This Court seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY

*Signature of*

☒ Lawyer for Petitioner

Tevia Jeffries

*By the Court*

Registrar

# Schedule “B” - Final Order

No. _____
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 192 OF THE
*CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MTL CANNABIS CORP. AND CANOPY GROWTH CORPORATION**

**MTL CANNABIS CORP.**

PETITIONER

# ORDER MADE AFTER APPLICATION (FINAL ORDER)

BEFORE THE HONOURABLE JUSTICE _____ ) February 23, 2026

ON THE Petition of the Petitioner, MTL Cannabis Corp. ("**MTL**"), dated January [12], 2026, for a final order in connection with the arrangement (the "**Arrangement**"), set out in the plan of arrangement attached hereto as Schedule "**A**" (the "**Plan of Arrangement**"), coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on February 23, 2026, and on hearing Tevia Jeffries, counsel for the Petitioner, and no one appearing on behalf of the holders (the "**MTL Shareholders**") of common shares of MTL (the "**MTL Shares**"), holders of options to purchase MTL Shares (the "**MTL Options**"), restricted share units of MTL (the "**MTL RSUs**"), deferred share units of MTL (the "**MTL DSUs**"), compensation options of MTL (the "**MTL Compensation Options**") and warrants of MTL (the "**MTL Warrant**s") (collectively, the holders of MTL Options, MTL RSUs, MTL DSUs, MTL Compensation Options and MTL Warrants are referred to herein as the "**MTL Securityholders**") and the David Bow Family Trust, the Michael Rancourt Family Trust, the Michel Clément Family Trust, the Richard Clément Family Trust and the Massimo Caporusso Family Trust (2021) (collectively, the "**MC Shareholders**"), though duly served, or any other interested party; AND UPON reading the material filed, including the Petition, the Interim Order of Associate Judge [ ] in these proceedings made on January 14, 2026 (the "**Interim Order**"), the Affidavit #1 of Jason Nalewanyj, made January 12, 2026, and the Affidavit #2 of Jason Nalewanyj, made February 17, 2026, together with the exhibits thereto; AND UPON IT APPEARING that notice of the time and

place of the hearing of this application was given to the MTL Shareholders and the MTL Securityholders; AND UPON the requisite approval of the MTL Shareholders having been obtained at the special meeting of MTL Shareholders held on February 17, 2026; AND UPON BEING INFORMED that the staff of the Director appointed under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") has determined that the Director does not need to appear or be heard on this application;

AND UPON BEING ADVISED by counsel for MTL that it is the intention of the parties to rely on section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and that the declaration of fairness of, and the approval of, the Arrangement by this Honourable Court will serve as the basis for an exemption from the registration requirements of the U.S. Securities Act pursuant to section 3(a)(10) thereof for the issuance of securities in connection with the Arrangement;

**THIS COURT ORDERS AND DECLARES THAT:**

1. The Arrangement set forth in the Plan of Arrangement, including the terms and conditions thereof, is procedurally and substantively fair and reasonable to all persons entitled to receive consideration in the exchanges provided for in the Plan of Arrangement.

2. Upon the implementation of the Arrangement as set forth in the Plan of Arrangement, the Arrangement shall be binding upon MTL, Canopy Growth Corporation ("**Canopy**"), the MTL Shareholders, the MTL Securityholders, the MC Shareholders and the registrar and transfer agent of MTL.

3. The Arrangement shall be implemented in the manner and sequence set forth in the Plan of Arrangement.

4. The Arrangement as provided for in the Plan of Arrangement be and is hereby approved pursuant to section 192 of the CBCA.

5. MTL and Canopy shall be entitled at any time to seek leave to vary this Order, to seek the advice and direction of this Court as to the implementation of the Order, or to apply for such other Order or Orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

*Signature of*

☒ Lawyer for Petitioner

**Tevia Jeffries**

*By the Court*

*Registrar*

**APPENDIX "E"**
**NOTICE OF HEARING OF PETITION**

[*See Attached*]

VANCOUVER
JAN 14 2026
REGISTRY

No. S260184
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 192 OF THE
*CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING MTL CANNABIS CORP. AND CANOPY GROWTH CORPORATION.**

**MTL CANNABIS CORP.**

PETITIONER

# NOTICE OF HEARING OF PETITION

**TO:** The holders ("**MTL Shareholders**") of common shares of MTL Cannabis Corp. ("**MTL**")

**AND TO:** The holders of options of MTL (the "**MTL Options**"), restricted share units of MTL (the "**MTL RSUs**"), deferred share units of MTL (the "**MTL DSUs**"), compensation options of MTL (the "**MTL Compensation Options**"), and warrants of MTL (the "**MTL Warrants**") (collectively, the holders of MTL Options, MTL RSUs, MTL DSUs, MTL Compensation Options, and MTL Warrants are referred to herein as the "**MTL Securityholders**")

**AND TO:** The David Bow Family Trust, the Michael Rancourt Family Trust, the Michel Clément Family Trust, the Richard Clément Family Trust and the Massimo Caporusso Family Trust (2021) (collectively, the "**MC Shareholders**")

**NOTICE IS HEREBY GIVEN** that a Petition has been filed by MTL in the Supreme Court of British Columbia for approval of an arrangement (the "**Arrangement**") pursuant to Section 192 of the *Canada Business Corporations Act*, R.S.C., 1985, c. 44, as amended, involving MTL, the MTL Shareholders, the MTL Securityholders and Canopy Growth Corporation.

**AND NOTICE IS FURTHER GIVEN** that by an Interim Order of the Supreme Court of British Columbia pronounced on January 14, 2026, the Court has given directions as to

the calling of a meeting of the MTL Shareholders (the "**MTL Meeting**") for the purpose of considering and voting on the Arrangement.

**AND NOTICE IS FURTHER GIVEN** that if the Arrangement is approved at the MTL Meeting, the Petitioner intends to apply for an order approving the Arrangement and declaring it to be fair and reasonable to the MTL Shareholders (the "**Final Order**") at a hearing before a Judge of the Supreme Court of British Columbia at the Courthouse, at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia, on or about February 23, 2026, at 9:45 a.m. (PT), or so soon thereafter as counsel may be heard, or at such later date as the Court may direct and in the manner directed by the Court.

**AND NOTICE IS FURTHER GIVEN** that the Final Order approving the Arrangement will, if made, serve as the basis of an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof with respect to securities issued under the Arrangement.

**IF YOU WISH TO BE HEARD AT THE HEARING OF THE PETITION OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS (INCLUDING AN ADJOURNMENT OF THE FINAL ORDER HEARING), YOU MUST GIVE NOTICE OF YOUR INTENTION** by filing a form entitled "Response to Petition", in the form prescribed by the Rules of Court of the Supreme Court of British Columbia, along with any evidence or materials which you intend to present to the Court, at the Vancouver Registry of the Court and **YOU MUST ALSO DELIVER** a copy of the filed Response to Petition, together with a copy of all evidence or materials on which you intend to rely at the application for the Final Order, to the solicitors for the Petitioner at their address for delivery, which is set out below, on or before 4:00 p.m. (PT) on February 19, 2026, or as the Court may otherwise direct.

**YOU OR YOUR SOLICITOR** may file the Response to Petition. You may obtain a form of "Response to Petition" at the Registry or on the Court's website at https://www.supremecourtbc.ca/sites/default/files/web/forms/Form-67.pdf. The address of the Registry is: 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

**IF YOU DO NOT FILE A RESPONSE TO PETITION** and do not attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement, as presented at that time, or may approve it subject to such terms and conditions as the Court deems fit, all without further notice to you. If the Arrangement is approved, it will significantly affect the rights of MTL Shareholders and the MTL Securityholders.

A copy of the said Petition and other documents in the proceedings will be furnished to any MTL Shareholder, any MTL Securityholder and any MC Shareholder upon request in writing addressed to the solicitors of the Petitioner at their address for delivery set out below.

The Petitioner's time estimate is 15 minutes.

The matter is within the jurisdiction of a Judge.

The Petitioner's address for delivery is:

**Farris LLP**
PO Box 10026, Pacific Centre South
25th Floor, 700 W Georgia Street
Vancouver BC V7Y 1B3

**Attention: Tevia R.M. Jeffries**
Tel: 604.661.2174
tjeffries@farris.com

Date: January 14, 2026

Signature of ☐ Petitioner
☒ Lawyer for Petitioner
Tevia R.M. Jeffries

**APPENDIX "F"**
**ADDITIONAL INFORMATION CONCERNING MTL**

## Overview

MTL is the parent company of Montréal Cannabis, a licensed producer operating from a 76,000 square foot licensed indoor cultivation facility in Pointe Claire, Québec; Abba, a licensed producer in Pickering, Ontario that operates a leading medical cannabis marketplace; ICM, a licensed producer in Louiseville, Québec growing cannabis in its 64,000 square foot cultivation facility; and CHC, operating clinics across Canada that work directly with primary care teams to provide specialized cannabinoid therapy services to patients suffering from simple and complex medical conditions.

As a flower-first company, MTL uses specialized hydroponic growing methodologies supported by handcrafted techniques to produce products that are truly craft for the masses. MTL focuses on craft quality cannabis products, including lines of dried flower, pre-rolls and hash marketed under various rands, including the "MTL Cannabis", "Low Key by MTL Cannabis" and "R'belle" brands for the Canadian market through nine distribution arrangements with various provincial cannabis distributors. MTL has also developed several export channels for bulk and unbranded Good Agricultural and Collection Practices (or GACP) quality cannabis.

## MTL's Structure

MTL was incorporated on September 29, 1982, under the *Company Act* of the Province of British Columbia as Achates Resources Ltd. and continued under the CBCA on March 31, 1995.

On August 9, 2021, MTL (then Canada House Cannabis Group Inc.) entered into a share exchange agreement with Montréal Cannabis and the MC Shareholders, which was restated on July 22, 2022, and again on June 28, 2023. Pursuant to the Share Exchange Agreement, MTL acquired all of the issued and outstanding shares of Montréal Cannabis over two tranches.

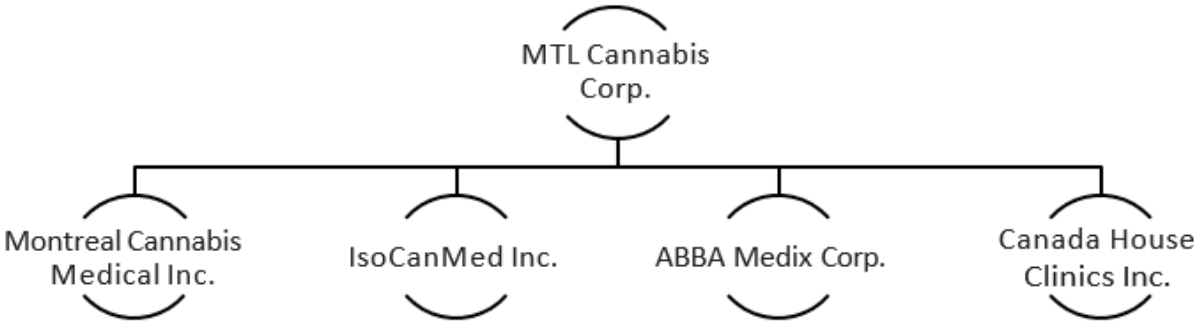
The first stage of the Share Exchange Agreement was completed on August 30, 2022, which resulted in MTL acquiring 24.99% of the issued and outstanding common shares of Montréal Cannabis from the MC Shareholders in exchange for 49.99% of the issued and outstanding common shares of MTL in exchange for 22,779,340 MTL Shares.

The second stage of the Share Exchange Agreement was completed on July 28, 2023, and resulted in MTL acquiring the remaining 75.01% of the issued and outstanding shares of Montréal Cannabis from the MC Shareholders in exchange for 70,713,556 MTL Shares, resulting in Montréal Cannabis becoming a wholly-owned subsidiary of MTL. Upon completion of transactions contemplated by the Share Exchange Agreement, the former MC Shareholders held a majority of the MTL Shares, constituting a reverse takeover of MTL by the MC Shareholders, and MTL changed its name to MTL Cannabis Corp.

MTL's registered office, head office, and principal place of business is located at 4225 Autoroute Transcanadienne, Pointe-Claire, Québec, Canada, H9R 1B4. The MTL Shares are listed on the CSE under the symbol "MTLC" and on the OTCQX Best Market under the symbol "MTLNF". MTL, through its subsidiaries, engages in the cultivation and production of cannabis products,

including dried flower, hash and pre-rolled joints, for adult-use and medical purposes in Canada. MTL also operates clinics that work directly with primary care teams to provide specialized cannabinoid therapy services to patients suffering from medical conditions.

The following diagram describes the inter-corporate relationships among MTL and its material and wholly-owned subsidiaries: Montréal Cannabis, incorporated under the CBCA; Abba, incorporated under the *Business Corporations Act* (Ontario); CHC, incorporated under the *Business Corporations Act* (New Brunswick); and ICM, incorporated under the CBCA.




**Description of Business**

MTL operates through its wholly-owned subsidiaries, including Montréal Cannabis, Abba, CHC, and ICM.

**Segment Information**

MTL cultivates and distributes cannabis related products via federally approved cannabis programs by way of its licensed producer business. In addition, MTL operates its clinic business through CHC. MTL derives substantially all of its revenue from these two segments. MTL primarily operates in one principal geographical area, Canada, and accordingly all of MTL's long-lived assets are located in Canada.

The following table sets out the historical net revenue for each segment:

| Source | Six months ended September 30, 2025 | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| Licensed Producer Segment | $47,508,984 | $99,032,487 | $79,543,192 |
| Clinics Segment | $3,746,873 | $6,206,622 | $3,520,696 |
| **Net Revenue** | $41,297,515 | $84,073,815 | $65,293,669 |

**Licensed Producers**

*Montréal Medical*

Montréal Cannabis is a licensed cultivator and processor in Canada under the Cannabis Act and associated Cannabis Regulations. Montréal Cannabis is concentrated on launching modern unique offerings into the Canadian market at a competitive price point.

Montréal Cannabis is licensed to: (a) acquire cannabis plants and/or seeds for the purpose of initiating plant growth and for conducting analytical testing; (b) produce cannabis, other than by cultivating, propagating or harvesting it (i.e. extract oils); (c) sell and distribute finished packaged cannabis products to provincially and territorially authorized retailers; and (d) procure and distribute medical cannabis products to registered medical cannabis patients within Canada.

*Abba*

Since fiscal 2022, Abba has focused on being a leading medical marketplace for veterans. As a medical marketplace, Abba sources SKUs from various brands and licensed producers to curate a menu for veterans and other medical cannabis patients.

In July 2025, Montréal Cannabis completed the expansion of its operating facility based in Pointe Claire, Quebec, and transitioned Abba's medical fulfillment operations to support growing market demand. Abba has also secured an amended sales license from Health Canada, enabling the sale of its own cannabis products directly to patients.

*ICM*

ICM operates from a recently retrofitted 64,000 square foot production facility.

**Clinics**

CHC's mission is to improve the quality of life for anyone suffering from post-traumatic stress disorder, chronic pain and/or other medical conditions. CHC provides education services to assist patients select a licensed producer, identify appropriate strains and consult and support patients regarding the use of medical cannabis. CHC currently has 13 clinic locations in seven provinces.

CHC engages a combination of physicians and nurse practitioners and consultation fees are billed back to a third-party payor or paid for by CHC. CHC maintains agreements with a variety of licensed producers from which CHC patients may choose their medication. CHC's clinics also provide second-level assessments for veterans that require an increased level of care.

**Strategy**

MTL will continue to focus on driving organic growth across all revenue channels, specifically the Canadian adult-use, Canadian medical, and the international medical cannabis markets in jurisdictions where medical cannabis is legal and supported by a federally approved regulatory regime. All such channels continue to demonstrate growth, driven by increased demand for MTL produced products and medical services.

*Canadian Adult-Use Market*

MTL won 'Brand of the Year' at the 2024 Grow Up Awards Gala, reinforcing the strength of the brand and its impact on the domestic market. MTL will continue to focus on the flower-based products and concentrates, specifically dried flower, pre-rolled joints and hash products. MTL is committed to ensuring the highest levels of quality and consistency for its products, continually investing in the development of new genetics and product types and formats within each category.

*Canadian Medical Market*

MTL completed its integration efforts at Abba and CHC, which has allowed both businesses to contribute to the overall profitability of MTL. MTL will continue to focus on servicing veterans in the Canadian medical cannabis market as the sole group insured for cannabis prescription coverage from VAC as administered by Blue Cross. As of September 30, 2025, MTL serves approximately 5,000 total medical patients.

*International Markets*

MTL has established export channels into Germany, Australia, Poland, Portugal, and the United Kingdom.

**Business Operations**

Montréal Cannabis serves as the key hub for cultivation, processing, and distribution for MTL's Canadian adult-use and international markets as well as MTL's primary fulfillment and distribution centre for the Canadian medical cannabis market. Both ICM and Abba supplement Montréal Cannabis with additional cultivation capacity to meet demand.

In addition to its brick-and-mortar clinics across Canada, CHC operates virtual clinic services to help increase the number of medical patients receiving services, particularly among the veteran community.

**Developing, Cultivating and Distributing Cannabis Related Products**

MTL's cultivation team conducts product development at the facility of Montréal Cannabis, primarily focused on the development of various genetics. This process involves the analysis of the specific genetics, their ability to yield high-quality commercial scale product within MTL's cultivation environment and leveraging specific cultivation methodologies, as well as the genetics attributes such as flavour, aroma, texture, THC and terpene profile, and overall appearance. Once a genetic is determined to be feasible, MTL evaluates specific product formats for new product development, either produced in-house or with third-party contract manufacturers.

MTL, through its wholly-owned subsidiaries, is fully licensed to cultivate, process and sell cannabis products, in which it manages its entire production process from seed to harvest and packaging.

All of MTL's adult-use sales are conducted according to provincial and territorial legislation and through applicable local agencies. The Cannabis Act provides provincial, territorial and municipal

governments with the authority to prescribe regulations regarding the retail sale and distribution of adult-use cannabis. As such, the distribution model for adult-use cannabis differs by jurisdiction. However, all provinces and territories use some combination of government-operated and/or government-authorized private retailers and distributors.

In addition, pursuant to the Cannabis Act, direct business-to-business sales between licensed producers and exports to foreign jurisdictions for scientific or medical purposes are permitted. MTL has and expects to continue to make bulk sales from time to time through such channels as inventory and demand require. The Cannabis Act also permits direct sales to approved medical patients.

Consumer Brands

MTL has developed an integrated family of brands and businesses that are strategically aligned. MTL's products and services are marketed under various rands, including the "MTL Cannabis", "Low Key by MTL Cannabis" and "R'belle" brands for the Canadian market. MTL offers its premium branded cannabis products in the Australian medical market, bringing various key strains to pharmacies across Australia, including "Sage n' Sour", "Strawberry n' Mintz", "Wes' Coast Kush", "East Coast Dank'z", "Frosted Flakes", "Larry", and "Peanut Butter Gelato". MTL has also developed export channels for bulk and unbranded Good Agricultural and Collection Practices (or GACP) quality cannabis.

