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Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Canaccord Genuity Group Inc. Investor Relations at Suite 3000 – 161 Bay Street, Toronto, Ontario M5J 2S1, telephone: (416) 869-7368, and are also available electronically at www.sedar.com.

FINAL SHORT FORM PROSPECTUS

New Issue

August 14, 2018



CANACCORD GENUITY GROUP INC.

\$51,500,000

6.25% Convertible Unsecured Senior Subordinated Debentures

Price: \$1,000 per Debenture

This short form prospectus qualifies the distribution (the "Offering") of \$51,500,000 aggregate principal amount of convertible unsecured senior subordinated debentures ("Debentures") of Canaccord Genuity Group Inc. (the "Issuer") due December 31, 2023 (the "Maturity Date") at a price of \$1,000 per Debenture (the "Offering Price"). The Debentures bear interest at an annual rate of 6.25% payable semi-annually in arrears on June 30 and December 31 of each year (an "Interest Payment Date"), commencing on December 31, 2018. The December 31, 2018 interest payment will represent accrued interest for the period from the closing of the Offering to December 31, 2018. The Debentures will be governed by a trust indenture (the "Indenture") to be dated as of the Closing Date and to be entered into between the Issuer and Computershare Trust Company of Canada (the "Indenture Trustee"). The Issuer's registered office is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5.

Conversion Privilege

Each Debenture will be convertible at the option of the holder of the Debenture (the "Debentureholder") at any time prior to the close of business on the earlier of the last business day immediately preceding the Maturity Date or, if called for redemption, on the business day immediately preceding the date fixed for redemption, into 100 common shares of the Issuer ("Common Shares") for each \$1,000 principal amount of Debentures at a conversion price of \$10.00 per Common Share (the "Conversion Price") (representing a conversion premium of approximately 38.3%, based on the closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") on August 1, 2018, the day the Offering was publicly announced), subject to adjustment in accordance with the terms of the Indenture. Debentureholders converting their Debentures will be entitled to receive accrued and unpaid interest up to but excluding the date of conversion. See "Description of Debentures – Conversion".

The Debentures will not be redeemable by the Issuer on or before December 31, 2021. After December 31, 2021 but prior to December 31, 2022, the Debentures will be redeemable, in whole or in part, from time to time, at the option of the Issuer on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest up to but excluding the Redemption Date (as defined herein), provided that the Current Market Price (as defined herein) of the Common Shares is at least 125% of the Conversion Price. On and after December 31, 2022 but prior to the Maturity Date, the Debentures will be redeemable, in whole or in part, from time to time, at the option of the Issuer on not more than 60 days' and not less than 30 days' prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest up to but excluding the Redemption Date.

Subject to regulatory approval and provided no Event of Default (as defined herein) has occurred and is continuing, the Issuer may, at its option, on not more than 60 days' and not less than 30 days' prior notice, repay the principal amount of the Debentures due on redemption or maturity through the issuance of that number of freely tradeable Common Shares obtained by dividing the principal amount of the outstanding Debentures to be redeemed or that have matured by 95% of the Current Market

Price of the Common Shares. In addition, subject to regulatory approval, Common Shares may be issued to the Indenture Trustee and sold, with the proceeds used to satisfy the obligations to pay interest on the Debentures. See “Description of Debentures – Method of Payment”.

There is currently no market pursuant to which the Debentures may be sold and purchasers may not be able to resell securities purchased under this short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

The issued and outstanding Common Shares are listed on the TSX under the symbol “CF”. On August 1, 2018, the day on which the Offering was publicly announced, the closing price of the Common Shares on the TSX was \$7.23 per Common Share. On August 3, 2018, the closing price of the Common Shares on the TSX was \$7.22 per Common Share. The TSX has conditionally approved the listing of the Debentures (including any Debentures that may be issued pursuant to the Over-Allotment Option (as defined herein)) and the Common Shares issuable upon the conversion of the Debentures, including Common Shares issuable on a conversion premium in the event of a Change of Control (as defined herein) of the Issuer resulting from a Cash Change of Control (as defined herein), on the TSX. Listing is subject to the Issuer fulfilling all of the requirements of the TSX on or before November 5, 2018, including distribution of these securities to a minimum number of public shareholders.

The price and terms of the Offering were determined by negotiation between the Issuer and Canaccord Genuity Corp. (“CGC”), Cormark Securities Inc. (“Cormark”), TD Securities Inc. (“TD”), CIBC World Markets Inc., National Bank Financial Inc., Echelon Wealth Partners Inc. and GMP Securities L.P. (collectively, the “Underwriters”).

	<u>Price to the Public</u>	<u>Underwriters’ Fee⁽¹⁾</u>	<u>Proceeds to Issuer⁽²⁾</u>
Per Debenture	\$1,000	\$40	\$960
Total ⁽³⁾	\$51,500,000	\$2,060,000	\$49,440,000

Notes:

- (1) The Underwriters’ fee (the “Underwriters’ Fee”) is equal to 4.00% of the gross proceeds of the Offering. See “Plan of Distribution”.
- (2) After deducting the Underwriters’ Fee but before deducting the expenses of the Offering, which are estimated to be approximately \$1,000,000.
- (3) The Issuer has granted the Underwriters an option, exercisable, in whole or in part, at any time, until 30 days following the Closing Date, to purchase up to an additional 7,725 Debentures at the Offering Price (the “Over-Allotment Option”) on the same terms and conditions of the Offering to cover over-allotments, if any, and for market stabilization purposes. In the event that the Over-Allotment Option is exercised in full, the total offering price to the public, the Underwriters’ Fee and the net proceeds to the Issuer in respect of the Debentures will be \$59,225,000, \$2,369,000 and \$56,856,000, respectively. See “Plan of Distribution”. This short form prospectus also qualifies the grant of the Over-Allotment Option. A purchaser who acquires Debentures forming part of the over-allocation position acquires such Debentures under this short form prospectus regardless of whether the over-allocation position is filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

The following table sets forth the number of Debentures that may be offered by the Issuer pursuant to the Over-Allotment Option.

<u>Underwriters’ Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	\$7,725,000 aggregate principal amount of Debentures	At any time until 30 days following closing of the Offering	\$1,000 per Debenture

The Underwriters, as principals, conditionally offer the Debentures, subject to prior sale, if, as and when issued by the Issuer and accepted by the Underwriters in accordance with the conditions contained in the agreement dated August 7, 2018 between the Issuer and the Underwriters in respect of the Offering (the “Underwriting Agreement”) referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Issuer by Goodmans LLP and on behalf of the Underwriters by Stikeman Elliott LLP. See “Plan of Distribution”.

CGC, one of the Underwriters, is a wholly-owned subsidiary of the Issuer. Consequently, the Issuer is considered a “related issuer” of CGC under Canadian securities laws. See “Relationship Between the Issuer and Certain Underwriters”.

In addition to the Offering, on the Closing Date (as defined below) a large Canadian asset manager will acquire, on a private placement basis, \$73,500,000 aggregate principal amount of Debentures (the “Non-Brokered Private Placement”). No commission shall be payable by the Issuer to the Underwriters in connection with the Non-Brokered Private Placement. Closing of the Offering will be conditional on closing of the Non-Brokered Private Placement and closing of the Non-Brokered Private Placement will be conditional on closing of the Offering. This short form prospectus does not qualify any securities issued under the Non-Brokered Private Placement.

The Issuer will use the proceeds from the Offering and the Non-Brokered Private Placement (i) initially to redeem or otherwise satisfy the Issuer's currently outstanding 6.50% convertible unsecured subordinated debentures maturing on December 31, 2021 (the "**6.50% Convertible Debentures**") of which there is currently \$60,000,000 issued and outstanding, and (ii) the remainder to finance growth in its wealth management business in Canada and the United Kingdom & Europe through the active recruitment of professional advisors, and elsewhere as opportunities arise. See "Use of Proceeds".