Clinics

MTL, through Abba, operates a medical cannabis marketplace leveraging its licensed producer medical sales license. Abba purchases medical cannabis products from third-party licensed producers, including Montréal Cannabis, and sells them to registered patients referred to Abba by CHC as well as third-party independent clinics. Abba distributes a wide variety of medical cannabis products, including dried flower and hash produced by MTL, directly to medical patients.

**Specialized Skill and Knowledge**

The success of MTL is dependent upon the ability, expertise, judgement, discretion, and good faith of its senior management. MTL's future success depends on its continuing ability to attract, develop, motivate, and retain such personnel. Qualified individuals, including those with knowledge and experience in the cannabis industry, are in high demands and MTL may incur significant costs to attract and retain them.

As a licensed producer under the Cannabis Act, individuals occupying a "key position" with MTL, such as officers and directors and each member of the executive management team, are subject to a security clearance by Health Canada. A failure by one of these individuals to maintain or renew his or her security clearance could result in a reduction or complete suspension of certain operations.

The primary specialized skill for personnel in the cannabis industry is with respect to the cultivation of cannabis products. While a background in greenhouse growing may be helpful, substantial experience in the cultivation of cannabis is required to produce at scale. As a highly regulated industry, expertise in regulated industries is also of significant importance.

**Intangible Properties**

The ownership and protection of MTL's intellectual property is integral to MTL's continued success, for both its licensed producer and clinic segments. MTL's intangible assets are protected through trade secrets, technical know-how and other proprietary information. MTL protects its intellectual property by seeking and obtaining registered protection (including trademarks) where possible, developing and implementing standard operating procedures and entering into confidentiality agreements with parties that have access to MTL's inventions, trade secrets, technical know-how and proprietary information. MTL also preserves the integrity and confidentiality of its inventions, trade secrets, trademarks, technical know-how and other proprietary information by maintaining physical security of its production facilities and electronic security of its information technology systems.

**Seasonality**

MTL's business is not materially impacted by seasonality.

**Competitive Conditions**

As of the date hereof, Health Canada has a total of approximately 1,028 license holders which includes duplicate sites for some licensed producers. There are also a number of unlicensed growers of cannabis who have or may seek to obtain some form of license under the Cannabis Act. In addition, there are illegal growers and retailers operating that, while operating illegally, still act as competitors to MTL by diverting customers away from the legal cannabis market.

As the demand for cannabis and cannabis products increases, MTL believes new competitors will enter the market. The principal aspects of competition between MTL and its competitors will be the price, format and quality of the cannabis products offered and level of service provided to consumers, government entities and private retailers.

MTL believes that its leadership team, brand strategy, and commitment to premium quality cannabis products will enable MTL to establish and retain a strong and sustainable position in the market. See "*Risk Factors*" for additional information.

**Components**

MTL sources and grows substantially all of its input cannabis materials from product grown at its production facilities, but does from time to time acquire genetic materials, starting materials and inventory from third-parties. In addition, MTL sources cannabis material from other licensed producers in Canada through various negotiated short and long-term purchase arrangements that are offered by Abba to medical patients.

**Employees**

As of the date hereof, MTL has 258 employees.

**Economic Dependence**

MTL's supply arrangements with each of the Canadian provinces, other than Saskatchewan which does not have a government-owned distributor, are critical to MTL's current revenues. If any of the larger provinces amend the material terms of their supply agreements, it could have a material adverse effect on the business, financial condition and results of operations of MTL. See "*Risk Factors – Supply Arrangements with Provincial and Territorial Governments*" for additional details.

On November 4, 2025, the Government of Canada introduced the 2025 Budget which proposed an adjustment to the Cannabis for Medical Purposes benefit program administered by Veterans Affairs Canada ("**VAC**") and the Royal Canadian Mounted Police ("**RCMP**"). Currently the VAC and RCMP programs reimburse medical cannabis at a rate of $8.50 per gram. Under the Proposed Reimbursement Adjustment, the reimbursement rate will decrease to $6.00 per gram. MTL derives revenue related to servicing veterans with insurance coverage from VAC as administered by Blue Cross. As such, the Proposed Reimbursement Adjustment may have a material adverse effect on the business, financial condition and results of operations of MTL. See "*Risk Factors – Risks Related to Reimbursement from RCMP and VAC*" for additional details.

**Reorganizations**

There have been no material reorganizations of MTL within the two most recently completed financial years or completed during or proposed for the current financial year other than the Arrangement. See "*Information Concerning the Arrangement*" in Circular.

**Foreign Operations**

MTL and its subsidiaries have no physical operations outside of Canada. MTL and its subsidiaries' operations outside of Canada involve exporting cannabis products to Germany, Australia, Poland, Portugal, and the United Kingdom.

**Regulatory Framework of Cannabis in Canada**

Cannabis in Canada is subject to a complex regulatory framework arising from federal, provincial, and territorial legislation. The federal Cannabis Act and Cannabis Regulations provide the framework for legal access to medical and non-medical cannabis, and control and regulate its production, distribution, sale, import and export. The provinces and territories have enacted legislation to control and regulate how non-medical cannabis is distributed and sold within their respective jurisdictions. Canada's regulatory framework for cannabis is constantly evolving and Health Canada, provincial and territorial regulators frequently release and update guidance to assist the industry in interpreting and applying the laws to their operations.

**Licensing**

The Cannabis Regulations establish six classes and various sub-classes of licenses that authorize specific activities, namely: (1) cultivation (standard cultivation, micro-cultivation, nursery); (2) processing (standard processing, microprocessing); (3) sales (sale for medical purposes); (4) analytical testing; (5) research; and (6) cannabis drug license. Licensing requirements and

authorized activities vary by class and sub-class, and authorized activities can also be narrowed by conditions described in individual licenses when they are issued. Health Canada is responsible for reviewing and approving all federal licensing applications. While Health Canada does provide service standards for new applications, renewals, and amendments, they are not guaranteed and may not always be met by the ministry. The volume of applications in queue or under review by Health Canada, the complexity of an application or amendment, and the quality of the submission, among other factors, can impact the duration of the review process, creating uncertainty in timelines. After a license is issued, it is the holder's responsibility to comply with all applicable requirements in the Cannabis Act and Cannabis Regulations, including periodic inspections by Health Canada to ensure continued compliance.

*Security Clearances*

Certain people associated with cannabis licensees, including individuals occupying a "key position" such as directors, officers, large shareholders, and individuals identified by the Minister of Health, must hold a valid security clearance issued by the Minister of Health (the "Minister"). The Minister may refuse to grant security clearances to individuals with organized crime associations or past convictions for, or in association with, drug trafficking, corruption, or violent offences. The granting of security clearance to such individuals is at the discretion of the Minister.

*Cannabis Tracking System*

The Cannabis Tracking and Licensing System ("CTLS") was established by Health Canada to, among other things, track cannabis throughout the supply chain to help prevent diversion of cannabis into, and out of, the illicit market. Under the CTLS, holders of a cultivation, processing and/or sale for medical purposes license are required to submit monthly reports to Health Canada setting out inventory levels of finished and unfinished cannabis for each cannabis class.

*Cannabis Products*

The Cannabis Act differentiates between cannabis depending on its form (referred to as "classes" of cannabis in the Cannabis Act) and only permits the sale of specified classes of cannabis. Upon enactment of the Cannabis Act on October 17, 2018, these classes included dried cannabis, fresh cannabis, cannabis plants, cannabis seeds, and cannabis oil. On October 17, 2019, edible cannabis, cannabis extracts and cannabis topicals were added to the authorized classes of cannabis. Cannabis oil was subsumed into cannabis extracts and ceased to exist as a standalone class as of October 17, 2020.

*Health Products and Cosmetics Containing Cannabis*

Health Canada has taken a scientific, evidence-based approach to the oversight of health products with cannabis that are approved with health claims, including prescription and non-prescription drugs, natural health products, veterinary drugs and veterinary health products and medical devices. Per Health Canada's Cosmetic Ingredient Hotlist, the use of cannabis species (hemp) derivatives (other than certain hemp seed derivatives containing no more than 10 parts per million THC) in cosmetics, are permitted, subject to the provisions of the Cosmetic Ingredient Hotlist and the Industrial Hemp Regulations.

*Packaging and Labelling*

The Cannabis Regulations set out a comprehensive approach to the packaging and labelling of cannabis products. This approach helps to promote informed consumer choice and encourage the safe handling and storage of cannabis. All cannabis products must be packaged in plain packaging that is child-resistant and tamper-evident and displays a variety of information such as the standardized cannabis symbol, THC and CBD potency and prescribed health warning messages.

*Promotion*

The Cannabis Act and Cannabis Regulations outline several prohibitions that can potentially apply to anyone who may be involved in the promotion of cannabis, cannabis accessories and services related to cannabis or related activities. These prohibitions are intended to protect public health and safety, including by protecting the health of young persons by restricting their access to cannabis and young persons and others from inducements to use cannabis.

*Cannabis for Medical Purposes*

The Cannabis Regulations set out the regime for medical cannabis under the Cannabis Act. Patients who obtain the authorization of their healthcare practitioner have access to medical cannabis, either purchased directly from the holder of a sale for medical purposes license or by registering to produce a limited amount of cannabis for their own medical purposes or designating someone to produce cannabis for them. Starting materials for personal production, such as plants or seeds, must be obtained from a license holder.

MTL, both through CHC's clinics and Abba's medical marketplace, derives revenues related to servicing veterans with insured coverage from VAC as administered by Blue Cross. Significant changes in coverage or adjudication of veterans' benefits related to medical cannabis could have a material impact on the business, financial condition and results of operations of MTL. See "Risk Factors – Risks Related to Reimbursement from RCMP and VAC" for additional details.

*Provincial and Territorial Regulatory Regimes*

Provinces and territories are authorized to license and oversee the distribution and sale of non-medical cannabis to adult consumers in their respective jurisdictions. As a result, regulations pertaining to the sale and distribution of non-medical cannabis vary across jurisdictions. The Cannabis Act prohibits individuals aged 18 years or older from possessing more than 30 grams of dried cannabis or its equivalent in public and from the personal cultivation of more than four plants at any one time. Provinces and territories have the flexibility to increase the minimum age of consumption, lower possession limits and set additional requirements with respect to personal cultivation within their respective jurisdictions. Provinces and territories can also restrict where cannabis can be consumed in public.

**Recent Developments**

On December 14, 2025, MTL entered into the Arrangement Agreement, pursuant to which Canopy will acquire all of the MTL Shares, which was subsequently amended by the Amending Agreement on January 6, 2026.

On September 19, 2025, MTL closed a financing of units (the "Units") of MTL consisting of one MTL Share and one-half of one common share purchase warrant (the "2025 Offering"). A total of 3,147,999 Units were sold in the 2025 Offering at a price of $0.65 per Unit for aggregate gross proceeds of $2,046,199.35.

On July 31, 2025, MTL repaid the outstanding principal amount of the amended and restated 8.00% secured convertible debentures issued by MTL to Archerwill Investments Inc. ("Archerwill") due August 5, 2025 (the "Archerwill Debenture") plus all accrued and unpaid interest thereon for an aggregate payment of $8,316,830.21. In connection with the prepayment, MTL issued the MTL Archerwill Prepayment Warrants.

On July 30, 2025, MTL closed the MTL Credit Facility.

On June 10, 2025, MTL graduated from the OTCQB Venture Market to the OTCQX Best Market and commenced trading on the OTCQX under the symbol "MTLNF".

On March 25, 2025, the MTL Shares commenced trading on the OTCQB marketplace under the symbol "MTLNF".

On February 21, 2025, Abba secured an amended sales license from Health Canada, enabling the sale of its own cannabis products directly to patients.

On December 18, 2024, MTL repaid its 13.25% mortgage in the amount of $2,129,423.90.

**Consolidated Capitalization**

There have been no material changes in the consolidated capitalization of MTL since the date of MTL Interim Financial Statements.

As of the date hereof there are 120,302,960 MTL Shares, 6,093,331 MTL Options, 2,000,000 MTL RSUs, 3,750,000 MTL DSUs, 23,271,647 MTL Warrants and 220,360 MTL Compensation Options, with each MTL Compensation Option providing for the issuance of one unit of MTL, each consisting of one MTL Share and one-half of one common share purchase warrants, issued and outstanding.

**Trading Price and Volume of MTL Shares**

***MTL Shares***

The MTL Shares are listed for trading on the CSE under the trading symbol "MTLC". The following table sets forth, for the calendar periods indicated, the intraday high and low sale prices and composite volume of trading of the MTL Shares as reported on the CSE.

| Month | High ($) | Low ($) | Volume (#) |
|---|---|---|---|
| From January 1, 2026 to January 14, 2026 | 1.0300 | 0.6100 | 1,711,697 |

| Month | High ($) | Low ($) | Volume (#) |
|---|---|---|---|
| December 2025 | 1.0300 | 0.4100 | 7,400,704 |
| November 2025 | 0.6000 | 0.3900 | 268,743 |
| October 2025 | 0.6300 | 0.5400 | 339,382 |
| September 2025 | 0.7000 | 0.6000 | 438,125 |
| August 2025 | 0.9000 | 0.5700 | 324,291 |
| July 2025 | 0.8000 | 0.3150 | 1,319,179 |
| June 2025 | 0.3700 | 0.3250 | 131,048 |
| May 2025 | 0.4500 | 0.2950 | 165,125 |
| April 2025 | 0.3750 | 0.3000 | 150,906 |
| March 2025 | 0.4000 | 0.2950 | 210,406 |
| February 2025 | 0.4500 | 0.3500 | 272.981 |
| January 2025 | 0.4800 | 0.3000 | 671,981 |

**Dividend Policy and History**

MTL has not, since the date of its formation, declared or paid any dividends on the MTL Shares, and has no present intention to declare a dividend or to alter its dividend policy.

**Prior Sales**

The following table summarizes the MTL Shares that have been issued by MTL during the five years prior to the date hereof.

MTL Shares

| **Date** | **Price Per MTL Share** | **Number of MTL Shares Issued** |
|---|---|---|
| September 19, 2025[(1)] | $0.65 | 3,147,999 |
| July 28, 2023[(2)] | $1.05 | 70,844,997 |

| Date | Price Per MTL Share | Number of MTL Shares Issued |
|---|---|---|
| March 29, 2023[3] | $0.95 | 190,476 |
| February 7, 2023[3] | $0.95 | 394,321 |
| August 30, 2022[2] | $1.05 | 22,779,340 |

**Note:**

1. Issued in connection with the 2025 Offering.
2. Issued in connection with the Share Exchange Agreement.
3. Issued as a finder's fee in connection with the Share Exchange Agreement.

The following tables summarize the securities convertible into, or exercisable to acquire, MTL Shares that have been issued by MTL during the 12 months prior to the date hereof.

MTL RSUs:

| Date | Exercise Price | Number of RSUs Granted |
|---|---|---|
| June 6, 2025[1] | N/A | 2,000,000 |

**Note:**

1. Issued pursuant to the MTL Incentive Plan.

MTL DSUs:

| Date | Exercise Price | Number of DSUs Granted |
|---|---|---|
| June 6, 2025[1] | N/A | 3,000,000 |
| August 28, 2025[1] | N/A | 750,000 |

**Note:**

1. Issued pursuant to the MTL Incentive Plan.

MTL Warrants:

| Date | Exercise Price | Number of Warrants Granted |
|---|---|---|
| July 31, 2025[1] | $0.5749 | 14,466,568 |
| September 19, 2025[2] | $0.98 | 1,652,699 |

**Notes:**

1. Issued to Archerwill.
2. Issued in connection with the 2025 Offering.

## Directors and Executive Officers

The name, municipality of residence, shareholdings and principal occupation for the past 5 years of each of MTL's directors and executive officers are as follows. The term of office for each director named below will expire at the next annual meeting of MTL Shareholders.

| Name, Residence and Position | Director Since | Principal Occupation During the Last Five Years | Number and Percentage of MTL Shares[1] |
|---|---|---|---|
| **Erik Bertacchini**<br>*Louiseville, Quebec*<br>Director | 2020 | President, IsoCanMed Inc., a subsidiary of MTL | 2,601,941<br>(2.16%) |
| **Richard Clément**[2]<br>*Point-Claire, Quebec*<br>Chief Cultivation Officer and Director | 2022 | Chief Cultivation Officer of MTL; previously CEO of Montréal Cannabis | 43,238,461<br>(35.99%)[3] |
| **Michel Clément**[2]<br>*St-Lazare, Quebec*<br>Chief Operating Officer and Director | 2024 | Chief Operating Officer of MTL; previously Chief Operating Officer of Montréal Cannabis | 43,553,461<br>(36.25%)[4] |
| **Yves Metten**[2]<br>*Hudson, Quebec*<br>Director | 2023 | Executive Vice-president and Chief Operating Officer for MBC Group; Executive Vice-President, Canadian CIO and Board Member for RHEA Inc. | Nil |
| **Tarek Ahmed**<br>*Calgary, Alberta*<br>Director | 2023 | Founder & Principal (August 2022 - Present) - Cronos Advisory; Chief Financial Officer (December 2018 - October 2022) - BRNT Group - Cannabis Brand House | 38,500<br>(0.03%) |
| **Michael Perron**<br>*Toronto, Ontario*<br>Chief Executive Officer | N/A | Chief Executive Officer of MTL;<br>previously Financial and Business Consultant; VP Business Development of MediPharm Labs Corp. | 77,000<br>(0.06%) |
| **Jason Nalewanyj**<br>*Vancouver, British Columbia*<br>Chief Financial Officer | N/A | Chief Financial Officer of MTL; previously held the CFO role at Montréal Cannabis, in addition to previously holding senior finance roles at MediPharm Labs and Aurora Cannabis Inc. | Nil |

**Notes:**

1. The information as to city and country of residence and number of MTL Shares has been furnished by the respective individual named above.
2. Member of the Audit and Risk Management Committee.
3. Mr. Richard Clément owns, controls or directs 43,238,461 MTL Shares registered to the Richard Clément Family Trust.
4. Mr. Michel Clément owns, controls or directs 43,238,461 MTL Shares, 26,000 MTL Shares and 289,000 MTL Shares registered to The Michel Clément Family Trust, a TFSA and a spousal TFSA, respectively.

### Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Except as set out herein, to the knowledge of MTL, no director, executive officer or promoter of MTL is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including MTL) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any

exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Jason Nalewanyj was Chief Financial Officer of Lithium Energi Exploration Inc. on July 7, 2025, when the Ontario Securities Commission issued a cease trade order for Lithium Energi Exploration Inc. failing to file its annual financial statements, related management discussion and analysis, and certifications. As of the date hereof, the cease trade order is active.

To the knowledge of MTL, no director, executive officer or promoter of MTL, or a shareholder holding a sufficient number of securities of MTL to affect materially control of MTL, (i) is, or within 10 years prior to the date hereof has been, a director or executive officer of any company (including MTL) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of MTL, no director, executive officer or promoter of MTL, or a shareholder holding a sufficient number of securities of MTL to affect materially the control of MTL, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflict of Interest

MTL or its subsidiaries continue in the ordinary course to procure equipment and services at market rate from companies owned or controlled by Michel Clément and Richard Clément, including supply arrangements in accordance with the terms of certain purchase ordered entered into between the parties from time to time, with Les Enterprises Nordico and its affiliates. There is no binding commitment to continue such procurement activities.