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Debentures at levels other than those which might otherwise prevail on the open market. **The Underwriters propose to offer the Debentures initially at the offering price specified above. After a reasonable effort has been made to sell all of the Debentures at the offering price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Debentures remaining unsold. Any such reduction will not affect the proceeds received by the Issuer. See "Plan of Distribution".**

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Debentures will be issued in "book-entry only" form through the facilities of CDS Clearing and Depository Services Inc. ("**CDS**"). Except as otherwise stated herein, holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures. The closing of the Offering is expected to occur on or about August 22, 2018 (the "**Closing Date**"). See "Plan of Distribution" and "Description of Debentures – Book-Entry, Delivery and Form".

An investment in the Debentures involves a high degree of risk. An investment in the Debentures should be considered speculative due to various factors. An investment in the Debentures should only be made by persons who can afford the total loss of their investment. See "Forward-Looking Statements" and "Risk Factors".

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Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. The Issuer has not authorized anyone to provide different information. If an investor is provided with different or inconsistent information, he, she, or it should not rely on it. The Issuer is not making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. Prospective investors should assume that the information appearing in this short form prospectus is accurate as of the date on the front cover of this short form prospectus only, regardless of the time of delivery of this short form prospectus or of any sale of the Debentures.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the Issuer, and Stikeman Elliott LLP, counsel to the Underwriters, provided that the Common Shares are at all material times listed on a “designated stock exchange”, as defined in the *Income Tax Act* (Canada) as amended (the “**Tax Act**”), which currently includes the TSX, the Debentures being offered pursuant to this short form prospectus and the Common Shares issuable on the conversion, redemption or maturity of the Debentures, if issued on the date hereof, would be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan (a “**RRSP**”), a registered education savings plan (a “**RESP**”), a registered retirement income fund (a “**RRIF**”), a deferred profit sharing plan (except, in the case of the Debentures, a deferred profit sharing plan to which the Issuer, or an employer that does not deal at arm’s length with the Issuer, has made a contribution), a registered disability savings plan (a “**RDSP**”) and a tax-free savings account (a “**TFSA**” and together with a RRSP, RESP, RRIF, and RDSP, a “**Registered Plan**”).

Notwithstanding the foregoing, if the Debentures or Common Shares are a “prohibited investment” for a Registered Plan, the holder, annuitant or subscriber (as applicable) of such Registered Plan will be subject to a penalty tax as set out in the Tax Act. Debentures or Common Shares, as the case may be, will generally be a “prohibited investment” for a Registered Plan if the holder, annuitant or subscriber, as the case may be, does not deal at arm’s length with the Issuer for purposes of the Tax Act or has a “significant interest” (within the meaning of subsection 207.01(4) of the Tax Act) in the Issuer. In addition, the Common Shares will not be a “prohibited investment” if the Common Shares are “excluded property”, as defined in the Tax Act, for trusts governed by Registered Plans. Holders, annuitants and subscribers of Registered Plans should consult their own tax advisors as to whether the Debentures or Common Shares will be a “prohibited investment” in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Investor Relations, Suite 3000 – 161 Bay Street, Toronto, Ontario M5J 2S1, telephone: (416) 869-7368, or on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The following documents, filed with the securities commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the annual information form of the Issuer dated June 25, 2018 (the “**AIF**”);
- (b) the management information circular of the Issuer dated June 15, 2018 distributed in connection with the annual general meeting of shareholders of the Issuer held on August 2, 2018;
- (c) the audited consolidated financial statements of the Issuer as at and for the financial years ended March 31, 2018 and March 31, 2017, together with the auditors’ reports thereon and the notes thereto;
- (d) the management’s discussion and analysis of financial condition and results of operation of the Issuer for the financial year ended March 31, 2018;
- (e) the unaudited interim condensed consolidated financial statements of the Issuer and the notes thereto as at June 30, 2018 and for the three month periods ended June 30, 2018 and 2017;
- (f) the management’s discussion and analysis of financial condition and results of operation of the Issuer for the three months period ended June 30, 2018;
- (g) the template version (as defined in National Instrument 41-101 – *General Prospectus Requirements* (“**NI 41-101**”)) of the term sheet for the Offering dated August 1, 2018 filed on SEDAR on August 1, 2018 in connection with the Offering (the “**Preliminary Term Sheet**”);

- (h) the template version of the revised term sheet for the Offering dated August 2, 2018 filed on SEDAR on August 2, 2018 in connection with the Offering (together with the Preliminary Term Sheet, the “**Marketing Materials**”); and
- (i) the material change report of the Issuer announcing the Offering and the Non-Brokered Private Placement filed on SEDAR on August 10, 2018.

Any material change reports (excluding confidential reports), business acquisition reports, interim financial statements, annual financial statements and the auditors’ report thereon, management’s discussion and analysis of financial condition and results of operations in respect of the periods covered by such annual financial statements, and management information circulars (excluding those portions that are not required pursuant to NI 41-101 to be incorporated by reference herein) filed by the Issuer with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this short form prospectus.

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 short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. 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. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of “marketing materials” (as defined in NI 41-101) filed after the date of this short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated into this short form prospectus.

MEANING OF CERTAIN REFERENCES

The Issuer, a British Columbia corporation, is the issuer of the Debentures. Unless otherwise stated or the context otherwise requires, references in this short form prospectus to the “Issuer” refer to Canaccord Genuity Group Inc., and references in this short form prospectus to “the Issuer”, “we” or “us” refer to the combination of the Issuer and all of its direct and indirect subsidiaries.

Unless expressly provided to the contrary, all monetary amounts in this short form prospectus refer to Canadian dollars.

FORWARD-LOOKING STATEMENTS

This short form prospectus, including the documents incorporated by reference, includes forward-looking statements within the meaning of applicable Canadian securities legislation. These forward-looking statements include, among others, statements with respect to the Issuer’s objectives and goals and strategies to achieve those objectives and goals, the intention of the Issuer to complete the Offering and the Non-Brokered Private Placement on the terms and conditions described herein, the expected timing regarding completion of the Offering and the Non-Brokered Private Placement, the use of proceeds of the Offering and the Non-Brokered Private Placement as well as statements with respect to the Issuer’s beliefs, plans, objectives, expectations, anticipations, estimates and intentions. They are based on certain factors and assumptions, including expected growth, results of operations, business prospects and opportunities. The words “may”, “will”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”,

“anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements, including without limitation that all conditions to completion of the Offering and the Non-Brokered Private Placement will be satisfied or waived. Actual results may differ materially from those expressed or implied in such statements. The Issuer cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond the Issuer’s control, could cause actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the ability to maintain profitability and manage growth, ability to pay dividends, reliance on information systems and technology, reputational risk, dependence on key clients, reliance on key professionals and general economic conditions.

The Issuer cautions that the foregoing list of factors that may affect future results is not exhaustive. When reviewing the Issuer’s forward-looking statements, the foregoing factors and other uncertainties and potential events should be carefully considered. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements, may be found in the “Risk Factors” section of this short form prospectus, in the “Risk Factors” section of the AIF and elsewhere in the Issuer’s management’s discussion and analysis of financial condition and results of operations of the Issuer for the financial year ended March 31, 2018 and in the Issuer’s filings with Canadian securities regulators. The Issuer does not undertake to update any forward-looking statements, except as required by applicable Canadian securities law; such statements speak only as of the date made. Forward-looking statements made in a document incorporated by reference in this short form prospectus are made as of the date of the original document and have not been updated except as expressly provided herein.