Montreal Cannabis leases 815 Tecumseh, Pointe Claire, Quebec and 4225 Autoroute Transcanadienne, Pointe Claire, Quebec H9R 1B4 from 9336-4644 Quebec Inc., a company which is owned and controlled by Michel Clément and Richard Clément.

MTL has outstanding promissory notes issued to: (a) The Michel Clément Family Trust, which is controlled by Michel Clément with an aggregate principal amount of $2,312,358.35 bearing interest at a rate of 17% per annum ($2,493,292.09 owing as of the date hereof); (b) The Richard Clément Family Trust, which is controlled by Richard Clément with an aggregate principal amount of $2,312,358.35 bearing interest at a rate of 17% per annum ($2,493,292.09 owing as of the date hereof); and (c) 9336-4644 Quebec Inc. with an aggregate principal amount of $3,530,515.91 bearing interest at a rate of 17% per annum ($3,806,766.79 owing as of the date hereof).

Certain MTL directors and executive officers have potential conflicts of interest with the Arrangement. See "*Information Concerning the Arrangement – Interests of Certain Persons in the Arrangement*" in the Circular for information regarding such potential conflicts of interest.

There are additional potential conflicts of interest to which some of the directors or officers of MTL will be subject in connection with the operations of MTL. Some of the directors or officers are engaged in and will continue to be engaged in companies or businesses which may be in competition with the business of MTL. Accordingly, situations may arise where some or all of the directors or officers will be in direct competition with MTL. Conflicts, if any, will be subject to the procedures and remedies as provided under the CBCA. See also "*Risk Factors*".

**Statement of Executive Compensation and Report on Corporate Governance**

Information regarding MTL's executive compensation and corporate governance can be found in the management information circular of MTL dated October 16, 2025 in connection with the annual general and special meeting of MTL Shareholders held on November 18, 2025 (the "AGM Circular") at "Statement of Executive Compensation" and "Report on Corporate Governance", respectively.

**Material Contracts**

Arrangement Agreement

See "*Information Concerning the Arrangement – The Arrangement Agreement*" in the Circular for information regarding the Arrangement Agreement.

MTL Credit Facility

On July 30, 2025, MTL entered into a credit agreement with The Toronto-Dominion Bank for aggregate gross proceeds of approximately $27 million (the "**MTL Credit Facility**"). The MTL Credit Facility is comprised of (i) an uncommitted demand revolving credit facility of up to $4,000,000, margined against the eligible account receivables of MTL (ii) a committed non-revolving term credit facility available by way of a single drawdown in an amount equal to $6,750,000, with a contractual term of three years, (iii) a committed non-revolving term credit facility available by way of a single drawdown in an amount equal to $12,150,000, with a contractual term of three years and (iv) an uncommitted delayed draw non-revolving term credit facility available by way of one or more drawdowns in a total aggregate amount of $4,120,000.

The MTL Credit Facility will bear an interest rate of Prime or adjusted term CORRA plus an applicable margin. The MTL Credit Facility is secured against (i) all of the present and after-

acquired undertakings, property and assets of MTL and its material operating subsidiaries, and (ii) ICM's production facility by a first-ranking collateral mortgage.

Share Exchange Agreement

On August 9, 2021, MTL (then Canada House Cannabis Group Inc.) entered into a share exchange agreement with Montréal Cannabis and the MC Shareholders, which was restated on July 22, 2022, and again on June 28, 2023. The Share Exchange Agreement grants the MC Shareholders certain anti-dilution rights. Upon the issuance of MTL Shares on the account of the conversion of certain pre-existing MTL 2017 Debentures or warrants (an "**Anti-Dilution Event**"), the MC Shareholders are entitled to receive, on a pro-rata basis, additional MTL Shares in connection with the Anti-Dilution Event (the "**Anti-Dilution Issuance**"). Pursuant to the Arrangement, the MC Shareholders will waive their rights to the Anti-Dilution Issuance in exchange for the MC Shareholder Consideration.

## Risk Factors

An investment in securities of MTL is subject to a number of risks. Prospective investors should carefully consider these risks in addition to information contained herein and the information incorporated by reference herein, as well as the following risk factors, before purchasing securities of MTL.

### *Compliance with Laws*

The adult-use and medical cannabis industries and markets are subject to a variety of laws in Canada and internationally. The business and activities of MTL are heavily regulated. MTL's operations are subject to various laws, regulations and guidelines by Governmental Authorities, particularly Health Canada, relating to the manufacture, marketing, management, transportation, storage, sale and disposal of cannabis, and also including laws and regulations relating to health and safety, healthcare practitioner services, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant Government Authorities and self-regulatory bodies broad administrative discretion over the activities of MTL, including the power to limit or restrict business activities as well as impose additional disclosure requirements on MTL's products and services. Failure to comply with the laws and regulations applicable to its operations may lead to possible sanctions, including the revocation or imposition of additional conditions on its licences issued in accordance with the Cannabis Act and Cannabis Regulations to operate MTL's business; the suspension or expulsion from a particular market or jurisdiction or of its key personnel; and the imposition of fines and censures. To the extent that there are changes to the existing or the enactment of future laws and regulations that affect the sale or offering of MTL's products or services in any way it may have a material adverse effect on MTL's business, financial condition and results of operations.

Achievement of MTL's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by Governmental Authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by MTL may significantly delay or impact the development of MTL's business and operations and could have a material adverse effect on MTL's

business, financial condition and results of operations. Further, MTL is subject to ongoing inspections by Health Canada to monitor compliance with licensing requirements. MTL's existing licences and any new licences that it may obtain in the future in Canada or other jurisdictions may be revoked or restricted at any time in the event that MTL is found not to be in compliance. Should MTL fail to comply with the applicable regulatory requirements or with conditions set out under its licences or should its licences be revoked, MTL may not be able to continue producing or distributing cannabis in Canada. MTL will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by Governmental Authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. MTL may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

***Changes in Laws, Regulations and Guidelines***

The legislative framework pertaining to the Canadian cannabis market is subject to significant provincial and territorial regulation, which varies across provinces and territories resulting in an asymmetric regulatory and market environment, different competitive pressures and significant additional compliance and other costs and/or limitations on MTL's ability to participate in such markets. The laws, regulations and guidelines applicable to the cannabis industry domestically and internationally may change in ways currently unforeseen by MTL. As cannabis remains illegal under U.S. federal law, any engagement in cannabis-related activities may lead to heightened scrutiny by regulatory bodies and other authorities that could negatively impact MTL and/or its personnel. The impact of new laws, regulations and guidelines on the business of MTL, including increased costs of compliance and other potential risks, cannot be fully predicted; accordingly, MTL may experience adverse effects.

Any amendment to or replacement of the Cannabis Act or other applicable rules and regulations governing MTL's activities may cause adverse effects on MTL's business, financial condition and results of operations. For instance, MTL, both through CHC's clinics and Abba's medical marketplace, has revenue related to servicing veterans with insurance coverage from VAC as administered by Blue Cross. Significant changes in coverage or adjudication of veterans' benefits related to medical cannabis could have a material impact on the medical cannabis portion of MTL's business. There is also a risk that MTL's interpretation of laws, regulations and guidelines, including, but not limited to the associated regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of Governmental Authorities, securities regulators and exchanges, and MTL's operations may not be in compliance with such laws, regulations and guidelines.

***Reliance on Licences and Permits***

MTL's ability to grow, store and sell cannabis in Canada is dependent on its licences from Health Canada. Failure to comply with the requirements of the licences or any failure to maintain its licences would have a material adverse effect on the business, financial condition and operating results of MTL. Should Health Canada not extend or renew the licences, or should it renew the licences on different terms or not provide the amendments as requested, the business, financial condition and results of the operations of MTL could be materially adversely affected. MTL is

dependent upon its licences for its ability to cultivate, process, store and sell cannabis and other products derived therefrom. The licences are subject to ongoing compliance, reporting requirements and renewal. In addition to the licences, the operations of MTL may require other licences and permits from various Governmental Authorities, including, but not limited to, local municipalities. MTL may require additional licences or permits in the future and there can be no assurance that MTL will be able to obtain all such additional licences and permits. In addition, there can be no assurance that any existing licences and permits will be renewed if and when required or that such existing licences and permits will not be revoked.

***Compliance with Covenants and Requirements under MTL Credit Facility***

The MTL Credit Facility imposes a number of restrictive covenants and requirements, including financial maintenance covenants, reporting obligations and limitations on additional indebtedness, liens, asset sales and certain other corporate activities. Failure to comply with these covenants or requirements could result in an event of default, which may allow the lenders to accelerate the repayment of the outstanding obligations and exercise remedies against the collateral securing the MTL Credit Facility. Such actions could have a material adverse effect on MTL's liquidity, financial condition and ability to continue operations. In addition, compliance with these covenants may limit MTL's operational flexibility and ability to pursue strategic initiatives, including acquisitions, investments or other growth opportunities.

***Reliance on Facilities***

MTL's production facilities are integral to MTL's business and adverse changes or developments affecting any of the facilities may impact MTL's business, financial condition and results of operations. Adverse changes or developments affecting the facilities, including but not limited to a force majeure event or a breach of security, could have a material adverse effect on MTL's business, financial condition and prospects. Any breach of the security measures and other requirements at the facilities, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on MTL's ability to continue operating under its existing licences, the prospect of renewing the licences or could result in a revocation of the licences.

***Constraints on Marketing Activities***

The development of MTL's business and operating results may be hindered by applicable restrictions on sales and marketing activities and the potentially broad interpretation of such restrictions imposed by Health Canada. The regulatory environment in Canada limits MTL's ability to compete for market share in a manner similar to other industries. If MTL is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased sales prices for its products, MTL's sales and operating results could be adversely affected.

***Environmental Regulations and Risks***

MTL's operations are subject to environmental regulation federally and in the municipal and provincial jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards. They also set forth limitations on the generation,

transportation, storage and disposal of waste. Environmental legislation is evolving in a manner which will require increasingly strict standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect MTL's operations.

***Employee Health and Safety Regulations***

MTL's operations are subject to laws and regulations concerning employee health and safety and MTL will incur ongoing costs and obligations related to compliance with such matters. Failure to comply with health and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on MTL's manufacturing operations. In addition, changes in employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to MTL's operations or give rise to material liabilities, which could result in a material adverse effect on the operations of MTL.

***The Cannabis Industry in Canada***

As a licensed producer, MTL is operating its business in a relatively new industry and market. In addition to being subject to general business risks, MTL must continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry, such as the imposition of further restrictions on sales and marketing or restrictions on sales in certain areas, could have a material adverse effect on MTL's business, financial conditions and results of operations.

***The Canadian Excise Duty Framework Affects Profitability***

Canada's excise duty framework imposes an excise duty and various regulatory-like restrictions on cannabis products sold in Canada. MTL's subsidiaries currently hold licences issued by the Canada Revenue Agency required to comply with this excise framework. Currently, the excise tax significantly increases the cost of cannabis to consumers in Canada. Any change in the rates or application of excise duty to cannabis products sold by MTL in Canada and any restrictive interpretations by the Canada Revenue Agency or the courts of the provisions of the *Excise Act*, 2001 (which may be different than those contained in the Cannabis Act) may affect MTL's profitability and ability to compete in the market.

***Supply Arrangements with Provincial and Territorial Governments***

MTL derives a significant portion of its future revenues from its supply arrangements with the various Canadian provinces. There are many factors which could impact MTL's contractual and other arrangements with the provinces and territories, including, but not limited to, availability of supply, product selection and the popularity of MTL's products with retail customers. If MTL's supply arrangements with certain Canadian provinces are amended, terminated or otherwise

altered, MTL's sales and results of operations could be adversely affected, which could have a material adverse effect on MTL's business, financial condition and results of operations.

Not all of MTL's supply arrangements with the various Canadian provinces and territories contain purchase commitments or otherwise obligate the provincial or territorial wholesaler to buy a minimum or fixed volume of products from MTL. The amount of products that the provincial or territorial wholesalers may purchase under the supply arrangements may therefore vary from what MTL expects or has planned for. As a result, MTL's revenues could fluctuate materially in the future and could be materially and disproportionately impacted by the purchasing decisions of the provincial or territorial wholesalers. If any of the provincial or territorial wholesalers decide to purchase lower volumes of products from MTL, requires, imposes or expects a reduction in the price at which the products may be purchased, alters its listing requirements or product call policies, alters its purchasing patterns at any time with limited notice or decides not to continue to purchase MTL's products at all, MTL's revenues could be materially adversely affected, which could have a material adverse effect on MTL's business, financial condition, and results of operations. MTL cannot accurately predict the quantities of its products that will be purchased by the provincial or territorial wholesalers, or if they will purchase any products at all. Any inability to secure purchase orders could have a material adverse effect on MTL's business, financial condition or results of operations.

***Risks Related to Reimbursement from RCMP and VAC***

MTL's revenue from medical cannabis sales could potentially decline due to changes announced in the Government of Canada's proposed 2025 federal budget released on November 4, 2025 (the "**2025 Budget**"). Among other things, the 2025 Budget proposes adjusting medical cannabis benefits by decreasing the reimbursement rate for medical cannabis offered by the RCMP and VAC to eligible RCMP members and veterans respectively, from $8.50 per gram to $6.00 per gram (the "**Proposed Reimbursement Adjustment**"). MTL cannot predict the entire impact of the Proposed Reimbursement Adjustment or the date upon which the Proposed Reimbursement Adjustment would be implemented. The decreased reimbursement rate for eligible RCMP members and veterans will require that these RCMP members and veterans pay for any un-reimbursed cost of medical cannabis unless MTL reduces the price of its medical cannabis products. As such, there is a risk that MTL's medical cannabis revenues and gross margins may materially decline. This reduction could adversely impact MTL's profitability, financial performance and cash flow.

***Risks Arising from Provincial Legislative Controls***

The provincial and territorial adult-use cannabis markets are end consumer driven. It is not possible to predict which products will be purchased and made available to the end consumer in the provincial and territorial adult-use cannabis markets. Further, governmental actions and regulations may limit the marketability of some of MTL's products and MTL's number of end consumers. These factors may have a material adverse effect on MTL's business, financial condition or results of operations.

***Operating in a New and Evolving Industry***

The nature of the new and rapidly evolving industry and developing market for cannabis may result in management having to change focus and strategy and adapt to an evolving and changing market and industry. In addition, MTL will be susceptible to adverse developments in this new market and industry, the sole market in which it operates, such as new developments, changing demographics, revised regulatory regimes and other factors. If MTL's applicable subsidiaries are unable to successfully operate as a licensed producer, this could substantially reduce MTL's revenue, its ability to generate stable positive cash flow from its operations and may have a material adverse effect on MTL's business, financial condition or results of operations.

***New Industry and Market***

MTL's business as a licensed producer represents a relatively new industry and market. In addition to being subject to general business risks and to risks inherent in the nature of an early stage business, a business involving an agricultural product and a regulated consumer product, MTL will need to build brand awareness in the new industry and market through significant investments in its strategy, its production capacity, quality assurance and compliance with regulations, especially against competitors who may have spent more time building their brands. These activities may not promote MTL's brand and products as effectively as intended, or at all. This new industry and market has competitive conditions, consumer tastes, patient requirements and unique circumstances and spending patterns that differ from existing markets. There are no assurances that this new industry and market will exist or grow as estimated or anticipated or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects this new market and industry may materially and adversely affect the business, financial conditions and results of operations of MTL.

***Limited Standardized Research on the Effect of Cannabis***

To date, there is limited standardization in the research of the effects of cannabis, and future clinical research studies may lead to conclusions that dispute or conflict with MTL's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis. Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as CBD and THC) remains in relatively early stages. Future research and clinical trials could reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to cannabis, which could adversely affect social acceptance of cannabis and the demand for MTL's products.

***Long-Term Health Impacts Associated with Use of Cannabis and Cannabis Derivative Products***

There is little in the way of longitudinal studies on the short-term and long-term effects of cannabis use on human health, whether for adult-use or medical purposes. As such, there are inherent risks associated with using MTL's cannabis and cannabis derivative products. Previously unknown or unforeseeable adverse reactions arising from human consumption of cannabis products may occur and consumers should consume cannabis at their own risk or in accordance with the direction of a health care practitioner.

***Fraudulent or Illegal Activities by Employees, Contractors or Consultants***

MTL's employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct that violates: government regulations; manufacturing standards; federal and provincial healthcare fraud and abuse laws and regulations; or laws that require the true, complete and accurate reporting of financial information or data.

It is not always possible for MTL to identify and deter misconduct by its employees and other third parties, and the precautions taken by MTL to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting MTL from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against MTL and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on MTL's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings and curtailment of MTL's operations, any of which could have a material adverse effect on MTL's business, financial condition and results of operations.

***Anti-Money Laundering Laws and Regulation Risk***

Canadian and international money laundering, financial recordkeeping and proceeds of crime laws and regulations apply to MTL. Specifically, MTL is subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations, and guidelines, enforced by Governmental Authorities internationally. If any of MTL's transactions, operations, investments and proceeds thereof, dividends or distributions therefrom, profits or revenues accruing from such operations or investments, were found to violate money laundering legislation, they may be viewed as proceeds of crime under any applicable legislation. This could restrict or otherwise jeopardize MTL's ability to declare or pay dividends or effect other distributions.

***Anti-Bribery Law Violations***

MTL's business is subject to Canadian laws prohibiting companies and employees from engaging in bribery or other prohibited payments to foreign officials to obtain or retain business. In addition, MTL is subject to the anti-bribery laws of any other countries in which it conducts business. MTL's employees or other agents may without its knowledge and despite its best efforts, engage in conduct prohibited under anti-bribery laws for which MTL may be held responsible. While MTL's policies mandate compliance with anti-corruption and anti-bribery laws, there can be no assurance that MTL's internal controls will always protect it from recklessness, fraudulent behaviour, dishonesty or other such inappropriate acts committed by its affiliates, employees, contractors or agents. If MTL's employees or agents are found to have engaged in such practices, MTL could suffer severe penalties, reputational damage and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

***Regulatory or Agency Proceedings, Investigations and Audits***

MTL's businesses require compliance with certain laws and regulations. Failure to comply with applicable laws and regulations could subject MTL to regulatory or agency proceedings or investigations and could lead to damage awards, fines and penalties. MTL may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits and other contingencies could harm MTL's reputation, require MTL to take, or refrain from taking, actions that could harm its operations or require MTL to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on MTL's business, financial condition and results of operation.

***Litigation***

MTL may become party to litigation from time to time in the ordinary course, which could adversely affect its business. Should any litigation in which MTL becomes involved be determined against MTL, such a decision could adversely affect MTL's ability to continue operating and the value of the MTL Shares and require MTL to devote significant resources to such matters. Even if MTL is involved in litigation and wins, litigation may redirect many of MTL's resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of MTL's brands.

***Insurance Coverage***

MTL has insurance to protect its assets, operations, directors and employees. While MTL believes the insurance coverage addresses all material risks to which it is exposed and is adequate and customary in the current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which MTL is exposed. In addition, no assurance can be given that such insurance will be adequate to cover MTL's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If MTL were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if MTL were to incur such liability at a time when it is not able to obtain liability insurance, the business, results of operations and financial condition of MTL could be materially adversely affected.