THE ISSUER

Canaccord Genuity Group Inc., formerly named Canaccord Financial Inc. and Canaccord Capital Inc., was incorporated as Canaccord Holdings Ltd. on February 14, 1997 by the filing of a memorandum and articles with the Registrar of Companies for British Columbia under the *Company Act* (British Columbia) and continues in existence under the *Business Corporations Act* (British Columbia). Pursuant to resolutions of the shareholders passed at the annual general meeting of the Issuer on June 21, 2004 and the subsequent filing of a notice of alteration to its articles and pursuant to an arrangement approved by an order of the Supreme Court of British Columbia made June 22, 2004, the Issuer changed its name to Canaccord Capital Inc. and altered its capital by converting all previously outstanding classes of common shares, preferred shares and debentures into common shares. The arrangement was made effective on June 30, 2004. The Issuer was amalgamated in a short-form vertical amalgamation with its wholly-owned subsidiary 0719880 B.C. Ltd. on April 1, 2007. The Issuer changed its name to Canaccord Financial Inc. on December 1, 2009, and to Canaccord Genuity Group Inc. on October 1, 2013.

The Issuer’s head office is located at Suite 2200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1H2. The Issuer’s registered office is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5.

For further information, see “Description of the Business” in the AIF.

BUSINESS OF THE ISSUER AND ITS SUBSIDIARIES

The Issuer’s operations are divided into two business segments: Canaccord Genuity (investment banking and capital markets operations) and Canaccord Genuity Wealth Management. Together, these operations offer a wide range of complementary investment banking services, investment products and brokerage services to the Issuer’s institutional, corporate and private clients. The Issuer has offices in Canada, the US, the UK & Europe and the Asia-Pacific Region.

For further information, see “Description of the Business” in the AIF.

RECENT DEVELOPMENTS

On August 10, 2018, the Issuer announced the filing of a normal course issuer bid (the “NCIB”) to purchase its Common Shares through the facilities of the TSX and on alternative Canadian trading systems in accordance with the requirements of the TSX. As part of the NCIB, the Issuer may purchase up to a maximum of 5,677,589 of its Common Shares through the facilities of the TSX or alternative Canadian trading systems. The Common Shares that may be repurchased pursuant to the NCIB represent 5.0% of the Issuer’s outstanding Common Shares.

On August 10, 2018, the Issuer announced that it had completed its previously announced acquisition of an additional 30% interest in its Australian capital markets and wealth management business, Canaccord Genuity (Australia) Limited. This transaction increases the Issuer’s ownership in Canaccord Genuity (Australia) Limited to 80% from 50%.

CONSOLIDATED CAPITALIZATION OF THE ISSUER

There have been no material changes in the Issuer’s share or loan capital, on a consolidated basis, since June 30, 2018. The following table sets forth the consolidated capitalization of the Issuer as at the dates indicated before and after completion of the Offering and the Non-Brokered Private Placement, assuming the Over-Allotment Option is not exercised. This table should be read in conjunction with the financial statements of the Issuer (including the notes thereto) incorporated by reference into this short form prospectus.

(\$'000s)	As at June 30, 2018 before giving effect to the Offering and the Non-Brokered Private Placement	As at June 30, 2018 after giving effect to the Offering, the Non-Brokered Private Placement and the redemption of the 6.50% Convertible Debentures
Subordinated debt	\$7,500,000	\$7,500,000
Bank loan	\$68,242,000	\$68,242,000
6.50% Convertible Debentures	\$59,853,000	-
Convertible Debentures	-	\$121,940,000
Common share capital	\$772,979,000	\$772,979,000
Preferred share capital	\$205,641,000	\$205,641,000
Warrants	\$1,975,000	\$1,975,000
Retained deficit	(\$275,326,000)	(\$275,326,000)
Unvested share purchase loans	(\$4,826,000)	(\$4,826,000)
Held by employee benefit trust	(\$104,488,000)	(\$104,488,000)
Contributed surplus	\$121,523,000	\$121,523,000
Accumulated other comprehensive income (loss)	\$99,485,000	\$99,485,000
Total Capitalization	<u>\$952,558,000</u>	<u>\$1,014,645,000</u>

USE OF PROCEEDS

The estimated net proceeds to be received by the Issuer from the Offering will be approximately \$48,440,000 (assuming the Over-Allotment Option is not exercised) after deducting the Underwriters’ Fee and expenses of the Offering (estimated to be, together, \$3,060,000). The net proceeds from the Offering and the Non-Brokered Private Placement together will be approximately \$121,940,000 and are expected to be used as follows:

<u>Use</u>	<u>Amount</u>
Redeem or otherwise satisfy the 6.50% Convertible Debentures	\$73,500,000
Finance growth in the Issuer's wealth management business in Canada and the UK & Europe.	\$48,440,000
Total	\$121,940,000

The timing of financing growth in the Issuer's wealth management business is unknown. As a result, in the interim, the Issuer may use the net proceeds of the Offering both to finance growth in the Issuer's wealth management business in Canada and the UK & Europe, and elsewhere as opportunities arise.

The 6.50% Convertible Debentures have an aggregate principal amount of \$60,000,000 and a conversion price of \$6.50 per Common Share. The Issuer and the holders of the 6.50% Convertible Debentures have agreed that such holders will receive \$73,500,000 in connection with the satisfaction of the 6.50% Convertible Debentures. The indebtedness being satisfied was incurred to finance growth in the Issuer's wealth management business in Canada through the active recruitment of professional advisors and for general corporate purposes.

The foregoing uses of proceeds are intended to support the Issuer's growth plans for its wealth management businesses in Canada and the UK & Europe while at the same time effectively refinancing indebtedness on what the Issuer considers to be more favourable terms.

If the Over-Allotment Option is exercised in full, the additional net proceeds to the Issuer, after deducting the additional Underwriters' Fee of \$309,000 will be approximately \$7,416,000, which will also be used to finance growth in the Issuer's wealth management business in Canada and the UK & Europe through the active recruitment of professional advisors.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Issuer has agreed to issue and sell and the Underwriters have agreed to purchase on the Closing Date, being on or about August 22, 2018 or any other date as may be agreed upon by the Issuer and the Underwriters, but in any event not later than August 29, 2018 subject to the conditions stipulated in the Underwriting Agreement, all but not less than all of the Debentures offered hereby at a price of \$1,000 per Debenture for total gross consideration of \$51,500,000, payable in cash against delivery by the Issuer of Debentures. In addition, the Issuer has granted the Underwriters an Over-Allotment Option to purchase up to an additional \$7,725,000 aggregate principal amount of Debentures at the Offering Price, exercisable in whole or in part, at any time and from time to time until 30 days following the Closing Date to cover over-allotments, if any, and for market stabilization purposes. This short form prospectus qualifies the distribution of the Over-Allotment Option.

The Debentures are being offered to the public in all of the provinces of Canada. The Offering Price of the Debentures was determined by negotiation between the Issuer and the Underwriters. The Underwriting Agreement provides that the Issuer will pay the Underwriters' Fee of 4% of the aggregate principal amount of Debentures issued and sold by the Issuer in connection with the Offering, for an aggregate fee payable by the Issuer to the Underwriters of \$2,060,000 (assuming the Over-Allotment Option is not exercised), in consideration for their services in connection with the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint and may be terminated at their discretion upon the occurrence of certain stated events. Each Underwriter may be entitled, at its option, without liability, to terminate its obligations to purchase the Debentures, by written notice to that effect given to the Issuer prior to the Closing Date if, prior to the Closing Date: (a) any order to cease or suspend trading in any securities of the Issuer, or prohibiting or restricting the distribution of the Debentures is made, or proceedings are announced or commenced for the making of any such order, (b) any enquiry, action, suit, investigation or other

proceeding is instituted or announced or any order is made by any Canadian securities regulator, the TSX or listing authority or any other federal, provincial or other governmental authority (except any such proceeding or order based solely on the activities of any of the Underwriters) in relation to the Issuer, or there is any change in law, or there is a general moratorium on banking activities in Canada declared by relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services which, in the opinion of any of such Underwriter, acting reasonably, operates to prevent, or restrict the distribution or trading of the Debentures, (c) there should occur or be discovered by any of the Underwriters any material change or a change in any material fact which, in the opinion of any such Underwriter, acting reasonably, has or would be reasonably expected to have a significant adverse effect on the market price of the Debentures or would reasonably be expected to result in the purchasers of a material number of Debentures exercising their rights under Canadian securities laws to withdraw from or rescind their purchase thereof or (d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any outbreak or escalation of national or international hostilities or any crisis or calamity or any governmental action, law, regulation, inquiry or other similar occurrence which, in the reasonable opinion of any of the Underwriters, materially adversely affects or would reasonably be expected to be materially adversely affect the market price or value of the Debentures. If an Underwriter fails to purchase the Debentures which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase the Debentures. The Underwriters are, however, obligated to take up and pay for all Debentures if any securities are purchased under the Underwriting Agreement.