***Intellectual Property***

MTL's success depends in part on its ability to protect its rights to intellectual property and/or to license intellectual property rights on favourable terms. MTL relies upon various forms of intellectual property protection, including copyright, trademarks and trade secrets, as well as contractual provisions to protect intellectual property rights. Despite precautionary measures, the steps MTL takes may not prevent misappropriation of MTL's intellectual property and the agreements MTL enters may not be enforceable. It may also be possible for third parties to obtain and use MTL's intellectual property without authorization. Policing unauthorized use of intellectual property is difficult, time-consuming and costly. Further, some foreign laws do not

protect proprietary rights to the same extent as the laws of Canada. With respect to the trademark applications that MTL has filed, MTL cannot offer any assurances about whether such applications will be granted. Even if trademark applications are successfully approved, third parties may challenge their validity, enforceability or scope, which may result in such trademarks being found unenforceable or invalidated. Even if they are unchallenged, any trademark applications and future trademarks or patents may not adequately protect MTL's intellectual property, provide exclusivity for its products or processes or prevent others from designing around any issued patent claims. Any of these outcomes could impair MTL's ability to prevent competition from third parties, which may have an adverse impact on MTL's business.

Trademark protection is an important factor in establishing product recognition. Any limitations on MTL's ability to protect its trademarks from infringement could result in injury to any goodwill which may be developed in those trademarks. Moreover, MTL may be unable to use one or more of its trademarks because of successful third-party claims. To protect MTL's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of management, cause significant delays, materially disrupt the conduct of business or adversely affect the business, financial condition and results of operations of MTL. In addition, other parties may claim that MTL's products infringe on their proprietary or patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources and legal fees, result in injunctions or temporary restraining orders or require the payment of damages. MTL also relies on certain trade secrets, technical know-how and proprietary information that are not protected by patents to maintain its competitive position. MTL's trade secrets, technical know-how and proprietary information, which are not protected by patents, may become known to or be independently developed by competitors, which could adversely affect MTL.

***Unfavourable Publicity or Consumer Perceptions***

MTL believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis. Consumer perception of MTL's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or publicity will be favourable to the medical or adult-use cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for MTL's products and the business, results of operations, financial condition and cash flows of MTL. Adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or MTL's products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have a material adverse effect on MTL's business, financial condition and results of operations. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

***Reputational Risk to Third Parties***

The parties with which MTL does business may perceive that they are exposed to reputational risk as a result of MTL's cannabis business activities. Failure to establish or maintain business relationships could have a material adverse effect on MTL.

***Competition***

To date, Health Canada has issued hundreds of licences to produce, cultivate and/or sell cannabis. As a result, MTL has significant competition from other companies, some of which have longer operating histories and greater financial resources, operating and marketing experience than MTL. In addition, a large number of companies appear to be applying for production licences, some of which may: have significantly greater financial, technical, marketing and other resources; be able to devote greater resources to the development, promotion, sale and support of their products and services; and have more extensive customer bases and broader customer relationships.

Further, the cannabis industry has undergone and is continuing to undergo substantial change, which has resulted in an increase in new and existing competitors, consolidation and the formation of strategic relationships. Acquisitions or other consolidating transactions could harm our business in a number of ways, including losing patients and/or customers, revenue and market share, or forcing us to expend greater resources to meet new or additional competitive threats. There is potential that we will face intense competition from not only existing companies but from new entrants including those resulting from the federal legalization of cannabis use in the U.S. if and when it occurs, all of which could harm our operating results. Changes in the number of licenses granted and the number of licensed producers ultimately authorized by Health Canada, as well as other regulatory changes in both Canada and the U.S. that have the effect of increasing competition, could have an adverse impact on our ability to compete for market share in Canada's cannabis market.

Some competitors may have significantly greater financial, technical, marketing, and other resources compared to us. Such companies may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships. Such competition may make it difficult to enter into supply agreements, negotiate favourable prices, recruit or retain qualified employees, and acquire the capital necessary to fund MTL's business.

MTL also faces competition from the illicit cannabis market and participants who do not have a valid license that are selling cannabis to individuals, including products with higher concentrations of active ingredients, such as THC, using flavours or other additives or engaging in advertising and promotion activities that are not permitted by Law. Because they do not comply with the regulations governing the cannabis industry, illegal market participants' operations may also have significantly lower costs.

***Conflicts of Interest***

Certain directors and officers of MTL hold, and may in the future hold, interests in other companies involved in the same or similar businesses to MTL, or that act as vendors, landlords or suppliers to MTL, and as such may, in certain circumstances, have a conflict of interest, which could be

adverse to MTL and, whether the conflict of interest is real or perceived, put the reputation of MTL at risk. MTL's executive officers, directors and consultants may devote time to their outside business interests and may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to MTL's business and affairs and that could adversely affect its operations. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the CBCA which requires a director of a Company who is a party to, or is a director or an officer of, or has some material interest in any person who is a party to, a material contract or proposed material contract with MTL to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under applicable law.

In addition, MTL may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time-to-time deal with persons, firms, institutions or corporations with which MTL may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with MTL's interests. In addition, MTL may be competing with these persons for available opportunities.

***Controlling Shareholders***

Michel Clément and Richard Clément, directly and indirectly, control MTL by virtue of their significant majority ownership interest in MTL. Michel Clément and Richard Clément have the ability to exercise control over MTL's business and operations due to its ownership interest. As such, Michel Clément and Richard Clément are in a position to exercise significant influence over MTL, including matters requiring shareholder approval, such as the election of directors, change of control transactions and the determination of other significant corporate actions. There can also be no assurance that the interests of Michel Clément and Richard Clément will align with the interests of MTL or the MTL Shareholders, and Michel Clément and Richard Clément will have the ability to influence certain actions that may not reflect the intent of MTL or align with the interests or MTL or the MTL Shareholders. The presence of Michel Clément and Richard Clément could limit the price that investors or an acquirer may be willing to pay for the MTL Shares and may therefore delay or prevent a change of control or take-over bid of MTL.

***Managing Growth***

MTL may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of MTL to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of MTL to deal with this growth may have a material adverse effect on MTL's business, financial condition, results of operations and prospects. In order to manage growth and changes in strategy effectively, MTL must: maintain adequate systems to meet customer demand; expand sales and marketing, distribution capabilities and administrative functions; and attract and retain qualified employees, including in respect of its management team.

While MTL intends to focus on managing its costs and expenses over the long term, MTL expects to invest to support its growth and may have additional unexpected costs. MTL may not be able to expand quickly enough to exploit potential market opportunities. MTL could also fail to successfully integrate acquired entities into the business of MTL.

***Production Capacity and Targets***

Actual production amounts may differ from targeted production figures as a result of many factors including but not limited to: shifts in strains grown as a result of competitive pressures, natural variations in plant development, plant design errors, dependence on certain cultivation technologies and key personnel, inability to precisely influence growth measures as a result of numerous variables that may influence the plant growth that are varied from one harvest cycle to another and product that does not meet quality assurance specifications, including but not limited to, THC potency specifications, terpene profile or visual appearance, among others. The failure of MTL to achieve full production capacity and/or meet its targeted production amounts at any of its facilities could have a material adverse effect on the business, financial condition or results of operations of MTL.

***Reliance on Third Party Suppliers, Manufacturers, Contractors and Insurers***

MTL's business is dependent on a number of fundamental inputs and their related costs, including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for certain inputs could materially impact the business, financial condition and results of operations of MTL. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, MTL might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to MTL in the future. Any inability to secure required supplies and services or to do so on appropriate terms could result in a material adverse effect on the business, financial condition or results of operations of MTL.

In addition, MTL derives revenue, both from CHC's clinics and Abba's medical marketplace operations, related to servicing veterans with insurance coverage from VAC as administered by Blue Cross. Significant changes in coverage or adjudication of veterans' benefits related to medical cannabis would have a material impact on medical cannabis portion of MTL's revenue.

***Supply Shortages and Overages***

MTL may not be able to obtain from third parties, or produce, enough cannabis to meet demand. This may result in lower than expected sales and revenues and increased competition for sales and sources of supply. Licensed producers in Canada may produce more cannabis than is needed to satisfy the collective demand of the Canadian adult-use and medical markets, and they may be unable to export the oversupply into other markets where cannabis use is also legal. As a result, the available supply of cannabis could exceed demand, resulting in a significant decline in the market price for cannabis. If such supply or price fluctuations occur, MTL's revenue and profitability may fluctuate materially and its business, financial condition, results of operations and prospects may be adversely affected. In addition, demand for cannabis and cannabis products is dependent on a number of social, political and economic factors that are beyond MTL's control. A material decline in the economic conditions affecting consumers can cause a reduction in disposable income for the average consumer, change consumption patterns and result in a reduction in spending on cannabis products or a switch to other products obtained through illegal

channels. There can be no assurance that market demand for cannabis will continue to be sufficient to support MTL's current or future production levels.

***Disruption of Supply Chain***

Conditions or events including, but not limited to, those listed below could disrupt MTL's supply chains, interrupt operations at its facilities, increase operating expenses, resulting in loss of sales, delayed performance of contractual obligations or require additional expenditures to be incurred:

- extraordinary weather conditions or natural disasters such as hurricanes, tornadoes, floods, fires, extreme heat, earthquakes, etc.;
- a local, regional, national or international outbreak of a contagious disease or any other similar illness could result in a general or acute decline in economic activity;
- political instability, social and labour unrest, war or terrorism; or
- interruptions in the availability of basic commercial and social services and infrastructure including power and water shortages, and shipping and freight forwarding services including via air, sea, rail and road.

***Third Party Transportation***

Any delay by third party transportation and/or rising costs associated with these services may adversely affect MTL's financial performance. Moreover, security of the product during transportation to and from its facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the business, financial condition and operating results of MTL. Any such breach could impact MTL's ability to continue operating under its licences or impede the prospect of renewing its licences.

***Reliance on Skilled Workers and Equipment***

The ability of MTL to compete and grow cannabis will be dependent on it having access to, at a reasonable cost and in a timely manner, skilled labour, equipment, parts and components. No assurances can be given that MTL will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by MTL may be significantly greater than anticipated by management, and may be greater than the funds available, in which case, MTL may be forced to curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the operations and financial results of MTL.

***Attraction and Retention of Key Personnel***

MTL has a small management team and the loss of a key individual or inability to attract suitably qualified management could have a material adverse effect on MTL's business. While employment and management services agreements are customarily used as a primary method of retaining the services of key personnel, these agreements cannot assure the continued services of such persons. MTL may also encounter difficulties in obtaining and maintaining suitably qualified staff in certain

of the jurisdictions in which it conducts business. In addition, there is a risk that management or key personnel may fail to execute in their roles or falter in judgment in certain circumstances, all of which could have an adverse effect on the operations and financial results of MTL. A deterioration in relationships with employees or in the labour environment could result in work interruptions or other disruptions, or cause management to divert time and resources from other aspects of MTL's business, which could have a material adverse effect on MTL's business, results of operations or financial condition.

***Development of New Products***

MTL and its competitors are actively seeking to develop new products in order to keep pace with any new market developments and generate revenue growth. MTL may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on MTL's business, financial condition, results of operations and prospects. The technologies, processes and formulations MTL uses may also face competition or become obsolete. Rapidly evolving markets, technology, emerging industry standards and frequent introduction of new products characterize the cannabis business. The introduction of new products and new technologies, including new manufacturing processes or formulations and the emergence of new industry standards may render MTL's current products obsolete, less competitive or less marketable. The process of developing new products is complex and requires significant continuing costs, development efforts and third-party commitments. MTL may be unable to anticipate changes in customer requirements that could make its existing technology, processes or formulations obsolete. MTL's success will depend on its ability to continue to enhance its existing products, develop new products that addresses the increasing sophistication and varied needs of the market and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. Failure to develop new products and the obsolescence of existing processes could adversely affect MTL's business, financial condition, results of operations and prospects.

***Effectiveness of Quality Control Systems***

The quality and safety of MTL's products are critical to the success of its business and operations. As such, it is imperative that MTL's (and its service providers') quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program and adherence by employees to quality control guidelines. Although MTL strives to ensure that all of its service providers have implemented and adhere to high-caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the business, financial condition and operating results of MTL.

***Product Liability***

As a manufacturer and distributor of products designed to be ingested by humans, MTL faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of MTL's products

involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of MTL's products alone or in combination with other medications or substances could occur. MTL may be subject to various product liability claims, including, among others, that MTL's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against MTL could result in increased costs, could adversely affect MTL's reputation with its clients and consumers generally and could have a material adverse effect on the business, results of operations and financial condition of MTL. There can be no assurances that MTL will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of MTL's potential products.

***Product Recalls***

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of MTL's products are recalled due to an alleged product defect or for any other reason, MTL could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. MTL may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although MTL has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. In addition, if MTL is subject to a recall, the reputation of MTL could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for MTL's products and could have a material adverse effect on the results of operations and financial condition of MTL. In addition, product recalls may lead to increased scrutiny of MTL's operations by regulatory agencies, requiring further management attention, potential loss of applicable licences and potential legal fees and other expenses.

***Risks Inherent in an Agricultural Business***

MTL will be subject to the general risks inherent in the ownership and operation of the business of planting, growing, harvesting and marketing cannabis, which, as an agricultural product, is subject to the general risks associated with all agricultural products such as disease, insect pests, changes in raw material costs, the risk and uncertainties of planting, growing and harvesting, environmental matters, considerations relating to product quality, grading and branding, changes in laws and other general economic and market conditions. In addition, other items can affect the marketability of cannabis grown indoors, including, among other things, the presence of non-cannabis related material, genetically modified organisms and excess heavy metals and residues of pesticides, fungicides and herbicides.

***Internal Controls***

If MTL's internal controls are ineffective, its operating results and market confidence in its reported financial information could be adversely affected. MTL's internal controls over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If MTL fails to maintain the adequacy of its internal controls, including any failure to implement required new or improved controls, if it experiences difficulties in their implementation, or if controls are disrupted or compromised as a result of cyber-attacks, its business and operating results and market confidence in its reported financial information could be harmed and it could fail to meet its financial reporting obligations. The existence of any material weaknesses in the future may preclude management from concluding that MTL's internal controls over financial reporting are effective and may further preclude its independent auditors from issuing an unqualified opinion that MTL's internal controls are effective. Any material weaknesses could cause investors to lose confidence in MTL's financial reporting and may negatively affect the price of its MTL Shares. MTL cannot provide assurances that it will be able to timely and cost effectively remediate any internal control deficiencies. Moreover, effective internal controls are necessary to produce reliable financial reports. If MTL is unable to satisfactorily remediate any deficiencies or if it discovers other deficiencies in its internal controls over financial reporting, then such deficiencies could lead to misstatements in its financial statements or otherwise negatively impact its financial statements, business, results of operations and reputation.

***Information Technology Systems and Cyber-Attacks***

MTL has entered into agreements with third parties for hardware, software, telecommunications and other information technology services in connection with its operations. MTL's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. MTL's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increases in capital expenditures. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact MTL's reputation and results of operations. There can be no assurance that MTL will not incur cyber-attacks or other security breaches in the future. MTL's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, MTL may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

***Cash Flow from Operations***

MTL cannot guarantee that it will maintain positive cash flow status in the future. MTL's working capital requirements may also be greater than MTL currently anticipates for a variety of reasons, including, but not limited to, the following: the ability of MTL to maintain production at expected

levels; the operating costs at its facilities may be higher than expected; cash used in MTL's operating activities does not improve over historical results; increases in materials, production or labour costs; and labour disputes. Many of these factors are not within MTL's control. If MTL experiences future negative cash flow, MTL may be required to raise additional funds through the issuance of equity and/or debt securities, incur other forms of indebtedness and/or reduce operating costs which could have a negative impact on short-term revenue generation. There can be no assurance that MTL will be able to generate positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to MTL.

***Ability to Achieve or Maintain Profitability***

MTL may not be able to maintain profitability and may incur significant losses in the future. In addition, MTL expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If MTL's revenues do not increase to offset these expected increases in costs and operating expenses, MTL may not be profitable.

***Wholesale Price of Cannabis Volatility***

There is currently no established market price for cannabis and the price of cannabis is affected by numerous factors beyond MTL's control. Any price decline may have a material adverse effect on MTL's business, financial condition and operations. MTL's operating income may be significantly and adversely affected by a decline in the price of cannabis and will be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry, as MTL's profitability is directly related to the price of cannabis. Any price decline may have a material adverse effect on MTL.

***Impact of the Illicit Supply of Cannabis***

Despite the legalization of medical and adult-use cannabis in Canada, illegal operations remain. Illegal dispensaries and market participants may be able to: offer products with higher concentrations of active ingredients, such as THC, that are either expressly prohibited or impracticable to produce under current Canadian regulations; use delivery methods, including certain edibles, concentrates and extract vaporizers, that licensed producers are currently prohibited from offering to individuals in Canada; use marketing and branding strategies that are restricted under the Cannabis Act and Cannabis Regulations; and make claims not permissible under the Cannabis Act and other regulatory regimes.

As these illicit market participants do not comply with the regulations governing the medical and adult-use cannabis industry in Canada, their operations may also have significantly lower costs. As a result of the competition presented by the illicit market for cannabis, continued reluctance of consumers currently utilizing these unlicensed distribution channels to begin purchasing from licensed producers for any reason or any inability or unwillingness of law enforcement authorities to enforce laws prohibiting the unlicensed cultivation and sale of cannabis and cannabis-based products could: result in the perpetuation of the illicit market for cannabis; adversely affect the price of the MTL Shares; and adversely impact the public perception of cannabis use and licensed

producers, all of which could have a materially adverse impact on MTL's business, operations and financial condition.

***Vulnerability to Rising Energy Costs***

MTL's cannabis growing operations will consume considerable energy, which will make MTL vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may adversely impact the business of MTL and its ability to operate profitably.

***Ability to Establish and Maintain Bank Accounts***

While MTL does not anticipate any banking restrictions at this time, there is a risk that banking institutions may not accept payments related to the cannabis industry. Such risks could increase costs for MTL. In the event financial service providers do not accept accounts or transactions related to the cannabis industry, it is possible that MTL will be required to seek alternative payment solutions. If the industry were to move towards alternative payment solutions, MTL would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. MTL's inability to manage such risks may adversely affect MTL's operations and financial performance.

***Additional Financing and Restrictions***

The continued development of MTL may require additional financing. Even if its financial resources are sufficient to fund its current operations, there is no guarantee that MTL will be able to achieve its business objectives. The failure to raise additional capital could result in the delay or indefinite postponement of current business objectives or MTL becoming insolvent. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms that are favourable or acceptable to MTL. In addition, from time to time, MTL may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed in whole or in part, by debt, which may increase MTL's debt levels above industry standards. Any debt financing, including the MTL Credit Facility, could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for MTL to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize upon security over the assets of MTL, and there is no assurance that MTL would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing.

***Compliance with Listing Requirements***

MTL is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including, but not limited to, the Canadian Securities Administrators, the CSE, and the Ontario Securities Commission. These rules and regulations continue to evolve in scope and complexity, creating many new requirements.

***Obligations as a Public Company***

As a public company, MTL is subject to corporate governance and public disclosure requirements that increase costs and add risks of non-compliance, which could adversely impact the price of the MTL Shares.

***Volatile Market Price of the MTL Shares***

The market price of the MTL Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond MTL's control. This volatility may affect the ability of holders of MTL Shares to sell their securities for a profit, or at all. Market price fluctuations in the MTL Shares may be due to MTL's operating results failing to meet expectations of securities analysts (including short-sellers) or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by MTL or its competitors, along with a variety of additional factors. Financial markets have historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the MTL Shares may decline even if MTL's operating results, underlying asset values or prospects have not changed. In addition, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, MTL's operations could be adversely impacted, and the trading price of the MTL Shares may be materially adversely affected.

***Volume of Trading in MTL Shares***

The MTL Shares trade on the CSE and there is a limited market for trading. As a result, the trading price of the MTL Shares can be significantly impacted by trades of a small volume, which could have a negative impact on the price of the MTL Shares.

***Dilution***

MTL's articles permit the issuance of an unlimited number of MTL Shares and shareholders will have no pre-emptive rights in connection with such further issuance. MTL may issue additional securities in the future, which may dilute a shareholder's holdings in MTL.

***MTL Has Not Declared and Paid Dividends in the Past and May Not Declare and Pay Dividends in the Future***

Any decision to declare and pay dividends in the future will be made at the discretion of the MTL Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the MTL Board may deem relevant. As a result, investors may not receive any return on an investment in the MTL Shares unless they sell their MTL Shares for a price greater than that which such investors paid for them.

***Legal Proceedings***

In the normal course of business, MTL is involved in various legal proceedings relating to contracts, commercial disputes, employment and workers compensation claims and other matters. MTL periodically reviews the status of these proceedings with counsel. As of the date of this Circular, there are no ongoing material legal proceedings.

**Additional Information**

The information contained herein is given as of January 15, 2026, except as otherwise indicated.

Financial information is provided in the MTL Annual Financial Statements and the MTL Interim Financial Statements and the related management's discussion and analysis. A copy of the MTL Annual Financial Statements, the MTL Interim Financial Statements and the related management's discussion and analysis together with any subsequent interim financial statements, may be obtained, without charge, upon request from the Corporate Secretary of MTL at 1773 Bayly Street, Pickering, Ontario, L1W 2Y7.

Information contained in or otherwise accessible through MTL's website does not form a part of this Appendix and is not incorporated by reference herein.

Interested persons may also access disclosure documents and any reports, statements or other information that MTL files with the applicable securities commissions or similar securities regulatory authorities in Canada under MTL's profile on SEDAR+ at www.sedarplus.ca.

**MTL Documents Incorporated by Reference**

Information in respect of MTL has been incorporated by reference herein from documents filed with the securities commissions or similar securities regulatory authorities in each of the provinces and territories of Canada (the "**Canadian Securities Authorities**"). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of MTL at 1773 Bayly Street, Pickering, Ontario, L1W 2Y7, telephone 1-844-696-3349, or by email request to investors@mtlcannabis.ca and are also available electronically under MTL's SEDAR+ profile at www.sedarplus.ca. The filings of MTL through SEDAR+ are not incorporated by reference herein except as specifically set out below.

The following documents, filed by MTL with the Canadian Securities Authorities, are specifically incorporated by reference into, and form an integral part of, this Appendix:

- the MTL Annual Financial Statements;
- the management's discussion and analysis of financial condition and results of operations of MTL for the three months and fiscal years ended March 31, 2025 and 2024;
- the consolidated financial statements of MTL for the years ended March 31, 2024 and 2023;

- the management's discussion and analysis of financial condition and results of operations of MTL for the three months and fiscal years ended March 31, 2024 and 2023;
- the MTL Interim Financial Statements;
- the management's discussion and analysis of financial condition and results of operations of MTL for the three and six months ended September 30, 2025 and 2024;
- the AGM Circular;
- the material change report of MTL dated December 15, 2025 in respect of the Arrangement Agreement;
- the material change report of MTL dated September 23, 2025 in respect of the 2025 Offering;
- the material change report of MTL dated August 11, 2025 in respect of the MTL Credit Facility.

Any documents of the type described in Section 11.1 of Form 44-101F1 – Short Form Prospectus of NI 44-101 (excluding confidential material change reports), if filed by MTL with the Canadian Securities Authorities subsequent to the date hereof disclosing additional or updated information, including the documents incorporated by reference herein, filed pursuant to the requirements of applicable Canadian Securities Laws, shall be deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Appendix to the extent that a statement contained in this Appendix or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Appendix, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Making such a modifying or superseding statement shall not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, untrue statement of a material fact, nor an omission to state a material fact that is required to be stated or necessary to make a statement not misleading in light of the circumstances in which it is made.

**APPENDIX "G"**
**ADDITIONAL INFORMATION CONCERNING CANOPY**

The following additional information concerning Canopy should be read in conjunction with the documents incorporated by reference into this Appendix **"**G".

The following section of this Circular contains forward-looking information. Readers are cautioned that actual results may vary. See "*Cautionary Note Regarding Forward-Looking Statements*".

## Cautionary Note Regarding Forward-Looking Statements

The following section of this Circular contains or incorporates by reference "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian Securities Laws. Forward-looking statements or information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Canopy or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this section of the Circular. Forward-looking statements and forward-looking information are generally identified by their use of such terms and phrases as "intend," "goal," "strategy," "estimate," "expect," "project," "projections," "forecasts," "plans," "seeks," "anticipates," "potential," "proposed," "will," "should," "could," "would," "may," "likely," "designed to," "foreseeable future," "believe," "scheduled" and other similar expressions. Examples of such statements include statements with respect to the timing and outcome of the Arrangement; the satisfaction or waiver of the closing conditions set out in the Arrangement Agreement, including receipt of all regulatory approvals, including Competition Act Approval, Court approval and MTL Shareholder approvals; and the retention of MTL's core management team.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including risks relating to the dilutive impact of the Arrangement and future resales of Canopy Shares in the public market by the MTL Shareholders, which may negatively affect the price of the Canopy Shares; the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory approval, including Competition Act Approval, Court approval and MTL Shareholder approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Arrangement; the effective integration of Canopy's and MTL's businesses and the ability to achieve the anticipated synergies contemplated by the Arrangement; risks related to the value of Canopy Shares to be issued pursuant to the Arrangement; the diversion of management time on Arrangement-related issues; risks relating to the overall macroeconomic environment, which may impact customer spending, costs and margins, including tariffs (and related retaliatory measures); the levels of inflation, and interest rates; expectations regarding future investment, growth and expansion of Canopy's and MTL's operations; regulatory and licensing risks; changes in general economic, business and political conditions, including changes in the financial and stock markets; legal and regulatory risks inherent in the cannabis industry, including the global regulatory landscape and enforcement related to cannabis, risks related to the integration of acquired

businesses; the timing and manner of the legalization of cannabis in the United States; additional dilution; political risks and risks relating to regulatory change, including with respect to reimbursement rates in the medical cannabis market; risks relating to anti-money laundering laws; compliance with extensive government regulation and the interpretation of various laws, regulations and policies; public opinion and perception of the cannabis industry; and such other risks contained in the public filings of Canopy filed with Canadian securities regulators and available under Canopy's profile on SEDAR+ at www.sedarplus.ca and with the United States Securities and Exchange Commission through EDGAR at www.sec.gov/edgar, including the factors discussed under the heading "Risk Factors" in Canopy's Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (the "**Canopy Annual Report**") and the risk factor discussed under the heading "Item 1A. Risk Factors" in Canopy's Form 10-Q for the quarterly period ended September 30, 2025, and in the public filings of MTL filed with Canadian securities regulators and available under MTL's profile on SEDAR+ at www.sedarplus.ca.

Certain of the forward-looking statements or forward-looking information contained or incorporated by reference herein concerning the industries in which Canopy conducts its business are based on estimates prepared using data from publicly available governmental sources, market research, industry analysis and on assumptions based on data and knowledge of these industries, which management of Canopy believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. The conduct of Canopy's business involves risks and uncertainties that are subject to change based on various factors, including those described below and in the Canopy Annual Report.

In respect of the forward-looking statements and information contained in this section of the Circular, Canopy has provided such statements and information in reliance on certain assumptions that Canopy believes are reasonable at this time. The forward-looking statements and forward-looking information contained and incorporated by reference herein are based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including: (i) management's perceptions of historical trends, current conditions and expected future developments; (ii) Canopy's ability to generate cash flow from operations; (iii) general economic, financial market, regulatory and political conditions in which Canopy operates; (iv) the production and manufacturing capabilities and output from Canopy's facilities and equity investments; (v) consumer interest in Canopy's products; (vi) competition; (vii) anticipated and unanticipated costs; (viii) government regulation of Canopy's activities and products including but not limited to the areas of taxation and environmental protection; (ix) the timely receipt of any required regulatory authorizations, approvals, consents, permits and/or licenses; (x) Canopy's ability to obtain qualified staff, equipment and services in a timely and cost-efficient manner; (xi) Canopy's ability to conduct operations in a safe, efficient and effective manner; (xii) Canopy's ability to realize anticipated benefits, synergies or generate revenue, profits or value from its recent acquisitions into existing operations; and (xiii) other considerations that management believes to be appropriate in the circumstances.

While management considers these assumptions to be reasonable based on information currently available to them, there is no assurance that such expectations will prove to be correct. Accordingly, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. Should one or more of the

foregoing risks or uncertainties materialize, or should assumptions underlying the forward-looking statements or forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Canopy has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The forward-looking statements and forward-looking information included in this section of the Circular are made as of the date hereof and Canopy does not undertake any obligation to publicly update such forward-looking statements or forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable Securities Laws.

## General

Canopy is a world-leading cannabis company which produces, distributes, and sells a diverse range of cannabis and cannabis related products. Canopy's cannabis products are principally sold for adult-use and medical purposes under a portfolio of distinct brands. Canopy's core operations are in Canada, Europe and Australia and Canopy holds a significant non-controlling, non-voting interest in Canopy USA, an entity that participates in the sale of cannabis and hemp derived products in the United States.

Today, Canopy is a leader in the medical and is among the top 10 in the adult use cannabis market in Canada where it offers a broad portfolio of brands and products and continues to expand its portfolio to include new innovative cannabis products and formats. Canopy's primary medical brand is Spectrum Therapeutics and it has also launched Canopy Medical, a medical cannabis brand in select international markets. Canopy's curated cannabis product formats include dried flower, pre-rolled joints ("**PRJ**"), oil, softgel capsules, edibles including gummies, vapes and beverages, as well as a wide range of cannabis accessories including its premier herbal vaporizer devices Storz & Bickel®.

Canopy's cannabis cultivation operations are focused in two facilities, the greenhouse facility in Kincardine, Ontario and the DOJA facility in Kelowna, British Columbia. The receipt of Canopy's European Union Good Manufacturing Practices ("**EU-GMP**") certification at the Kincardine facility enables Canopy to continue exporting certified medical cannabis to medical markets in Europe as well as other nationally permissible medical cannabis markets around the world.

Canopy's licensed operational capacity in Canada includes advanced manufacturing capability for oil and softgel encapsulation, PRJ (infused and non-infused), and hash production, which is primarily completed at the Smiths Falls, Ontario facility. Through its in-house manufacturing capabilities of adult-use cannabis products, Canopy can process and package cannabis flower, PRJ and vape products, into high quality cannabis products. Canopy also leverages third-party manufacturing capabilities for many edible formats.

Today, Canopy offers a broad portfolio of brands and products and continues to expand its portfolio to include new innovative cannabis products and formats. Canopy maintains agreements to supply all Canadian provinces and territories where its adult-use products are sold through the provincially licensed retail distribution systems. Through the Spectrum Therapeutics website,

Canopy operates a direct to patient e-commerce website where patients who have registered with Spectrum Therapeutics are able to purchase products online and have them shipped directly them.

Canopy USA holds certain U.S. cannabis investments previously held by Canopy, including Mountain High Products, LLC, Wana Wellness, LLC and The Cima Group, LLC (collectively, "**Wana**"), a leading cannabis edibles brand in North America; Lemurian, Inc. ("**Jetty**") a California-based producer of high-quality cannabis extracts and pioneer of clean vape technology; and Acreage Holdings, Inc. ("**Acreage**"), a leading vertically-integrated multi-state cannabis operator, with its main operations in densely populated states across the Northeast U.S., including New Jersey and New York. Certain entities controlled by Canopy USA also hold direct interests in the capital of TerrAscend Corp., a leading North American cannabis operator with vertically integrated operations and a presence in Pennsylvania, New Jersey and California as well as licensed cultivation and processing operations in Maryland. Canopy holds non-voting and non-participating shares (the "**Non-Voting Shares**") in the capital of Canopy USA. The Non-Voting Shares do not carry voting rights, rights to receive dividends or other rights upon dissolution of Canopy USA. The Non-Voting Shares are convertible into voting shares of Canopy USA, provided that such conversion shall only be permitted following the date that the NASDAQ Stock Market or The New York Stock Exchange permit the listing of companies that consolidate the financial statements of companies that cultivate, distribute or possess marijuana (as defined in 21 U.S.C 802) in the United States.

## Recent Developments

### *Canopy Lender Agreement*

On July 29, 2025, Canopy entered into an agreement (the "**Canopy Lender Agreement")** with certain of the lenders to its senior secured term loan facility (the "**Prior Canopy Term Loan**") under its term loan credit agreement dated March 18, 2021, as amended on October 24, 2022, July 13, 2023 and August 8, 2024, among Canopy, 11065220 Canada Inc., as borrowers, the lenders party thereto and Wilmington Trust, National Association, as administrative and collateral agent.

Pursuant to the terms of the Canopy Lender Agreement, Canopy completed three prepayments to reduce the principal amount outstanding under the Prior Canopy Term Loan by US$50.0 million by March 31, 2026.

Further information regarding the business of Canopy and its operations can be found in the Canopy Annual Report and other documents incorporated by reference herein.

### *Balance Sheet Recapitalization*

On January 8, 2026, Canopy entered into a Loan and Guaranty Agreement (the "**Canopy Loan Agreement**"), by and among Canopy, as a borrower, certain subsidiaries of Canopy party thereto, as borrowers and/or guarantors, the parties identified therein as lenders (the "**Canopy Lenders**"), and JGB Collateral LLC, as administrative and collateral agent, pursuant to which, among other things, the Canopy Lenders advanced US$150,000,000 pursuant to a senior secured loan in the aggregate principal amount of US$162,115,000 (collectively, the "**Canopy Loans**" and such transaction, the "**Canopy Loan Transaction**"). The Canopy Loans were funded on January 8, 2026 with an original issue discount of US$12,115,000. The Canopy Loans will mature on the

earlier of (i) January 31, 2031, and (ii) the date that is 120 days prior to the maturity date of the Canopy Convertible Debentures.

The outstanding principal amount of the Canopy Loans will bear interest at an annual rate equal to the applicable Term SOFR rate (subject to a minimum floor of 3.25%) plus 6.25%. Interest on the Canopy Loans will be paid monthly in arrears in cash. Following the first anniversary of the first interest payment date, each Canopy Lender will have the option to require the borrowers to repay such Canopy Lender its pro rata share of up to US$3,000,000 of principal per calendar month on each payment date thereafter. Prepayment and repayment of the Canopy Loans will be subject to (i) an interest make-whole equal to 12 monthly interest payments less any payments made by the borrowers on account of interest prior to the date of such prepayment for any prepayments or repayments made during the first year of the Canopy Loans and (ii) an exit fee equal to US$6,484,600, provided that, with respect to any partial payment of the Canopy Loans, only the pro rata portion of such exit fee will be payable at the time of each such partial payment. The Canopy Loans and obligations under the Canopy Loan Agreement and other related loan documents are secured by substantially all of the assets of Canopy and each of its material subsidiaries.

The Canopy Loan Agreement also includes certain prepayment fees, a minimum cash requirement of the lesser of US$90,000,000 or the principal amount of the Canopy Loans, and various other representations, warranties, covenants and events of default customary for a financing of this nature. Canopy intends to use the net proceeds from the Canopy Loans to (i) repay its existing senior secured debt in the principal amount of approximately US$101 million pursuant to its credit agreement dated March 18, 2021 among, Canopy and the other parties named therein (as amended, restated, supplemented or otherwise modified from time to time); (ii) for working capital and general corporate purposes; and (iii) to fund any potential future acquisitions.

In connection with the Canopy Loan Agreement, on January 8, 2026, Canopy issued 18,705,577 common share purchase warrants of Canopy (the "Canopy **Loan Warrants**") to the Canopy Lenders. Each Canopy Loan Warrant will entitle the holder to acquire one Canopy Share at an exercise price equal to US$1.30 per Canopy Share until January 8, 2031.

On January 7, 2026, Canopy entered into an Exchange Agreement (the "**Canopy Exchange Agreement**") with MMCAP International Inc. SPC (the "**Canopy Investor**") pursuant to which, among other things, on January 8, 2026, the Canopy Investor delivered to Canopy C$96,358,375 aggregate principal amount of senior unsecured convertible debentures of Canopy maturing in May 2029 held by the Canopy Investor (the "**Existing Canopy Debenture**") in exchange for (A) Canopy issuing to the Canopy Investor (i) new senior unsecured convertible debentures of Canopy with an aggregate principal amount of C$55,000,000 maturing on July 8, 2031 (the "**Canopy Convertible Debentures**"), (ii) 12,731,481 common share purchase warrants (the "**Canopy Investor Warrants**") of Canopy, and (iii) 9,493,670 Canopy Shares; and (B) a C$10,500,000 cash payment from Canopy (collectively, the "**Canopy Exchange Transaction**" and together with the Canopy Loan Transaction, the "**Canopy 2026 Transactions**"). Each Canopy Investor Warrant will entitle the holder to acquire one Canopy Share at an exercise price equal to C$2.16 per Canopy Share until January 8, 2031. The Canopy Convertible Debentures will bear interest at a rate of 7.50% per annum, payable in semi-annual payments in cash, and will be convertible, at the option of the Canopy Investor, into Canopy Shares at a conversion price equal to C$1.83 per Canopy Share. The Canopy Convertible Debentures are subject to a forced conversion feature upon notice from Canopy in the event that the average closing trading price of the Canopy Shares on the TSX

exceeds the applicable forced conversion price of C$2.75 for a period of 10 consecutive trading days.

**Canopy Documents Incorporated by Reference**

**Information has been incorporated by reference in this Circular from documents filed with the Canadian Securities Authorities and the SEC.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer of Canopy at 1 Hershey Drive, Smiths Falls, Ontario K7A 0A8, telephone (855) 558-9333, and are also available electronically under Canopy's SEDAR+ profile at www.sedarplus.ca or in the United States through EDGAR at the website of the SEC at www.sec.gov/edgar. The filings of Canopy through SEDAR+ and EDGAR are not incorporated by reference in this Circular except as specifically set out herein.