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures.

Other than pursuant to certain exceptions (including, without limitation, the satisfaction of currently outstanding instruments and contractual commitments), the Issuer has agreed not to offer or issue, or enter into an agreement to offer or issue, Common Shares or any securities convertible into or exchangeable for Common Shares, for a period of 90 days subsequent to the closing of the Offering, without the prior consent of CGC, Cormark and TD, such consent not to be unreasonably withheld.

The Underwriters propose to offer the Debentures to the public initially at the Offering Price and in the principal amount, respectively, specified on the cover page of this short form prospectus. After the Underwriters have made a reasonable effort to sell all of the Debentures at the Offering Price and in the principal amount specified on the cover page, the Offering Price for the Debentures may be decreased and may be further changed from time to time to amounts not greater than those set forth on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers of the Debentures is less than the amount paid by the Underwriters to the Issuer.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Debentures. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Debentures. Such exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws in connection with the Offering, the Underwriters may over-allot Debentures or effect transactions intended to stabilize or maintain the market price of the Debentures at a higher level than that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time during the Offering.

The Debentures and the Common Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act). The Underwriters will not sell the Debentures within the United States. This Canadian short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Debentures in the United States.

Pursuant to the Underwriting Agreement, the Issuer has agreed to indemnify and hold harmless the Underwriters and their respective officers, directors, employees and agents against certain liabilities.

The Debentures will be issued in “book-entry only” form through the facilities of CDS. Holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures except under certain circumstances described under “Book Entry, Delivery and Form”. No fractional Debentures will be issued.

The TSX has conditionally approved the listing of the Debentures (including any Debentures that may be issued pursuant to the Over-Allotment Option) and the Common Shares issuable on the conversion of the Debentures, including Common Shares issuable on a conversion premium in the event of a Change of Control of the Issuer resulting from a Cash Change of Control, on the TSX. Listing is subject to the Issuer fulfilling all of the requirements of the TSX on or before November 5, 2018, including distribution of these securities to a minimum number of public shareholders.

NON-BROKERED PRIVATE PLACEMENT

In addition to the Offering, on closing a large Canadian asset manager will acquire, on a private placement basis, \$73,500,000 aggregate principal amount of Debentures. No commission shall be payable by the Issuer to the Underwriters in connection with the Non-Brokered Private Placement. Closing of the Offering will be conditional on closing of the Non-Brokered Private Placement and closing of the Non-Brokered Private Placement will be conditional on closing of the Offering.

This short form prospectus does not qualify any securities issued under the Non-Brokered Private Placement. The Debentures to be issued under the Non-Brokered Private Placement will be subject to a statutory hold period lasting four months and one day following the closing of the Non-Brokered Private Placement.

Purchasers of Debentures pursuant to this short form prospectus should not rely on the fact that investors have decided to participate in the Non-Brokered Private Placement, and should make their own investment decision with respect to the purchase of the Debentures offered under this prospectus.

See “Use of Proceeds” for the principal purposes for which the net proceeds of the Non-Brokered Private Placement will be used by the Issuer.

EARNINGS COVERAGE RATIO

The Issuer’s earnings coverage ratio for the twelve month period ended March 31, 2018 was 2.72.

The Issuer’s earnings coverage ratio for the twelve month period ended March 31, 2018 after adjustment to give effect to the completion of the Offering and the Non-Brokered Private Placement (assuming the Over-Allotment Option is not exercised), the issuance, repayment, redemption and retirement of long-term financial liabilities since March 31, 2018, the repayment, redemption or satisfaction of the 6.50% Convertible Debentures with the proceeds of the Offering and the Non-Brokered Private Placement and all servicing costs incurred or expected to be incurred in connection with the same would be 1.36. Excluding the servicing costs to be incurred in connection with the redemption or satisfaction of the 6.50% Convertible Debentures the earnings coverage ratio would be 2.15.

The Issuer’s earnings coverage ratio for the twelve month period ended June 30, 2018 was 3.76.

The Issuer’s earnings coverage ratio for the twelve month period ended June 30, 2018 after adjustment to give effect to completion of the Offering and the Non-Brokered Private Placement (assuming the Over-Allotment Option is not exercised), the issuance, repayment, redemption and retirement of long-term financial liabilities since June 30, 2018, the repayment, redemption or satisfaction of the 6.50% Convertible Debentures with the proceeds of the Offering and the Non-Brokered Private Placement and all servicing costs incurred or expected to be incurred in connection with the same would be 1.94. Excluding the servicing costs to be incurred in connection with the redemption or satisfaction of the 6.50% Convertible Debentures the earnings coverage ratio would be 3.01.

DESCRIPTION OF DEBENTURES

The following description of the Debentures is a brief summary of their material attributes and characteristics, which does not purport to be complete, and is qualified in its entirety by reference to the provisions of the Indenture. The

following summary uses words and terms that will be defined in the Indenture. For full particulars, reference is made to the Indenture.

General

The Debentures offered hereby will be created and issued under the Indenture.

The Debentures will be general unsecured obligations of the Issuer. The payment of the principal of and interest on the Debentures is expressly subordinated in right of payment to the prior payment in full of all existing and future Senior Indebtedness (as defined in the Indenture) of the Issuer as described under “Subordination” and will be convertible into Common Shares as described under “Conversion”. The Indenture will not contain any restrictions on the Dividends Paid in the Ordinary Course (as defined herein), the incurrence of Senior Indebtedness or the issuance or repurchase of securities.

In the event of the maturity, conversion, or redemption of a Debenture, interest will cease to accrue on that Debenture under the terms and subject to the conditions of the Indenture. The Issuer may not re-issue a Debenture that has matured or has been converted, redeemed or otherwise cancelled.

Principal, Maturity and Interest

The aggregate principal amount of the Debentures issued pursuant to the Offering will be limited to \$51,500,000 (unless the Over-Allotment Option is exercised). The Debentures will be dated as of the Closing Date and will mature on December 31, 2023. The Debentures will bear interest from the date of issuance at a rate of 6.25% per annum. Interest on the Debentures will be payable semi-annually on June 30 and December 31 of each year, with the first interest payment representing accrued and unpaid interest from the closing of the Offering to December 31, 2018 being payable on December 31, 2018. Assuming an August 22, 2018 Closing Date, the first interest payment on the Debentures on December 31, 2018 (not including the Closing Date) will be in the amount of \$22.43 per \$1,000 principal amount and each subsequent interest payment will be in the amount of \$31.25 per \$1,000 principal amount. Interest will be computed on the basis of a 365-day year.

The Issuer has the option, subject to applicable regulatory approval, to pay the interest on the Debentures from time to time by the issuance and delivery of Common Shares to the Indenture Trustee, as further described below under “Method of Payment”.

The Debentures will be issued only in denominations of \$1,000 of principal amount and integral multiples thereof. At the closing of the Offering, one or more global certificates that aggregate the principal amount of the Debentures will be issued in registered form to CDS. Holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures, except in certain circumstances described below under “Book Entry, Delivery and Form”. No fractional Debentures will be issued.