The following documents, filed by Canopy with the Canadian Securities Authorities and the SEC, are specifically incorporated by reference into, and form an integral part of, this Circular:

(a) the Annual Report on Form 10-K of Canopy, for the fiscal year ended March 31, 2025, which report contains the audited consolidated financial statements of Canopy as at March 31, 2025 and 2024 and for the years ended March 31, 2025, 2024 and 2023 and the notes thereto, together with the auditors' report thereon and the related management's discussion and analysis of financial condition and results of operations as at and for the year ended March 31, 2025 as filed on May 30, 2025;

(b) the Quarterly Report on Form 10-Q of Canopy, for the three months ended June 30, 2025, which report contains the unaudited consolidated financial statements of Canopy as at June 30, 2025 and 2024 and for the three months ended June 30, 2025 and 2024 and the notes thereto and the related management's discussion and analysis of financial condition and results of operations for the three months ended June 30, 2025 and 2024, as filed on August 8, 2025;

(c) the Quarterly Report on Form 10-Q of Canopy, for the three and six months ended September 30, 2025, which report contains the unaudited consolidated financial statements of Canopy as at September 30, 2025 and 2024 and for the three and six months ended September 30, 2025 and 2024 and the notes thereto and the related management's discussion and analysis of financial condition and results of operations for the three and six months ended September 30, 2025 and 2024, as filed on November 7, 2025;

(d) Canopy's Proxy Statement on Schedule 14A, dated August 7, 2025, in connection with Canopy's September 26, 2025 annual general and special meeting of shareholders, as reconvened on October 10, 2025;

(e) Canopy's material change report dated July 9, 2025 relating to the termination of the employment of Judy Hong, the former CFO and the appointment of Tom Stewart as Canopy's Interim CFO;

(f) Canopy's material change report dated July 29, 2025 relating to, among other things, Canopy entering into the Canopy Lender Agreement;

(g) Canopy's material change report dated August 8, 2025 relating to the appointment of Margaret Shan Atkins to the Canopy Board;

(h) Canopy's material change report dated September 17, 2025 relating to the appointment of Tom Stewart as Canopy's permanent CFO and Chief Accounting Officer;

(i) Canopy's material change report dated December 15, 2025 relating to Canopy entering into the Arrangement Agreement;

(j) Canopy's material change report dated January 8, 2026 relating to the closing of the Canopy 2026 Transactions and Canopy entering into the Amending Agreement;

(k) the description of the Canopy Shares contained in Exhibit 4.1 to the Annual Report on Form 10-K for the fiscal year ended March 31, 2025 as filed on May 30, 2025; and

(l) any documents that Canopy files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended after the date of this Circular and before the MTL Meeting.

To the extent that any information contained in any current report on Form 8-K, or any exhibit thereto, was furnished to, rather than filed with, the SEC, such information or exhibit is specifically not incorporated by reference in this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained in this Circular or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Making such a modifying or superseding statement shall not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, untrue statement of a material fact, nor an omission to state a material fact that is required to be stated or necessary to make a statement not misleading in light of the circumstances in which it is made.

## Consolidated Capitalization

There have been no material changes in the share and loan capital of Canopy, on a consolidated basis, since September 30, 2025, the date of Canopy's most recent interim financial statements, other than the Canopy Loan Agreement which provided for the Canopy Loans in the aggregate principal amount of US$162,115,000 which, in part, were used to fully repay the outstanding principal of the Prior Canopy Term Loan in the amount of approximately US$101 million, as disclosed under "*Recent Developments – Balance Sheet Recapitalization*" and "*Prior Sales*".

**Description of Share Capital**

The authorized share capital of Canopy consists of an unlimited number of Canopy Shares and an unlimited number of exchangeable shares in the capital of Canopy (the "**Canopy Exchangeable Share**s"). As of the date of the Record Date, there were (A) 377,862,634 Canopy Shares issued and outstanding, (B) 26,261,474 Canopy Exchangeable Shares issued and outstanding, (C) options providing for the issuance of 2,693,083 Canopy Shares upon the exercise thereof; (D) restricted share units providing for the issuance of 3,066,170 Canopy Shares upon the vesting thereof; (E) nil performance share units; (F) warrants providing for the issuance of 46,920,638 Canopy Shares upon the exercise thereof; and (G) convertible debentures that may result in the issuance of up to 30,054,645 Canopy Shares upon the conversion thereof.

***Canopy Shares***

Holders of Canopy Shares are entitled to receive notice of and to attend all meetings of shareholders to be convened by Canopy. Each holder of Canopy Shares is entitled to one vote per Canopy Share held on all matters voted on by the shareholders, either in person or by proxy. At any meeting of shareholders, every matter brought before such meeting shall, unless otherwise required by Canopy's articles of incorporation, by-laws or by applicable law, be determined by the affirmative vote of the majority of the votes cast on the matter. The Canopy Shares do not have cumulative voting rights. Holders of Canopy Shares are entitled to receive dividends, if any, as may be declared by the Canopy Board in its discretion, out of funds legally available for the payment of dividends. Holders of Canopy Shares are entitled to share ratably in all assets of Canopy legally available for distribution to holders of Canopy Shares in the event of liquidation, dissolution or winding-up of Canopy, whether voluntary or involuntary. No subdivision or consolidation of Canopy Shares may be carried out unless, at the same time, the Canopy Exchangeable Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities. Each issued and outstanding Canopy Share may at any time, at the option of the holder, be converted into one Canopy Exchangeable Share. There are no sinking fund, pre-emptive or redemption rights attached to the Canopy Shares.

***Canopy Exchangeable Shares***

Holders of Canopy Exchangeable Shares will not be entitled to receive notice of, attend, or vote at meetings of the shareholders of Canopy; provided that the holders of Canopy Exchangeable Shares will, however, be entitled to receive notice of meetings of shareholders called for the purpose of authorizing the dissolution of Canopy or the sale of its undertaking or assets, or a substantial part thereof, but holders of Canopy Exchangeable Shares will not be entitled to vote at such meetings. The holders of Canopy Exchangeable Shares will not be entitled to receive any dividends. In the event of the dissolution, liquidation or winding-up of Canopy or any other distribution of assets of Canopy among its shareholders for the purpose of winding-up its affairs, the holders of Canopy Exchangeable Shares will not be entitled to receive any amount, property or assets of Canopy. Each issued and outstanding Canopy Exchangeable Share may, at any time, at the option of the holder, be exchanged for one Canopy Share.

Upon any consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction of or involving the Canopy Shares, or a sale or conveyance of all or

substantially all the assets of Canopy to any other body corporate, trust, partnership or other entity (each, a "**Canopy Change of Control**"), each Canopy Exchangeable Share that is outstanding on the effective date of such Canopy Change of Control will remain outstanding and, upon the exchange of such Canopy Exchangeable Share thereafter, will be entitled to receive and will accept, in lieu of the number of Canopy Shares that the holder thereof would have been entitled to receive prior to such effective date, the number of shares or other securities or property (including cash) that such holder would have been entitled to receive on such Canopy Change of Control, if, on the effective date of such Canopy Change of Control, the holder had been the registered holder of the number of Canopy Shares which it was entitled to acquire upon the exchange of the Canopy Exchangeable Share as of such date (the "**Adjusted Exchange Consideration**"); provided that, in the event the Canopy Exchangeable Shares are to be exchanged for securities of another entity with securities that are substantially similar to the terms of the Canopy Exchangeable Shares (the "**Alternative Exchangeable Security**"), as determined by the Canopy Board, acting reasonably, using the same exchange ratio as is applicable for the Canopy Shares in connection with the Canopy Change of Control, then in such circumstances, each Canopy Exchangeable Share that is outstanding on the effective date of a Canopy Change of Control will be exchanged for the Alternative Exchangeable Security.

While holders of Canopy Exchangeable Shares will be permitted to freely sell or transfer the Canopy Exchangeable Shares (unless the Canopy Shares that were converted into Canopy Exchangeable Shares were "restricted securities," as such term is defined in Rule 144 promulgated under the U.S. Securities Act), Canopy does not expect that an active or liquid trading market for the Canopy Exchangeable Shares will develop or be sustained. Each transfer of Canopy Exchangeable Shares must be accompanied by certification to Canopy by the transferring holder of the Canopy Exchangeable Shares that such holder reasonably believes that such transfer is occurring in compliance with the Canadian take-over bid requirements as though the Canopy Exchangeable Shares were voting securities or equity securities of Canopy. To the extent a holder of Canopy Shares that are "restricted securities" converts those Canopy Shares into Canopy Exchangeable Shares, those Canopy Exchangeable Shares will also be "restricted securities," which can only be sold pursuant to a registration statement under the U.S. Securities Act or an exemption from the registration provisions of the U.S. Securities Act. The Canopy Exchangeable Shares are not expected to be listed on a stock exchange or over-the-counter market.

If the Adjusted Exchange Consideration includes cash, then Canopy will, or will cause the other body corporate, trust, partnership or other entity resulting from or party to such Canopy Change of Control to, deposit with an escrow agent appointed by Canopy on the closing date of the Canopy Change of Control the aggregate cash that would be payable to holders of Canopy Exchangeable Shares if all of the outstanding Canopy Exchangeable Shares were exchanged immediately prior to the Canopy Change of Control. All such funds will be held by the escrow agent in a segregated interest-bearing account for the benefit of the holders of Canopy Exchangeable Shares, and will solely be used to satisfy the cash portion of the Adjusted Exchange Consideration upon exchanges of Canopy Exchangeable Shares into Canopy Shares from time to time (with holders of Canopy Exchangeable Shares being entitled to any accumulated interest on the funds from the date of initial deposit to and including the business day immediately preceding the date of exchange, on a pro rata basis).

If, in connection with a Canopy Change of Control, a holder of a Canopy Share may elect a form of consideration (including, without limitation, shares, other securities, cash or other property) from options made available, then all holders of Canopy Exchangeable Shares will be deemed to have elected to receive an equal percentage of each of the different types of consideration offered, unless otherwise agreed in writing by such holder of Canopy Exchangeable Shares in accordance with the terms of the transaction and prior to any applicable election deadline; provided that if the option made available is between two securities, one of which is an Alternative Exchangeable Security, then all holders of Canopy Exchangeable Shares will be deemed to have elected to receive solely Alternative Exchangeable Securities. In such case, the Adjusted Exchange Consideration will equal the consideration that a holder of Canopy Shares making an election on the terms set forth in the preceding sentence would have received in the transaction.

No subdivision or consolidation of the Canopy Exchangeable Shares may be carried out unless, at the same time, the Canopy Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

**Price Range and Trading Volumes of the Canopy Shares**

The Canopy Shares are listed and posted for trading on the TSX under the symbol "WEED" and on Nasdaq under the symbol "CGC".

The following table sets forth information relating to the trading of the Canopy Shares on the TSX for the months indicated.

| Month | High (C$) | Low (C$) | Volume |
|---|---|---|---|
| January 2025 | 4.41 | 2.85 | 28,745,643 |
| February 2025 | 4.15 | 1.97 | 39,740,366 |
| March 2025 | 2.05 | 1.28 | 23,765,955 |
| April 2025 | 2.26 | 1.085 | 39,401,452 |
| May 2025 | 2.75 | 1.70 | 46,883,219 |
| June 2025 | 2.46 | 1.60 | 39,988,417 |
| July 2025 | 1.815 | 1.39 | 48,341,411 |
| August 2025 | 2.65 | 1.39 | 128,285,027 |
| September 2025 | 2.28 | 1.80 | 96,343,128 |
| October 2025 | 2.44 | 1.70 | 103,888,374 |
| November 2025 | 1.80 | 1.41 | 41,120,100 |
| December 2025 | 3.28 | 1.52 | 163,670,981 |
| January 2026 (1) | 1.84 | 1.58 | 31,323,151 |

(1) From January 1, 2026 to January 14, 2026.

The following table sets forth information relating to the trading of the Canopy Shares on Nasdaq for the months indicated.

| Month | High (US$) | Low (US$) | Volume |
|---|---|---|---|
| January 2025 | 3.07 | 1.96 | 113,040,172 |
| February 2025 | 2.90 | 1.36 | 213,330,882 |
| March 2025 | 1.42 | 0.88 | 155,466,489 |
| April 2025 | 1.65 | 0.77 | 155,689,063 |
| May 2025 | 1.99 | 1.22 | 153,874,189 |
| June 2025 | 1.80 | 1.16 | 179,290,010 |
| July 2025 | 1.34 | 1.01 | 216,822,993 |
| August 2025 | 1.93 | 1.01 | 611,631,641 |
| September 2025 | 1.65 | 1.29 | 498,524,770 |
| October 2025 | 1.75 | 1.21 | 517,681,540 |
| November 2025 | 1.29 | 1.00 | 418,560,833 |
| December 2025 | 2.38 | 1.09 | 1,149,059,980 |
| January 2026 (1) | 1.33 | 1.14 | 169,065,130 |

(1) From January 1, 2026 to January 14, 2026.

## Prior Sales

For the 12-month period prior to the date of this Circular, Canopy issued or granted Canopy Shares and securities convertible into Canopy Shares as listed in the table below. Other than the issuances listed in the table below, Canopy has not issued any Canopy Shares or securities convertible into Canopy Shares within the 12 months preceding the date of this Circular.

| Date of Issuance | Issue Price | Number Issued |
|---|---|---|
| January 2, 2025(1) | US$2.74 | 525,300 |
| January 2, 2025(2) | US$7.59 | 16,155 |
| January 3, 2025(1) | US$2.94 | 2,080,319 |
| January 6, 2025(1) | US$2.96 | 1,113,000 |
| January 7, 2025(1) | US$2.96 | 650,000 |
| January 8, 2025(1) | US$2.92 | 328,700 |
| January 9, 2025(1) | US$2.66 | 378,700 |
| January 10, 2025(1) | C$3.77 | 54,900 |
| January 13, 2025(1) | US$2.45 | 820,000 |
| January 14, 2025(1) | US$2.02 | 12,000,000 |
| February 11, 2025(1) | US$2.01 | 225,000 |
| February 12, 2025(1) | US$1.87 | 250,000 |
| February 13, 2025(1) | US$1.81 | 552,101 |
| February 14, 2025(1) | US$1.88 | 1,050,100 |
| February 18, 2025(1) | US$1.91 | 800,000 |
| February 19, 2025(2) | C$112.00 | 17 |
| February 19, 2025(1) | US$1.79 | 2,426,000 |
| February 20, 2025(1) | US$1.67 | 1,394,902 |
| February 21, 2025(1) | US$1.62 | 954,000 |
| February 24, 2025(1) | US$1.66 | 1,430,243 |
| February 25, 2025(1) | US$1.63 | 722,596 |
| February 26, 2025(1) | US$1.59 | 400,000 |

| Date of Issuance | Issue Price | Number Issued |
|---|---|---|
| February 27, 2025[1] | US$1.52 | 849,300 |
| February 28, 2025[1] | US$1.47 | 439,965 |
| March 3, 2025[1] | US$1.40 | 1,004,287 |
| March 4, 2025[2] | C$31.20 | 196 |
| March 4, 2025[1] | US$1.31 | 237,685 |
| March 5, 2025[1] | US$1.23 | 838,735 |
| March 6, 2025[3] | US$1.27 | 2,800,000 |
| March 7, 2025[3] | US$1.19 | 1,119,924 |
| March 10, 2025[3] | US$1.17 | 1,500,000 |
| March 10, 2025[4] | US$3.60 | 505 |
| March 11, 2025[3] | US$1.11 | 600,000 |
| March 12, 2025[3] | US$1.10 | 1,000,500 |
| March 13, 2025[3] | US$1.13 | 1,061,077 |
| March 14, 2025[3] | US$1.10 | 537,960 |
| March 17, 2025[3] | US$1.10 | 1,144,816 |
| March 18, 2025[3] | US$1.18 | 2,702,007 |
| March 19, 2025[3] | US$1.22 | 1,900,000 |
| March 20, 2025[3] | US$1.14 | 1,300,000 |
| March 21, 2025[3] | US$1.16 | 1,416,755 |
| March 24, 2025[3] | US$1.11 | 1,454,695 |
| March 24, 2025[4] | US$3.60 | 217 |
| March 25, 2025[3] | US$1.14 | 1,054,019 |
| March 26, 2025[3] | US$1.13 | 444,000 |
| March 27, 2025[3] | US$1.05 | 708,500 |
| March 28, 2025[3] | US$1.06 | 1,864,457 |
| March 31, 2025[3] | US$1.00 | 560,648 |
| April 1, 2025[2] | US$7.59 | 12,565 |
| April 1, 2025[3] | US$0.92 | 1,314,350 |
| June 3, 2025[3] | US$1.22 | 850,000 |
| June 4, 2025[3] | US$1.22 | 850,100 |
| June 5, 2025[3] | US$1.31 | 2,300,400 |
| June 10, 2025[3] | US$1.66 | 1,020,000 |
| June 11, 2025[3] | US$1.53 | 1,000,000 |
| June 12, 2025[3] | US$1.63 | 1,735,093 |
| June 13, 2025[3] | US$1.54 | 518,874 |
| June 16, 2025[3] | US$1.49 | 420,000 |
| June 17, 2025[2] | US$2.43 | 1,152 |
| June 17, 2025[2] | US$4.55 | 1,221 |
| June 17, 2025[2] | US$6.80 | 2,374 |
| June 17, 2025[2] | US$7.59 | 200,881 |
| June 17, 2025[2] | C$48.40 | 57,219 |
| June 17, 2025[3] | US$1.47 | 1,500,000 |
| June 18, 2025[3] | US$1.36 | 1,020,100 |
| June 20, 2025[3] | US$1.31 | 1,129,766 |
| June 23, 2025[3] | US$1.25 | 771,172 |
| June 24, 2025[3] | US$1.20 | 1,148,712 |
| June 25, 2025[3] | US$1.25 | 1,519,457 |
| June 26, 2025[3] | US$1.22 | 951,099 |
| June 27, 2025[3] | US$1.24 | 2,257,405 |

| Date of Issuance | Issue Price | Number Issued |
|---|---|---|
| June 30, 2025[3] | US$1.24 | 700,000 |
| July 2, 2025[2] | US$1.47 | 65,264 |
| July 2, 2025[3] | US$1.20 | 700,000 |
| July 2, 2025[3] | US$1.22 | 1,311,498 |
| July 3, 2025[3] | US$1.20 | 2,400,000 |
| July 7, 2025[3] | US$1.27 | 1,947,758 |
| July 8, 2025[3] | US$1.21 | 864,845 |
| July 9, 2025[3] | US$1.23 | 2,181,050 |
| July 10, 2025[3] | US$1.26 | 1,401,200 |
| July 11, 2025[3] | US$1.11 | 23,800,000 |
| July 25, 2025[4] | US$3.60 | 30,375 |
| August 12, 2025[3] | US$1.55 | 18,400,000 |
| August 13, 2025[3] | US$1.61 | 8,774,205 |
| August 14, 2025[3] | US$1.64 | 14,252,671 |
| August 15, 2025[3] | US$1.52 | 4,173,286 |
| August 18, 2025[3] | US$1.36 | 3,778,757 |
| August 19, 2025[2] | C$44.72 | 8,844 |
| August 19, 2025[3] | US$1.25 | 22,505,000 |
| August 20, 2025[3] | US$1.26 | 8,700 |
| August 25, 2025[2] | C$5.60 | 236,938 |
| August 25, 2025[2] | C$5.62 | 1,260 |
| August 25, 2025[2] | C$7.50 | 1,723 |
| September 4, 2025[5] | US$1.50 | 101,120 |
| September 10, 2025[2] | US$1.35 | 6,627 |
| September 11, 2025[5] | US$1.45 | 90,000 |
| September 12, 2025[5] | US$1.41 | 530,000 |
| September 15, 2025[5] | US$1.40 | 200,000 |
| September 16, 2025[5] | US$1.40 | 200,700 |
| September 17, 2025[5] | US$1.46 | 120,000 |
| September 19, 2025[5] | US$1.41 | 1,000,000 |
| September 22, 2025[5] | US$1.40 | 98,266 |
| September 24, 2025[5] | US$1.40 | 100 |
| September 25, 2025[5] | US$1.41 | 1,900,000 |
| September 26, 2025[5] | US$1.40 | 176,273 |
| September 29, 2025[5] | US$1.41 | 131,044 |
| September 30, 2025[2] | US$1.47 | 65,262 |
| September 30, 2025[2] | US$1.55 | 10,578 |
| September 30, 2025[5] | US$1.56 | 15,760,000 |
| October 1, 2025[5] | US$1.51 | 310,077 |
| October 3, 2025[5] | US$1.43 | 330,000 |
| October 6, 2025[5] | US$1.40 | 152,300 |
| October 7, 2025[5] | US$1.40 | 1,400,000 |
| October 8, 2025[5] | US$1.45 | 7,623,000 |
| November 24, 2025[2] | C$55.00 | 5,462 |
| December 17, 2025[5] | US$1.86 | 15,000,000 |
| December 18, 2025[5] | US$2.00 | 1,083,221 |
| December 19, 2025[5] | US$2.28 | 10,000,000 |
| January 2, 2026[2] | US$1.20 | 20,158 |
| January 2, 2026[2] | US$1.47 | 46,616 |

| Date of Issuance | Issue Price | Number Issued |
|---|---|---|
| January 2, 2026[2] | US$1.55 | 17,551 |
| January 8, 2026[6] | C$1.58 | 9,493,670 |

Notes:

(1) Issued in connection with the at-the-market equity program established by the equity distribution agreement dated June 6, 2024, among BMO Nesbitt Burns Inc and BMO Capital Markets Corp. (together, the "**Agents**") and Canopy (the "**June 2024 ATM Program**"). The June 2024 ATM Program was terminated by the establishment of the at-the-market equity program pursuant to the equity distribution agreement dated February 28, 2025, among Canopy and the Agents (the "**February 2025 ATM Program**"). Canopy Shares sold in connection with the June 2024 ATM Program with an Issue Price in "US$" were sold through the facilities of Nasdaq and Canopy Shares sold in connection with the June 2024 ATM Program with an Issue Price of "C$" were sold through the facilities of the TSX.