Redemption

The Debentures will not be redeemable on or before December 31, 2021. The Issuer will have the right at its option to redeem the Debentures, in whole at any time or in part from time to time, after December 31, 2021 but prior to December 31, 2022, on not more than 60 days’ and not less than 30 days’ prior notice to the Debentureholders at a redemption price equal to the principal amount of the Debentures to be redeemed, plus accrued and unpaid interest thereon, if any, up to but excluding the Redemption Date, provided that the Current Market Price of the Common Shares is not less than 125% of the Conversion Price. On and after December 31, 2022 but prior to the Maturity Date, the Debentures will be redeemable, in whole or in part, from time to time, at the option of the Issuer on not more than 60 days’ and not less than 30 days’ prior notice, at a price equal to the principal amount thereof plus accrued and unpaid interest up to but excluding the Redemption Date.

If less than all the outstanding Debentures are to be redeemed, the Debentures to be so redeemed shall be redeemed on a *pro rata* basis to the nearest multiple of \$1,000 in accordance with the principal amount of the outstanding Debentures.

Debentures in denominations in excess of \$1,000 may be selected and called for redemption in part only (such part being \$1,000 or an integral multiple thereof). The Debentureholder of any Debenture called for redemption in part only, upon surrender of such Debenture for payment, shall be entitled to receive, without expense to such Debentureholder, a new Debenture for the unredeemed part of the Debenture so surrendered.

The Indenture will contain, in substance, the following defined terms relevant to the redemption feature:

“*Current Market Price*” means, in respect of the Common Shares on any date of determination, except as otherwise provided, an amount equal to the Weighted Average Trading Price of such shares on the TSX, or if the Common Shares are not listed on TSX, on another Recognized Stock Exchange, for 20 consecutive Trading Days ending five Trading Days prior to such date of determination, provided that if the Common Shares are not listed on the TSX and are listed on more than one Recognized Stock Exchange, the Current Market Price shall be calculated on the Recognized Stock Exchange on which the volume of transactions on the Common Shares was the highest during such 20 consecutive Trading Days, or if the Common Shares are not listed on any Recognized Stock Exchange, then on the over-the-counter market.

“*Recognized Stock Exchange*” means the TSX or, if the Common Shares are not listed on the TSX, any other stock exchange on which the Common Shares or the Debentures are then listed and posted for trading.

“*Redemption Date*” means the later of (i) January 1, 2022 and (ii) the date selected by the Issuer for redemption.

“*Trading Day*” means, with respect to any Recognized Stock Exchange or any other market for securities, any day on which such exchange or market is open for trading or quotation.

“*Weighted Average Trading Price*” means, with respect to any security on a stock exchange or quotation service during a specified period, the quotient obtained by dividing (i) the aggregate sale price of all such securities sold on such stock exchange or quotation service during such period by (ii) the total number of such securities sold on such stock exchange or quotation service during such period, as determined from time to time by the board of directors of the Issuer, or upon request of the board of directors of the Issuer, as determined by an independent member of the Investment Industry Regulatory Organization of Canada for such purpose.

Conversion

Conversion Privilege

Each Debenture will be convertible at the option of the Debentureholder at any time prior to the close of business on the earlier of the business day immediately preceding the Maturity Date or, if called for redemption, on the business day immediately preceding the date fixed for redemption, into 100 Common Shares for each \$1,000 principal amount of Debentures, representing a conversion price of \$10.00 per Common Share (a conversion premium of approximately 38.3%, based on the closing price of the Common Shares on the TSX on August 1 2018, the day the Offering was publically announced), subject to adjustment in accordance with the terms of the Indenture. Debentureholders converting their Debentures will be entitled to receive accrued and unpaid interest up to but excluding the date of conversion.

No fraction of a Common Share will be issued upon conversion of the Debentures. In lieu of such fraction of a Common Share, if such a fraction shall become owing, the Debentureholder will receive a cash payment which will be determined according to the then Current Market Price (as defined herein) of such fraction of a Common Share.

For a summary of the principal Canadian federal income tax treatment of Debentureholders receiving Common Shares upon conversion, see “Principal Canadian Federal Income Tax Considerations”.

Adjustment

Subject to the provisions thereof, the Indenture will provide for the adjustment of the Conversion Price in certain events, including:

- (a) the subdivision, reduction, combination or consolidation of the outstanding Common Shares;
- (b) the issuance or distribution of Common Shares (or securities convertible into or exchangeable for Common Shares) to the holders of all or substantially all of Common Shares by way of a stock dividend or otherwise, other than an issue of Common Shares (or securities convertible into or exchangeable for Common Shares) by way of Dividends Paid in the Ordinary Course (as defined herein);
- (c) the distribution by the Issuer of rights, options or warrants to the holders of all or substantially all of the Common Shares entitling such holders, during a period expiring not more than 45 days after the record date for such distribution, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or, in the case of securities convertible into or exchangeable for Common Shares, at a conversion price or an exchange price per share at the date of issue of the security) which is less than 95% of the Current Market Price (as defined herein) of the Common Shares on such record date;
- (d) the distribution by the Issuer to holders of all or substantially all of the Common Shares of securities (other than those referred to above) or of property or other assets (including cash or debt securities) otherwise than by way of Dividends Paid in the Ordinary Course;
- (e) the payment to holders of Common Shares of cash or any other consideration in respect of an issuer bid for Common Shares of the Issuer (other than a normal course issuer bid) if the cash and fair market value of any other consideration included in the payment per Common Share exceeds the Current Market Price of the Common Shares on the date of expiry of such issuer bid; and
- (f) the payment of a cash dividend or distribution to all the holders of Common Shares in excess of Dividends Paid in the Ordinary Course.

There will be no adjustment to the Conversion Price in respect of any of the distributions referred to in paragraphs (b), (c), (d), (e) or (f) above if the Debentureholders are entitled to participate in the distribution as though they had converted their Debentures prior to or on the effective date or record date for such distribution. Any such participation is subject to receipt of prior regulatory approval. No adjustment will be made to the Conversion Price upon the issuance from time to time of Common Shares pursuant to the Issuer's existing or future stock option plan, long term incentive plan, deferred share unit plan, share purchase plan or any dividend reinvestment plan, or any similar plan, if any, as such plans may be implemented, amended or replaced from time to time. For greater certainty, a distribution under paragraph (d) above shall not include an offering of securities by way of private placement or prospectus which is made to the public in general. In addition, the Issuer will not be required to make adjustments to the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1% and any adjustment which is not required to be made will be carried forward and will be taken into consideration at the time of any subsequent adjustment.

The Issuer will give registered Debentureholders at least 14 days' prior notice of the record date or effective date for each of the distributions referred to in paragraphs (b), (c) or (d) above.

Changes to Conversion Right

If, prior to the Maturity Date, there is a reclassification of the Common Shares or change of the Common Shares into other shares or into other securities or other capital reorganization, or a consolidation, amalgamation or merger of, or an arrangement involving, the Issuer with or into any other corporation or other entity (other than a vertical short-form amalgamation with one or more of its wholly-owned subsidiaries) or a transfer of the undertaking or assets of the Issuer as an entirety or substantially as an entirety to another corporation or entity in which the holders of Common Shares are entitled to receive shares, other securities or property, Debentureholders who exercise their right to convert Debentures into Common Shares held after the effective date of the foregoing transactions will be entitled to receive that number of shares, other securities or other property that such Debentureholder would have been entitled to receive as a result of such transactions if, on the effective date thereof, such Debentureholder had been the registered holder of Common Shares to which such Debentureholder was entitled upon conversion of the Debentures before such reclassification, change, reorganization, consolidation, amalgamation, merger or

arrangement. Notwithstanding the foregoing, if prior to the date that is five years plus one day from the last date of original issuance of Debentures under this short form prospectus, Debentureholders would otherwise be entitled to receive, upon conversion of the Debentures, any property (including cash) or securities that would not constitute “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008 (referred to herein as “**Ineligible Consideration**”), such Debentureholders shall not be entitled to receive such Ineligible Consideration but the Issuer or the successor or acquirer, as the case may be, shall have the right (at the sole option of the Issuer or the successor or acquirer, as the case may be) to deliver either such Ineligible Consideration or “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008 with a market value (as determined by the board of directors, acting reasonably) equal to the fair market value of such Ineligible Consideration.

No consent of the Debentureholders will be required in connection with a reclassification, reorganization, consolidation, amalgamation, merger or arrangement of the Issuer and the Debentureholders will have no voting or other approval rights with respect to any such transaction.

The Indenture will contain in substance the following additional defined terms relevant to the conversion feature:

“*Conversion Price*” means \$10.00 per Common Share, subject to adjustment from time to time as provided above.

“*Dividends Paid in the Ordinary Course*” means dividends paid on the Common Shares in any financial year of the Issuer, whether in (i) cash, (ii) shares of the Issuer, or (iii) subject to certain exceptions, rights, options or warrants to purchase any shares, property or other assets of the Issuer, in each case to the extent that the amount or value of such dividends does not exceed \$0.50 per Common Share per fiscal year (subject to adjustment in accordance with the Indenture); and for the purpose of the foregoing where any dividend is paid otherwise than in cash, any securities so distributed by way of dividend shall be valued at the fair market value of such securities.

Change of Control

The Issuer must commence, within 30 days following the occurrence of the Change of Control, an offer to purchase (the “**Offer to Purchase**”) for all of the Debentures then outstanding. The Offer to Purchase shall be made at a purchase price (the “**Offer Price**”) equal to 101% of the principal amount of the Debentures, plus accrued and unpaid interest thereon (if any) up to but excluding the date of purchase (the “**Payment Date**”). The Issuer shall be required to accept for purchase and pay for all Debentures properly tendered on the Payment Date.

On the Payment Date, the Issuer shall (i) accept for payment Debentures or portions thereof tendered pursuant to the Offer to Purchase; (ii) deposit with the Indenture Trustee money sufficient to pay the Offer Price of all Debentures or portions thereof so accepted; and (iii) deliver, or cause to be delivered, to the Indenture Trustee all Debentures or portions thereof so accepted together with an officer’s certificate specifying the Debentures or portions thereof accepted for payment by the Issuer.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to the Issuer pursuant to the Offer to Purchase, the Issuer will have the right to redeem all the remaining Debentures at the Offer Price. Notice of such redemption must be given by the Issuer to the Indenture Trustee within ten days following the Payment Date, and as soon as possible thereafter, by the Indenture Trustee to the holders of the Debentures not tendered pursuant to the Offer to Purchase.

The Issuer will comply with all applicable securities laws in the event that the Issuer is required to repurchase Debentures upon a Change of Control.

Cash Change of Control

Additionally, if a Change of Control occurs in which 10% or more of the consideration for the Common Shares in the transaction or transactions constituting a Change of Control consists of: (i) cash, other than cash payments for fractional Common Shares and cash payments made in respect of dissenter’s appraisal rights; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange (a “**Cash Change of Control**”), then, subject to regulatory approvals, during the period beginning ten

trading days before the anticipated date on which the Change of Control becomes effective (the “**Effective Date**”) and ending 30 days after the Offer to Purchase is delivered, holders of Debentures will be entitled to convert their Debentures, at a new conversion price (the “**Change of Control Conversion Price**”) calculated as follows:

$COCCP = OCP / (1 + (CP \times (c/t)))$ where:

COCCP is the Change of Control Conversion Price;

OCP = is the Conversion Price in effect on the Effective Date (change of control date);

CP (conversion premium) = 38.3%;

c = the number of days from and including the Effective Date to but excluding Maturity Date; and

t = the number of days from and including the Closing Date to but excluding Maturity Date.

In the event that the Change of Control Conversion Price calculated in accordance with the formula above is less than any regulatory permitted discount to market price, the Change of Control Conversion Price shall be deemed to be that implied by the maximum permitted discount to market price.

The Indenture will contain in substance the following defined term relevant to the Change of Control and Cash Change of Control provisions:

“*Change of Control*” means the acquisition by any person, or group of persons acting jointly or in concert, within the meaning of the *Securities Act* (Ontario), of voting control or direction over an aggregate of 50% or more of the outstanding Common Shares and securities convertible into or carrying the right to acquire Common Shares (other than any transaction pursuant to which holders of Common Shares immediately prior to the transaction are entitled to exercise, directly or indirectly, 50% or more of the voting rights attaching to the outstanding Common Shares and securities convertible into or carrying the right to acquire Common Shares immediately after the transaction).

Method of Payment

Payment of Principal upon Redemption or Maturity

The Issuer may at its option, provided that no Event of Default has occurred and is continuing at such time, and subject to receiving all applicable regulatory approvals, elect to satisfy its obligations to pay the outstanding principal amount of all, but not less than all, of the Debentures upon redemption for any reason or on the Maturity Date by issuing and delivering to the Debentureholder, for each \$1,000 principal amount of Debentures, that number of fully paid, non-assessable and freely tradable Common Shares obtained by (i) dividing the principal amount of the outstanding Debentures to be redeemed or that have matured by 95% of the Current Market Price of the Common Shares or (ii) if, on redemption or maturity, the Common Shares are not listed on the TSX, dividing the principal amount of the outstanding Debentures to be redeemed or that have matured by 95% of the Current Market Price of the Common Shares on another Recognized Stock Exchange (the “**Share Payment Right**”). No fractional Common Shares will be issued to the Debentureholders, but, in lieu thereof, the Issuer will make a cash payment to the Indenture Trustee for the account of the Debentureholders, determined on the basis of the Current Market Price of the Common Shares on the date set for redemption or the Maturity Date.

To exercise the Share Payment Right, the Issuer must give not less than 30 days’ and not more than 60 days’ prior notice of such election to the Indenture Trustee and the affected Debentureholders.

Restriction on Share Payment Right

The Issuer shall not, directly or indirectly (through a subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly: (i) the exercise or potential exercise of the Share Payment Right; or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Share Payment Right.

Payment of Interest

Provided that no Event of Default has occurred and is continuing, subject to receiving all applicable regulatory approvals, the Issuer shall have the irrevocable right to elect, from time to time, to issue and deliver Common Shares to the Indenture Trustee (the “**Common Share Interest Payment Election**”) for sale in the open market and to satisfy the Issuer’s obligation to pay interest on the Debentures on each Interest Payment Date (the “**Interest Obligation**”). Upon such election by the Issuer, the Indenture Trustee shall have the power to (i) accept delivery of Common Shares from the Issuer and process the Common Shares in accordance with the Common Share Interest Payment Election notice, (ii) consummate sales of such Common Shares, as the Issuer shall direct in its absolute discretion, through the investment banks, brokers or dealers identified by the Issuer in the Common Share Interest Payment Election notice, (iii) settle trades of Common Shares in the open market on a Recognized Stock Exchange, (iv) invest the proceeds of such sales on the direction of the Issuer in Canadian Government obligations which mature at least three business days prior to an applicable Interest Payment Date and/or use such proceeds to pay all or part of the Interest Obligation in respect of which the Common Share Interest Payment Election was made, and (v) perform any other action necessarily incidental thereto. In the event that the Issuer elects the Common Share Interest Payment Election, the Debentureholders will receive a cash payment in satisfaction of the Interest Obligation. However, the Issuer will not be relieved from ensuring that there is adequate cash to pay the full amount of interest due on each Interest Payment Date. Debentureholders will not be entitled to receive any Common Shares in satisfaction of the Issuer’s obligation to pay interest.

Cancellation

All Debentures converted, redeemed, repurchased or purchased as aforesaid will be cancelled forthwith and may not be reissued or resold.