(2) Issued pursuant to the exercise or vesting of stock options, performance share units, restricted share units or warrants.

(3) Issued in connection with the February 2025 ATM Program which terminated upon the establishment of the at-the-market equity program pursuant to the equity distribution agreement dated August 29, 2025, among Canopy and the Agents (the "**August 2025 ATM Program**"). Canopy Shares sold in connection with the February 2025 ATM Program with an Issue Price in "US$" were sold through the facilities of Nasdaq and Canopy Shares sold in connection with the February 2025 ATM Program with an Issue Price of "C$" were sold through the facilities of the TSX.

(4) Issued in connection with Canopy USA's acquisition of the minority interests of certain subsidiaries of Acreage in connection with Canopy USA's acquisition of Acreage.

(5) Issued in connection with the August 2025 ATM Program. Canopy Shares sold in connection with the August 2025 ATM Program with an Issue Price in "US$" were sold through the facilities of Nasdaq and Canopy Shares sold in connection with the August 2025 ATM Program with an Issue Price of "C$" were sold through the facilities of the TSX.

(6) Issued to the Canopy Investor pursuant to the Canopy Exchange Agreement in connection with the Canopy Exchange Transaction. See "*Recent Developments – Balance Sheet Recapitalization*".

During the 12-month period before the date of this Circular, Canopy has issued the following securities convertible into Canopy Shares:

| Date of Issuance | Type of Security | Exercise Price or Conversion Price | Number Issued |
|---|---|---|---|
| February 11, 2025 | Restricted Share Units | N/A | 53,458 |
| February 11, 2025 | Options | US$2.43 | 225,000 |
| June 3, 2025 | Restricted Share Units | N/A | 3,348,819 |
| June 3, 2025 | Options | US$1.47 | 2,524,039 |
| August 12, 2025 | Restricted Share Units | N/A | 252,971 |
| August 12, 2025 | Options | US$1.55 | 38,759 |
| September 17, 2025 | Restricted Share Units | N/A | 178,462 |
| September 17, 2025 | Options | US$1.40 | 222,280 |
| November 11, 2025 | Restricted Share Units | N/A | 93,948 |
| November 11, 2025 | Options | US$1.20 | 13,944 |
| January 8, 2026[1] | Warrants | C$2.16 | 12,731,481 |
| January 8, 2026[2] | Warrants | US$1.30 | 18,705,577 |
| January 8, 2026[1] | Senior Unsecured Convertible Debenture | C$1.83 | 30,054,644 |

Notes:

(1) Issued to the Canopy Investor pursuant to the Canopy Exchange Agreement in connection with the Canopy Exchange Transaction. See "*Recent Developments – Balance Sheet Recapitalization*".

(2) Issued to the Canopy Lenders pursuant to the Canopy Loan Agreement in connection with the Canopy Loan Transaction. See "*Recent Developments – Balance Sheet Recapitalization*".

## Risk Factors

There are a number of risk factors that could cause future results to differ materially from those described herein, including without limitation, the risk factors described under the heading "Risk Factors" in Part I, Item 1A in the Canopy Annual Report and the risk factor discussed under the

heading "Item 1A. Risk Factors" in Canopy's Form 10-Q for the quarterly period ended September 30, 2025, which are available on EDGAR at www.sec.gov/edgar and under Canopy's profile on SEDAR+ at www.sedarplus.ca (together with any material changes thereto contained in subsequently filed Quarterly Reports on Form 10-Q) and those contained in Canopy's other filings that are incorporated by reference in this Circular. See "*Canopy Documents Incorporated by Reference*". Such risk factors include, without limitation, Canopy's limited operating history; risks that Canopy may be required to write down intangible assets, including goodwill, due to impairment; the adequacy of Canopy's capital resources and liquidity, including but not limited to, availability of sufficient cash flow to execute Canopy's business plan (either within the expected timeframe or at all); Canopy's ability to maintain an effective system of internal control; the diversion of management time on matters related to Canopy USA; the risks that the Huneeus 2017 Irrevocable Trust's (the "**Trust**") future ownership interest in Canopy USA is not quantifiable, and the Trust may have significant ownership and influence over Canopy USA; the risks in the event that Acreage cannot satisfy its debt obligations as they become due; volatility in and/or degradation of general economic, market, industry or business conditions; risks relating to the overall macroeconomic environment, which may impact customer spending, Canopy's costs and margins, including tariffs (and related retaliatory measures), the levels of inflation, interest rates and trade policy; risks relating to the evolving regulatory landscape in the United States; risks relating to Canopy's current and future operations in emerging markets; compliance with applicable environmental, economic, health and safety, energy and other policies and regulations and in particular health concerns with respect to vaping and the use of cannabis products in vaping devices; risks and uncertainty regarding future product development; changes in regulatory requirements in relation to Canopy's business and products; Canopy's reliance on licenses issued by and contractual arrangements with various federal, state and provincial governmental authorities; inherent uncertainty associated with projections; future levels of revenues and the impact of increasing levels of competition; third-party manufacturing risks; third-party transportation risks; Canopy's exposure to risks related to an agricultural business, including wholesale price volatility and variable product quality; changes in laws, regulations and guidelines and Canopy's compliance with such laws, regulations and guidelines; risks relating to inventory write downs; risks relating to Canopy's ability to refinance debt as and when required on favorable terms and to comply with covenants contained in Canopy's debt facilities and debt instruments; risks associated with jointly owned investments; Canopy's ability to manage disruptions in credit markets or changes to its credit ratings; the success or timing of completion of ongoing or anticipated capital or maintenance projects; risks related to the integration of acquired businesses; the timing and manner of the legalization of cannabis in the United States; business strategies, growth opportunities and expected investment; counterparty risks and liquidity risks that may impact Canopy's ability to obtain loans and other credit facilities on favorable terms; the potential effects of judicial, regulatory or other proceedings, litigation or threatened litigation or proceedings, or reviews or investigations, on Canopy's business, financial condition, results of operations and cash flows; risks associated with divestment and restructuring; the anticipated effects of actions of third parties such as competitors, activist investors or federal, state, provincial, territorial or local regulatory authorities, self-regulatory organizations, plaintiffs in litigation or persons threatening litigation; consumer demand for cannabis products; the implementation and effectiveness of key personnel changes; risks related to stock exchange restrictions; risks related to the protection and enforcement of Canopy's intellectual property rights; the risks related to the Canopy Exchangeable Shares having different rights from Canopy Shares and there may never be

a trading market for the Canopy Exchangeable Shares; future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses; risks related to finalization of the consideration payable by Canopy for the acquisition by Canopy USA of the remaining interests in Jetty; and the factors discussed under the heading "Risk Factors" in the Canopy Annual Report and the risk factors discussed under the heading "Item 1A. Risk Factors" in Canopy's Form 10-Q for the quarterly period ended September 30, 2025. These risks and uncertainties and those described in the Canopy Annual Report are not the only ones Canopy faces. Additional risks and uncertainties, including those that Canopy does not currently know about or that it currently deems immaterial, may also adversely affect Canopy's business. If any of the following risks actually occur, Canopy's business may be harmed, and its financial condition and results of operations may suffer significantly.

**APPENDIX "H"**
**ADDITIONAL INFORMATION CONCERNING CANOPY FOLLOWING THE COMPLETION OF THE ARRANGEMENT**

The following section of this Circular contains forward-looking information. Readers are cautioned that actual results may vary. See "*Cautionary Note Regarding Forward Looking Statements and Risks*" and *Appendix "G" – "Additional Information Concerning Canopy*".

## Overview

On completion of the Arrangement, Canopy will own all of the outstanding shares of MTL.

Following the completion of the Arrangement, the business and operations of MTL will be managed and operated as a subsidiary of Canopy. The head and registered office of Canopy will remain Canopy's current offices, located at 1 Hershey Drive, Smiths Falls, Ontario K7A 0A8.

## Directors and Executive Officers of Canopy Following the Completion of the Arrangement

The directors and officers of Canopy following the completion of the Arrangement are expected to remain the directors and officers of Canopy. In connection with the Arrangement, Canopy has entered into consulting agreements with Richard Clément and Michel Clément, conditional upon the completion of the Arrangement. Canopy also entered into an employment agreement dated December 14, 2025 with Michael Perron pursuant to which Canopy intends to appoint Mr. Perron as Chief Operating Officer of Canopy as of the Effective Date conditional upon the closing of the Arrangement. The remaining directors and officers of MTL and its subsidiaries will tender their resignation on the Effective Date.

## Description of Share Capital

The authorized share capital of Canopy following the completion of the Arrangement will continue to be as described in Appendix "G" – *"Additional Information Concerning Canopy"* and the rights and restrictions of the Canopy Shares and Canopy Exchangeable Shares will remain unchanged. The issued share capital of Canopy will change as a result of the consummation of the Arrangement, to reflect the issuance of the Canopy Shares contemplated in connection with the Arrangement.

Based on the outstanding securities of MTL as of the Record Date, Canopy expects to issue a maximum of 52,795,903 Canopy Shares in connection with the Arrangement. On completion of the Arrangement, assuming that the current number of MTL Shares and Canopy Shares outstanding does not change from the respective dates of the information provided herein and assuming the closing price of MTL Shares on the CSE on the Record Date, which is equal to $0.67, is the closing price of the MTL Shares on the last trading date immediately prior to the Effective Date, and including (i) the issuance of Canopy Shares in exchange for the release from the MC Shareholders (as defined below) in connection with any future entitlements pursuant to the second restated share exchange agreement dated June 28, 2023, among MTL (formerly Canada House Cannabis Group Inc.), Montreal Cannabis Medical Inc., Michel Clément, Richard Clément, and the MC Shareholders pursuant to the Plan of Arrangement, (ii) the vesting of the MTL RSUs and

the MTL DSUs pursuant to the Plan of Arrangement, and (iii) the vesting and exchange of the MTL In-The-Money Options and MTL In-The-Money Warrants, pursuant to the Plan of Arrangement, it is expected that the total number of Canopy Shares issued and outstanding will be 422,186,658 on a non-diluted basis. Up to a maximum of 118,498,575 Canopy Shares will be issuable upon the exercise of outstanding convertible securities of MTL and Canopy, including the Replacement Options, Replacement Warrants and Replacement Compensation Options to be issued pursuant to the Arrangement and excluding the MTL RSUs, MTL DSUs, = MTL In-The-Money Options and MTL In-The-Money Warrants, which will vest and be exchanged for MTL Shares pursuant to the Plan of Arrangement. On completion of the Arrangement, assuming that the current number of convertible securities of MTL and Canopy does not change from the respective dates of the information provided herein, it is expected that the total number of Canopy Shares issued and outstanding will be 539,654,547 on a fully-diluted basis.

## Auditors, Transfer Agent and Registrar

The auditors of Canopy following the completion of the Arrangement will continue to be PKF O'Connor Davies LLP and the transfer agent and registrar for the Canopy Shares and Canopy Exchangeable Shares will continue to be Odyssey Trust Company at its principal office in Calgary, Alberta.

## Risk Factors

The business and operations of Canopy following completion of the Arrangement will continue to be subject to the risks currently faced by Canopy and MTL, as well as certain risks unique to Canopy following completion of the Arrangement, including those set out in this Circular under the heading "Risk Factors". Readers should also carefully consider the risk factors related to Canopy described in the Canopy Annual Report and Canopy's Form 10-Q for the quarterly period ended September 30, 2025 as well as the risk factors related to MTL described in MTL's annual financial statements and MD&A for the year ended March 31, 2025 and MTL's quarterly financial statements and MD&A for the quarter ended September 30, 2025, each of which is incorporated by reference in this Circular.

**APPENDIX "I"**
**FAIRNESS OPINION**

[*See Attached*]

CAPITAL MARKETS

HAYWOOD

December 14, 2025

**The Special Committee of MTL Cannabis Corp.**
1773 Bayly Street
Pickering, Ontario
Canada L1W 2Y7

To the Special Committee of MTL Cannabis Corp. (the "**Special Committee**"):

Haywood Securities Inc. ( "**Haywood Securities**" or "**we**" or "**us**") understands that MTL Cannabis Corp. ("**MTL**" or the "**Company**" and which term shall, to the extent required or appropriate in the context, include the affiliates of MTL) and Canopy Growth Corporation (the "**Acquiror**" or "**Canopy Growth**") are proposing to enter into an arrangement agreement to be dated December 14, 2025 (the "**Arrangement Agreement**") that contemplates, among other things, the acquisition by the Acquiror of all of the issued and outstanding common shares of the Company (the "**MTL Shares**") for consideration equal to: (i) C$0.144 in cash; and (ii) 0.32 Acquiror common shares (each, a "**Canopy Growth Share**"), for each MTL Share (the "**Consideration**"), and will settle all debt and debt-like instruments owed by MTL, pursuant to an arrangement under the *Canada Business Corporations Act* (the "**Arrangement**").

Also, in connection with the Arrangement, Haywood Securities further understands that:

- Up to 2,956,391 Canopy Growth Shares will be issued under the Arrangement to certain former shareholders (the "**MC Shareholders**") of Montreal Cannabis Medical Inc. ("**MC**"), which will be subject to an 18-month restriction on transfer, in exchange for a release of all prior obligations owing to the former MC Shareholders in connection with MTL's prior acquisition of MC;

- Canopy Growth will enter into irrevocable voting support agreements with the directors and senior officers of MTL, representing approximately 75% of the issued and outstanding MTL Shares, whereby they have agreed, among other things, to vote their MTL Shares in favour of the Arrangement at the special meeting (the "**Special Meeting**") of MTL shareholders (the "**MTL Shareholders**") to approve the Arrangement;

- Certain directors and senior officers of MTL, representing approximately 72% of the issued and outstanding MTL Shares, will also agree to certain lock-up provisions, pursuant to which each such director and officer will agree, subject to limited exceptions, not to, among other things, sell, transfer or otherwise dispose of Canopy Growth Shares (or other Canopy Growth securities convertible or exercisable into Canopy Growth Shares) received pursuant to the Arrangement (the "**Locked-Up Securities**") until (a) with respect to 10% of such Locked-Up Securities, three months after the effective date of the Arrangement (the "**Effective Date**"), (b) with respect to 20% of the Locked-Up Securities, six months after the Effective Date, (c) with respect to 20% of the Locked-Up Securities, nine months

after the Effective Date, and (d) with respect to 50% of the Locked-Up Securities, 12 months after the Effective Date; and

- Canopy Growth will enter into consulting agreements (the "**Consulting Agreements**") with Richard and Michel Clément (the "**Founders**") conditional upon closing of the Arrangement. The Consulting Agreements provide for, among other things, the grant of certain performance stock units to each of Richard and Michel Clément in the amount of $2,000,000 each.

The above description of the Arrangement is summary in nature. The specific terms of, and conditions necessary to complete, the Arrangement are set forth in the Arrangement Agreement and will be described in the management information circular of the Company (the "**Circular**") to be mailed to the MTL Shareholders in connection with the Special Meeting.

We have been retained to provide financial advice to the Special Committee of the Board of Directors (as a whole, the "**Board**") of the Company, including our opinion (the "**Opinion**") to the Special Committee as to the fairness, from a financial point of view, of the Consideration to be received by the MTL Shareholders, and the MTL Shareholders excluding any persons described in items (a) through (d) of Section 8.1(2) of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* that beneficially own or have control or direction of MTL Shares (the "**Related Parties**").

***Engagement of Haywood Securities***

The Company and Special Committee initially contacted Haywood Securities regarding a potential advisory assignment in October of 2025. Haywood Securities was formally engaged by the Company, on behalf of the Special Committee, pursuant to an agreement dated October 9, 2025, which was subsequently amended on December 8, 2025 (together, the "**Engagement Agreement**"). The Engagement Agreement provides the terms upon which Haywood Securities has agreed to provide the Special Committee with various advisory services in connection with the Arrangement including, among other things, the Opinion.

Haywood Securities will receive a fixed fee for rendering the Opinion, whether or not the Arrangement is completed. In addition to the fixed fee received for rendering the Opinion, Haywood Securities will also receive additional fees for our advisory services which are contingent upon the successful completion of the Arrangement. The Company has also agreed to reimburse us for reasonable out-of-pocket expenses and to indemnify, among others, Haywood Securities in respect of certain liabilities that might arise out of our engagement. The fees payable to Haywood Securities pursuant to the Engagement Agreement are not, in the aggregate, financially material to Haywood Securities and do not give Haywood Securities any material financial incentive in respect of either the conclusions reached in the Opinion or the outcome of the Arrangement. Haywood Securities consents to the inclusion of the Opinion in its entirety and a summary thereof in the Circular, and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in the provinces and territories of Canada.

***Credentials of Haywood Securities***

Haywood Securities is one of Canada's leading independent investment dealers with operations in corporate finance, equity sales and trading and investment research. Haywood Securities is a participating organization in several Canadian stock exchanges and a member of the Canadian Investment Regulatory Organization ("**CIRO**") and the Canadian Investor Protection Fund. The opinion expressed herein is the opinion of Haywood Securities, and the individuals primarily responsible for preparing this Opinion are professionals of Haywood Securities experienced in merger, acquisition, divestiture and fairness opinion matters.