Subordination

The payment of the principal of the Debentures is subordinated in right of payment, as is set forth in the Indenture, to the prior payment in full of all Senior Indebtedness incurred, assumed or guaranteed by the Issuer, whether outstanding on the date of the Indenture or thereafter incurred. The Debentures will rank *pari passu* with all senior unsecured debentures issued by the Issuer.

The Indenture will provide that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Issuer, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Issuer, whether or not involving insolvency or bankruptcy, then the holders of Senior Indebtedness will first be entitled to receive payment in full of the principal thereof, premium (or any other amount payable under such Senior Indebtedness), if any, and interest due thereon, before the Debentureholders will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures. The Indenture will also provide that the Issuer will not make any payment, and the Debentureholders will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without limitation by compensation, set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures (other than pursuant to the right of conversion) (i) in a manner inconsistent with the terms (as they exist on the date of issue) of the Indenture or of the Debentures, or (ii) at any time when a default or an event of default, as defined in any Senior Indebtedness or any instrument evidencing same and permitting, by lapse of time or giving of notice, the holders thereof to accelerate the maturity thereof, has occurred under Senior Indebtedness and is continuing and the notice

of such default or event of default has been given by or on behalf of the holders of such Senior Indebtedness to the Issuer, unless and until such default or event of default has been cured, waived in writing or ceased to exist pursuant to the provisions of such Senior Indebtedness.

The Indenture will contain in substance the following defined terms relevant to the subordination provisions:

“*Incur*” means issue, assume, guarantee, incur or otherwise become liable for and “*Incurred*” or “*Incurrence*” will have a corresponding meaning; provided, however, that any Indebtedness of a person existing at the time such person becomes a subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such person at the time it becomes a subsidiary.

“*Indebtedness*” means, with respect to any person: (a) the principal of any indebtedness of such person, whether or not contingent: (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (or, without duplication, reimbursement agreements in respect thereof), (iii) representing the deferred and unpaid purchase price of any property, except any such balance that constitutes a trade payable or similar obligation to a trade creditor due within six months from the date on which it is Incurred and Incurred in the ordinary course of business, which purchase price is due more than six months after the date of placing the property in service or taking delivery and title thereto, or (iv) in respect of capitalized lease obligations; (b) to the extent not otherwise included, any obligation of such person to be liable for, or to pay, as obligor, guarantor or otherwise, on the Indebtedness of another person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and (c) to the extent not otherwise included, Indebtedness of another person secured by a lien on any asset owned by such person (whether or not such Indebtedness is assumed by such person); provided, however, that the amount of such Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other person; provided, further, that any obligation of the Issuer in respect of account credits or participants under any employee, director or officer compensation plan will be deemed not to constitute Indebtedness.

“*Senior Indebtedness*” means all Indebtedness of the Issuer, including interest thereon (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer whether or not a claim for post-filing interest is allowed in such proceeding) and other amounts (including make-whole, fees, expenses, reimbursement obligations under letters of credit and indemnities) owing in respect thereof, all hedging obligations and all obligations in respect of cash management services, in each case, whether outstanding on the date hereof or hereafter Incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are not superior in right of payment to the Debentures; provided, however, that Senior Indebtedness shall not include (a) any obligation of the Issuer to any subsidiary of the Issuer, or of such subsidiary to the Issuer or any other subsidiary of the Issuer, (b) any liability for federal, state, provincial, local or other taxes owed or owing by the Issuer, (c) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities), (d) any obligations with respect to any capital stock, and (e) all other present and future subordinated and unsecured Indebtedness of the Issuer.

Events of Default

The Indenture will provide, among other things, that any one or more of the following events shall constitute an event of default (“**Event of Default**”) with respect to the Debentures thereunder: (i) default in payment of principal of (and premium, if any) on any Debentures whether at maturity, upon redemption, by declaration or otherwise; (ii) default in payment of interest on any Debentures when due and payable and the continuance of any such default for 30 days; (iii) material default in performing or observing any of the other covenants, agreements or obligations of the Issuer as described in the Indenture and the continuance of such default for 60 days after the date on which written notice of such default has been given to the Issuer by the Indenture Trustee or by the Debentureholders holding not less than 25% in principal amount of the outstanding Debentures, and (iv) certain events of bankruptcy, insolvency or reorganization of the Issuer under bankruptcy or insolvency laws.

The Indenture will provide that if an Event of Default specified therein shall occur and be continuing with respect to a Debenture issued thereunder, the Indenture Trustee may, in its discretion, and shall, upon request of the Debentureholders holding not less than 50% in principal amount of outstanding Debentures, declare the principal of (and premium, if any) together with accrued interest on all Debentures to be due and payable immediately upon

written notice to the Issuer. In certain cases, the holders of a majority of the principal amount of Debentures then outstanding may, on behalf of the holders of all Debentures, waive any Event of Default and/or cancel any such declaration upon such terms as such holders shall prescribe.

No Debentureholder will have any right to pursue any remedy (including any action, suit or proceeding authorized or permitted by the Indenture or pursuant to applicable law) with respect to the Indenture or the Debenture unless (i) the Debentureholder gives to the Indenture Trustee notice of a continuing Event of Default; (ii) the Debentureholders holding at least 25% in principal amount of outstanding Debentures make a request in writing to the Indenture Trustee to pursue the remedy; (iii) such Debentureholder or Debentureholders offer or provide to the Indenture Trustee security and indemnity in form satisfactory to the Indenture Trustee against any loss, liability or expense; (iv) the Indenture Trustee does not comply with the request within 30 days after receipt of such request and indemnity; and (v) during such 30 day period the Debentureholders holding a majority in principal amount of outstanding Debentures do not give the Indenture Trustee any direction inconsistent with the request.

Amalgamation, Consolidation, Conveyance, Transfer or Lease

The Indenture will provide that the Issuer will not amalgamate with any other corporation or enter into any reorganization or arrangement or effect any conveyance, sale, transfer or lease of all or substantially all of its assets, unless, in any such case: (i) either the Issuer shall be the continuing corporation, or the successor corporation (or the person that leases or that acquires by conveyance, sale or transfer all or substantially all of the Issuer's assets) (such corporation or person being referred to as the "**Successor Corporation**") is organized or existing under the laws of Canada or any province or territory thereof and shall expressly, by supplemental indenture, assume the due and punctual payment of the principal of, the premium, if any, and interest on all outstanding Debentures, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Indenture to be performed by the Issuer; (ii) the Debentures will be valid and binding obligations of the Successor Corporation entitling the Debentureholders, as against the Successor Corporation, to all rights of Debentureholders under the Indenture, (iii) the Issuer or such Successor Corporation shall not immediately thereafter be in default under the Indenture or in respect of the Debentures. Any such Successor Corporation shall agree to be bound by the terms of the Indenture as principal obligor in place of the Issuer as if such successor had been named in the Indenture as the Issuer.

Offer for Debentures

The Indenture will contain provisions that if an offer to acquire all of the outstanding Debentures (other than Debentures held by or on behalf of the offeror) is made, and (a) such offer is accepted by Debentureholders holding at least 90% of the outstanding principal amount of the Debentures (other than Debentures held by or on behalf of the offeror), (b) the offeror has taken up and paid for the Debentures tendered to such offer, and (c) the offeror sends a notice to each Debentureholder who has not accepted such offer (a "**dissenting Debentureholder**") and within 21 days thereafter pays the aggregate consideration payable to the dissenting Debentureholders to the Indenture Trustee, the offeror will be entitled to acquire, and the dissenting Debentureholders will be required to sell to the offeror, the Debentures held by such dissenting Debentureholder for the same consideration payable under the offer.

Modification

The rights of the holders of the Debentures that may be issued under the Indenture may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture will contain certain provisions which will make binding on all holders of Debentures any resolutions passed at meetings of the holders of Debentures by votes cast thereat by holders of not less than 66^{2/3}% of the principal amount of the Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66^{2/3}% of the principal amount of the Debentures.