The Opinion represents the opinion of Haywood Securities, the form and content of which have been approved for release by a committee of senior Haywood Securities personnel who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

***Independence of Haywood Securities***

Haywood Securities is not an insider, associate, or affiliate (as those terms are defined in the *Securities Act* (Ontario) (the "**Securities Act**") or the rules made thereunder) of the Company or Acquiror or any of their respective associates or affiliates (collectively, the "**Interested Parties**"). Haywood Securities has not entered into any other agreements or arrangements with the Company or Acquiror or any of its affiliates with respect to any future dealings.

Haywood Securities acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company or Acquiror or any of its respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. In the ordinary course of trading and brokerage activities, Haywood Securities, the associates and affiliates thereof and the officers, directors and employees of any of them at any time may hold long or short positions, may trade or otherwise effect transactions, for their own account, for managed accounts or for the accounts of customers, in debt or equity securities of the Company, the Acquiror or related assets or derivative securities. The Company acknowledges that certain members of Haywood Securities (but not the members of the team providing advisory services to the Company in connection with the Engagement Agreement) are shareholders of the Company or Acquiror. As an investment dealer, Haywood Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company, the Acquiror or with respect to the Arrangement.

Haywood Securities has not acted as agent or underwriter in any financing involving the Company or Acquiror or any of its associates or affiliates during the 24-month period preceding the date that Haywood Securities was first contacted in respect of the Arrangement.

Other than the Engagement Agreement, there are no understandings, agreements or commitments between Haywood Securities and the Interested Parties with respect to future business dealings. Haywood Securities may, in the future, in the ordinary course of its business, perform financial advisory, investment banking or other financial services to one or more of the Interested Parties from time to time.

***Overview of MTL***

MTL is a Canadian cannabis company focused on the cultivation, processing, and distribution of high-quality cannabis products for the adult-use and medical markets. MTL is a licensed producer under Health Canada and operates indoor cultivation and processing facilities in Québec and Ontario. The Company is known for its "flower-first" approach, emphasizing craft-quality dried flower, pre-rolls, and hash products. MTL sells its products through provincial cannabis distribution agencies across Canada and also maintains a meaningful presence in the medical cannabis market through its ownership of Canada House Clinics and Abba Medix, which provide patient access, education, and medical cannabis distribution services. Its products are currently deployed across multiple provincial retail systems nationwide. As of the close of markets on December 12, 2025, MTL had a market capitalization of approximately C$60 million based on its trading price on the Canadian Securities Exchange (the "**CSE**") of C$0.50 per share. The common shares of MTL are listed on the CSE under the symbol "MTLC".

***Overview of Canopy Growth***

Canopy Growth is a Canadian cannabis company headquartered in Smiths Falls, Ontario, that produces, distributes, and sells a diverse range of cannabis and cannabis related products. Canopy's cannabis products are principally sold for adult-use and medical purposes under a portfolio of distinct brands. Canopy's core operations are in Canada, Europe and Australia and Canopy holds a significant non-controlling, non-voting interest in Canopy USA, LLC an entity that participates in the sale of cannabis and hemp derived products in the United States. As of the close of markets on December 12, 2025, Canopy Growth had a market capitalization of approximately C$884 million based on its trading price on the Toronto Stock Exchange (the "**TSX**") of C$2.40 per share. The common shares of Canopy Growth are listed on the TSX and NASDAQ under the symbol "WEED" and "CGC", respectively.

***Scope of Review***

In connection with rendering the Opinion, Haywood Securities reviewed, analysed, considered and relied upon (without attempting to independently verify the completeness or accuracy thereof) or carried out, among other things, the following:

(a) a draft of the Arrangement Agreement and other ancillary agreements dated December 14, 2025;

(b) the indicative and non-binding term sheet between the Company and Acquiror concerning the Arrangement, dated October 7, 2025;

(c) the unaudited condensed interim consolidated financial statements of the Company for the interim 3 and 6-month periods ended September 30, 2025 and the notes thereto and the related management's discussion and analysis of financial condition and operating results for such financial periods;

(d) the unaudited consolidated financial statements of the Acquiror as at September 30, 2025 and 2024 and for the three and six months ended September 30, 2025 and 2024 and the notes thereto and the related management's discussion and analysis of financial condition and results of operations for the three and six months ended September 30, 2025 and 2024;

(e) the audited consolidated financial statements of the Company for the fiscal years ended March 31, 2025 and March 31, 2024, and notes thereto, and the related management's discussion and analysis of financial condition and operating results for such financial periods;

(f) the audited consolidated financial statements of the Acquiror as at March 31, 2025 and 2024 and for the years ended March 31, 2025, 2024 and 2023 and the notes thereto, together with the auditors' report thereon and the related management's discussion and analysis of financial condition and results of operations as at and for the year ended March 31, 2025;

(g) certain publicly available information related to the business, operations, financial conditions and trading history of the Company and Canopy Growth, and other selected publicly available information Haywood Securities considered relevant;

(h) internal forecasts, projections, estimates and budgets prepared or provided by or on behalf of the management of the Company and management of Canopy Growth;

(i) other internal financial, operating, corporate, and other information concerning the Company and its subsidiaries and Canopy Growth and its subsidiaries, that was prepared and provided by the respective management teams of the Company and Canopy Growth;

(j) discussions with management of the Company regarding the Company's past and current business plan, operations and financial conditions and prospects;

(k) the management information circular of the Company dated October 16, 2025;

(l) select publicly available financial information and statistics regarding precedent transactions we considered relevant;

(m) various reports published by equity research analysts and industry sources we considered relevant;

(n) a letter of representation as to certain factual matter and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by the Chief Executive Officer and Chief Financial Officer of the Company; and

(o) such other information, investigations, analysis and discussion as we considered necessary or appropriate in the circumstances.

Haywood Securities has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by Haywood Securities.

In addition, we have participated in discussions with members of the senior management team of the Company regarding business operations, the financial condition and future prospects of the Company. We have also participated in discussions with Farris LLP, external legal counsel to the Company, concerning the Arrangement, the Arrangement Agreement and related matters.

Haywood Securities did not meet with the auditors of the Company and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements of the Company and the reports of the auditor thereon.

***Prior Valuations***

The Company has represented to Haywood Securities that there are no independent appraisals or valuations or material non-independent appraisals or valuations of the Company or any of its material assets known to the Company prepared as of a date within 24 months preceding the date hereof and no such valuation or appraisal has been commissioned by the Company or any of its subsidiaries or is known to the Company to be in the course of preparation.

***Assumptions and Limitations***

With the approval and agreement of the Special Committee and as provided for in the Engagement Agreement, and subject to the exercise of our professional judgement, we have relied upon and assumed, the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations (collectively referred to as the "**Information**") obtained by us from public sources, or provided to us by the Company, their respective subsidiaries, directors, officers, associates, affiliates, consultants, advisors and representatives relating to the Company, their respective subsidiaries, associates and affiliates, and to the

Arrangement. This Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. We have not been requested to or, subject to the exercise of professional judgment, attempted to verify independently the completeness, accuracy or fair presentation of any such Information and assume no responsibility or liability in connection therewith. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Company under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or the facilities of the Company. We express no opinion as to the results of any financial results or estimates that may be released prior to or following completion of the Arrangement or the market reaction to the results of any such financial results.

The Company has represented to us, in a certificate from the Chief Executive Officer and Chief Financial Officer of the Company dated as of the date hereof, among other things, that the Information provided orally by or in writing by the Company or any of its subsidiaries (as such term is defined in the *Securities Act* (Ontario)) (the "**Act**") or their respective agents to Haywood Securities for the purpose of preparing the Opinion, was, at the date the Information was provided to Haywood Securities by the Company, and is at the date hereof, complete, true and correct in all material respects and did not and does not contain any untrue statement of material fact (as such term is defined in the Act) in respect of the Company, its subsidiaries or the Arrangement necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was made.

The Company further represented that all financial materials, documentation and other data concerning the Arrangement, the Company and its subsidiaries, including any budgets, forecasts, projections, or estimates provided to Haywood Securities by the Company were prepared on a basis consistent in all material respects with the accounting policies applied in the audited consolidated financial statements of the Company for the fiscal years ended March 31, 2024 and March 31, 2025 and the unaudited condensed consolidated interim financial statements for the three and six months ended September 30, 2025. Additionally, the Company represented that such financial materials, documentation and other data or any statement contained therein does not contain any untrue statement of material fact or omit to state any material fact necessary to make such financial materials, documentation and other data or any statement contained therein not misleading in light of the circumstances in which such financial materials, documentation and other data was provided to Haywood Securities. We express no view as to such financial materials, documentation and other data or the assumptions on which they were based.

In preparing this Opinion, we have made several assumptions, including that all of the representations and warranties contained in the Arrangement Agreement are correct as of the date hereof, all of the conditions required to complete the Arrangement will be met, the Arrangement will be completed substantially in accordance with the terms of the Arrangement Agreement and all applicable laws and that the disclosure provided by the Company in respect of the Arrangement will be accurate in all material respects.

We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Arrangement will be obtained without any adverse effect on the Company or on the contemplated benefits of the Arrangement.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Arrangement or the sufficiency of this Opinion for your purposes.

This Opinion is rendered as at the date hereof and on the basis of securities markets, economic and general business and financial conditions prevailing and the Information as at the date hereof and the conditions and prospects, financial and otherwise, of the Company as they are reflected in the Information provided by the Company and as they were represented to us in our discussions with the management of the Company and certain of their respective consultants, advisors and representatives. It should be understood that subsequent

developments may affect this Opinion and that we do not have any obligation to update, revise, or reaffirm this Opinion. We are expressing no opinion herein as to the price at which the Canopy Growth Shares will trade at any future time. In our analyses and in connection with the preparation of this Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Haywood Securities and any party involved in the Arrangement.

We have not been asked to prepare and have not prepared a valuation of the Company or any of the securities or assets thereof and this Opinion should not be construed as a "formal valuation" (within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*), nor have we been furnished with any such valuations or appraisals in respect of the Company.

This Opinion is provided for the use of the Special Committee only and may not be disclosed, referred or communicated to, or relied upon by, any third party without our prior written approval. Haywood Securities consents to the inclusion of this Opinion, and a summary thereof, in the Circular. Haywood Securities disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Haywood Securities after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Haywood Securities reserves the right to change, modify or withdraw the Opinion.

Haywood Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This Opinion has been prepared in accordance with the disclosure standards for formal valuations and fairness opinions of CIRO but CIRO has not been involved in the preparation or review of this Opinion.

In connection with rendering its Opinion, Haywood Securities did not assess any income tax consequences that any particular Shareholder may face in connection with the Arrangement.

***Approach to Financial Fairness***

In considering the fairness of the Consideration under the Arrangement Agreement from a financial point of view to the MTL Shareholders and the MTL Shareholders (excluding the Related Parties), Haywood Securities performed certain value analyses on the Company, based on the methodologies and assumptions that Haywood Securities considered appropriate in the circumstances for the purposes of its Opinion including, but not limited to, the following principal methodologies:

(a) Selected Comparable Trading Approach;

(b) Selected Precedent Transaction Approach;

(c) Precedent Premia Approach; and

(d) Discounted Cash Flow Approach.

*Selected Comparable Trading Approach*

Haywood Securities calculated a range of implied values of the MTL Shares based on an analysis of comparable companies that Haywood Securities believed to be generally comparable to the Company. For this approach, Haywood Securities considered a number of valuation metrics, which included the multiples of enterprise value to last twelve months ("**LTM**") earnings before income taxes, depreciation and amortization ("**EBITDA**"), and enterprise value to forecasted 2026 EBITDA. Haywood Securities relied on its professional judgement to exclude select multiples it deemed outliners. The enterprise value multiple ranges derived from the selected comparable companies were 5.0x-7.0x LTM EBITDA and 4.0x-6.0x 2026 EBITDA. Based on the foregoing, the analysis yielded a range of approximately C$0.262 to C$0.654 for each MTL Share.

*Selected Precedent Transaction Approach*

Haywood Securities also compared the financial terms of the Arrangement to certain financial terms of other completed transactions in the cannabis industry that Haywood Securities considered relevant, and for which certain financial metrics were publicly available, or could be derived based on publicly available information. Based on Haywood Securities' professional judgment, the multiple of enterprise value to LTM revenue was considered the most relevant valuation metric. The enterprise value multiple range derived from the selected precedent transactions was 1.0x-1.2x LTM revenue. Based on the foregoing, the analysis yielded a range of approximately C$0.322 to C$0.449 for each MTL Share.

*Precedent Premia Approach*

Haywood Securities also compared the implied premium of 82% based on the Consideration relative to the last trading price of the MTL Shares prior to the announcement of the Arrangement, and the implied premium of 68% based on the Consideration relative to the 20-day volume-weighted-average trading price ("**VWAP**") of the MTL Shares prior to the announcement of the Arrangement, to the implied premia of selected precedent transactions completed during the past 5-years that included a Canadian-based publicly listed target. Haywood Securities considered both measures of premia to be relevant, and, based on this analysis, selected a premium range of 25%-45% to the last trading day and a premium range of 25%-45% to the 20-day VWAP. Based on the foregoing, the analysis yielded a range of approximately C$0.545 to C$0.725 for each MTL Share.

*Discount Cash Flow Approach*

The discounted cash flow ("**DCF**") approach utilized by Haywood Securities is a present value calculation of the unlevered free cash flow ("**UFCF**") expectations of the Company, to be generated during the Company's second half of its fiscal year ending March 31, 2026, full fiscal years ending March 31, 2027 and March 31, 2028, as well as present value calculations for a terminal value and certain tax assets. Haywood Securities reviewed historical and projected financial information and analyses provided by management of the Company to determine the UFCF projections for the applicable calendar years, as well as the UFCF projections related to certain tax assets. The DCF approach required that certain assumptions were made, including an estimated weighted average cost of capital ("**WACC**"), which was calculated in the range of 18.0%-22.0% based on the Company's after-tax cost of debt and equity, and weighted based upon an assumed optimal capital structure for the Company. To calculate a range of implied values for the MTL Shares, Haywood Securities deducted the Company's net debt from the enterprise value calculated for the Company, which was the sum of the discounted UFCF projections, the discounted tax assets, and the discounted terminal value. Also, as part of the DCF approach, Haywood Securities performed a range of sensitivity analysis on a variety of factors including, but not limited to, the WACC and terminal growth rates. Based on the foregoing, the analysis yielded a range of approximately C$0.449 to C$0.652 for each MTL Share.

*Consideration Analysis*

In evaluating the Canopy Growth Shares to be issued as a portion of the Consideration, Haywood Securities is of the view that the trading price of the Canopy Growth Shares represents a reasonable proxy for the value of the Canopy Growth Shares. Haywood Securities is of the view that the Canopy Growth Shares are highly liquid. During the 52-week period ended December 14, 2025, the Acquiror had a public float of approximately 342 million Canopy Growth Shares, the aggregate trading volume of the Canopy Growth Shares on the NASDAQ was approximately 3.6 billion Canopy Growth Shares, there were approximately 694 million Canopy Growth Shares traded on the TSX and the aggregate value of trades in Canopy Growth Shares on the NASDAQ and TSX was approximately US$5.3 billion and C$1.5 billion, respectively. Additionally, during the 52-week period ended December 14, 2025, there were approximately 4.0 million individual trades of Canopy Growth Shares on the NASDAQ and 0.5 million individual trades of Canopy Growth Shares on the TSX. In addition, the Acquiror had a market value of approximately C$592 million during the month of November 2025, the calendar month preceding the calendar month in which the Arrangement Agreement will be entered into (based on the arithmetic average of the closing prices of the Canopy Growth Shares on the TSX for each trading day during the month of November 2025). The aggregate number of Canopy Growth Shares to be issued as Consideration represent approximately two days of trading of the Canopy Growth Shares based on the three-month aggregate daily average trading volume of the Canopy Growth Shares on the NASDAQ and TSX as at December 14, 2025. Haywood Securities is of the view that there is a liquid market for the Canopy Growth Shares as such term is used in Part 1 of *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions*. Having regard to the foregoing, Haywood Securities is of the view that the Consideration should be considered equivalent to C$0.912 per MTL Share, inclusive of C$0.144 in cash consideration, as of the date hereof.

In evaluating the Consideration, Haywood Securities has made no downward adjustment to reflect the liquidity of the Canopy Growth Shares, the effect of the Arrangement on the Canopy Growth Shares or the fact that individually the Canopy Growth Shares do not form part of a controlling interest.

*Other Factors Considered*

Haywood Securities also considered a number of other factors in connection with the Opinion, including, but not limited to, the following:

(a) historical trading ranges of the MTL Shares on the CSE during the 52-week period ending December 14, 2025; and

(b) other factors or analyses that were relevant based on Haywood Securities' professional judgement.

***Conclusion***

Based upon and subject to the foregoing and such other factors as Haywood Securities considered relevant, Haywood Securities is of the opinion that, as of the date hereof, the Consideration to be received by MTL Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the MTL Shareholders and the MTL Shareholders (excluding the Related Parties).

Yours truly,

**HAYWOOD SECURITIES INC.**

**APPENDIX "J"**
**SECTION 190 OF THE CBCA**

**Right to dissent**

**190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

**(a)** amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

**(b)** amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

**(c)** amalgamate otherwise than under section 184;

**(d)** be continued under section 188;

**(e)** sell, lease or exchange all or substantially all its property under subsection 189(3); or

**(f)** carry out a going-private transaction or a squeeze-out transaction.

**Further right**

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

**If one class of shares**

**(2.1)** The right to dissent described in subsection (2) applies even if there is only one class of shares.

**Payment for shares**

**(3)** In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

**(5)** A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a

written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

**Notice of resolution**

**(6)** The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

**Demand for payment**

**(7)** A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

**(a)** the shareholder's name and address;

**(b)** the number and class of shares in respect of which the shareholder dissents; and

**(c)** a demand for payment of the fair value of such shares.

**Share certificate**

**(8)** A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

**Forfeiture**

**(9)** A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

**Endorsing certificate**

**(10)** A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

**Suspension of rights**

**(11)** On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

**(a)** the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

**(b)** the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

**(c)** the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

**Offer to pay**

**(12)** A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

> **(a)** a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
>
> **(b)** if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

**Same terms**

**(13)** Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

**Payment**

**(14)** Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

**Corporation may apply to court**

**(15)** Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

**Shareholder application to court**

**(16)** If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

**Venue**

**(17)** An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

**No security for costs**

**(18)** A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

**Parties**

**(19)** On an application to a court under subsection (15) or (16),

**(a)** all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

**(b)** the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

**Powers of court**

**(20)** On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

**Appraisers**

**(21)** A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

**Final order**

**(22)** The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

**Interest**

**(23)** A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

**Notice that subsection (26) applies**

**(24)** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**Effect where subsection (26) applies**

**(25)** If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

**(a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

**(b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**Limitation**

**(26)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

**(a)** the corporation is or would after the payment be unable to pay its liabilities as they become due; or

**(b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

## QUESTIONS MAY BE DIRECTED TO MTL CANNABIS CORP.'S PROXY SOLICITATION AGENT

## LAUREL HILL ADVISORY GROUP

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