Book-Entry, Delivery and Form

CDS will act as securities depository for the Debentures issued pursuant to the Offering. Such Debentures will be issued in "book-entry only" form and must be purchased or transferred through a participant in the depository service of CDS (a "**Participant**"). On the Closing Date, the Indenture Trustee will cause the Debentures to be issued to CDS and registered in the name of its nominee.

Unless the book-entry only system is terminated, a purchaser acquiring a beneficial interest in the Debentures, will not be entitled to receive a certificate for Debentures or for the Common Shares issuable on the conversion of the Debentures. Purchasers of Debentures will not be shown on the records maintained by CDS, except through a Participant.

Beneficial interests in Debentures will be represented solely through the book-entry only system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the applicable Debentures are purchased in accordance with the practices and procedures of that registered dealer. In addition, registration of interests in and transfers of the Debentures will be made only through the depository service of CDS.

As indirect holders of Debentures, investors should be aware that they (subject to the situations described below): (a) may not have Debentures registered in their name; (b) may not have physical certificates representing their interest in the Debentures; (c) may not be able to sell the Debentures to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Debentures as security.

All interests in the Debentures will be subject to the operations and procedures of CDS. The following is a summary of those operations and is provided by the Issuer solely for convenience. The operations and procedures of each settlement system may be changed at any time. The Issuer is not responsible for those operations and procedures.

To facilitate subsequent transfers, all Debentures deposited by Participants are registered in the name of CDS. The deposit of Debentures with CDS and their registration in the name of CDS effect no change in beneficial ownership. CDS has no knowledge of the actual beneficial owners of the Debentures. CDS's records reflect only the identity of the direct Participants to whose accounts such Debentures are credited, which may or may not be the beneficial owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Transfers of ownership interests in the Debentures will be effected by entries made on the books of the Participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the Debentures except in the event that use of the book-entry only system for the Debentures is discontinued.

Conveyance of notices and other communications by CDS to direct participants, by direct participants to indirect Participants, and by Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

CDS will not consent or vote with respect to the Debentures. Under its usual procedures, CDS would mail an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns CDS's consent or voting rights to those direct participants to whose accounts the Debentures are credited on the record date (identified in a listing attached to the Omnibus Proxy).

The Issuer will make any payments on the Debentures to CDS. CDS's practice is to credit direct Participants' accounts on the payment date in accordance with their respective holdings shown on CDS's records unless CDS has reason to believe that it will not receive payment on the payment date. Payments by Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant and not of CDS or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time.

The Issuer will be responsible for the payment of all amounts due in respect of principal and interest to the Indenture Trustee to enable to the Indenture Trustee to forward or cause to be forwarded such funds to CDS. CDS will be responsible for the disbursement of those payments to its participants, and the participants will be responsible for disbursements of those payments to beneficial owners.

CDS may discontinue providing its service as securities depository with respect to the Debentures at any time by giving reasonable notice to the Issuer. If CDS discontinues providing its service as securities depository with respect to the Debentures and the Issuer is unable to obtain a successor securities depository, an investor will automatically take a position in the component securities and the Issuer will print and deliver Debentures in fully registered and certificate form ("**Debenture Certificates**").

Also, in the event that the Issuer decides to discontinue use of the system of book-entry only transfers through CDS (or a successor securities depository), the Issuer will print and deliver to the investor Debenture Certificates for the Debentures the investor may own.

The information in this section concerning CDS and CDS' book-entry only system has been obtained from sources that the Issuer believes to be reliable, including CDS, but neither the Issuer nor the Underwriters take responsibility for its accuracy.

Neither the Issuer nor any trustee nor the Underwriters will have any responsibility or obligation to participants, or the persons for whom they act as nominees, with respect to:

- the accuracy of the records of CDS, its nominee, or any participant, any ownership interest in the securities; or
- any payments to, or the providing of notice, to participants or beneficial owners.

Payments

Interest on the Debentures will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, interest will be paid by cheque drawn on the Issuer and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest. Payment of principal, including payment in the form of Common Shares if applicable, and the interest due, at maturity or on a Redemption Date, will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, payment of principal, including payment in the form of Common Shares if applicable, and interest due, at maturity or on a Redemption Date, will be paid upon surrender thereof at any office of the Indenture Trustee or as otherwise specified in the Indenture.

The Issuer will not assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Debentures held by CDS or any payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Debentures; or (c) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and beneficial owners must look solely to Participants for any payments relating to the Debentures, paid by or on behalf of the Issuer to CDS.

Reports to Debentureholders

The Issuer shall file with the Indenture Trustee and provide Debentureholders with the documents required to be sent to its shareholders pursuant to applicable securities laws and within the time prescribed by such applicable securities laws. In the event the Issuer is no longer subject to applicable securities laws, the Issuer shall continue to provide to the Indenture Trustee and the Debentureholders (a) within 90 days after the end of each fiscal year, copies of its annual report and of its annual financial statements, and (b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information required to be provided in quarterly reports under the applicable securities laws. Each of such reports will be prepared in accordance with disclosure requirements of applicable securities laws.

Governing Law

Each of the Indenture and the Debentures will be governed by, and construed in accordance with, the laws of the Province of Ontario.

DESCRIPTION OF COMMON SHARES

The authorized share capital of the Issuer consists of an unlimited number of Common Shares. The Common Shares are not redeemable or convertible. Each Common Share carries the right to: receive notice of and vote at a meeting of shareholders; the right to participate in any distribution of the assets of the Issuer on liquidation, dissolution or

winding up; and the right to receive dividends if, as and when declared by the board of directors of the Issuer. As at close of business on August 13, 2018, there were 115,776,521 Common Shares outstanding. The Common Shares are listed on the TSX under the symbol “CF”.

PRIOR SALES

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12-month period prior to the date of this short form prospectus:

Date Issued	Number of Common Shares Issued	Price per Common Share
January 19, 2018 ⁽¹⁾	1,313	\$9.01
March 28, 2018 ⁽¹⁾	9,848	\$9.01
May 28, 2018 ⁽²⁾	904	\$9.01
May 28, 2018 ⁽¹⁾	7,879	\$9.01
June 18, 2018 ⁽²⁾	791	\$9.01
June 18, 2018 ⁽²⁾	1,531	\$9.01
June 18, 2018 ⁽¹⁾	14,773	\$9.01
July 9, 2018 ⁽¹⁾	3,282	\$9.01
August 9, 2018 ⁽³⁾	2,331,132	\$7.21

⁽¹⁾ Issued on exercise of the Collins Stewart Hawkpoint Replacement Long Term Incentive Plan awards, as described in the AIF.

⁽²⁾ Issued on exercise of the Collins Stewart Hawkpoint Replacement Annual Bonus Equity Deferral Plan awards, as described in the AIF.

⁽³⁾ Issued on closing of the purchase of an additional 30% interest of Canaccord Genuity (Australia) Limited.

PRICE RANGE AND TRADING VOLUME

The Common Shares are listed and posted for trading on the TSX under the trading symbol “CF”. The following table shows the monthly range of high and low prices per Common Share and total monthly volumes traded on the TSX during the 12-month period before the date of this short form prospectus.

Month	High	Low	Volume
August 2017	\$6.50	\$4.69	3,455,463
September 2017.....	\$4.79	\$4.26	3,472,739
October 2017.....	\$4.66	\$4.27	1,821,534
November 2017.....	\$4.80	\$4.08	3,202,202
December 2017.....	\$5.91	\$4.49	2,426,506
January 2018.....	\$6.85	\$5.76	6,250,538
February 2018.....	\$6.85	\$5.50	7,901,041
March 2018.....	\$7.49	\$6.52	6,861,232
April 2018.....	\$7.00	\$5.76	3,282,756
May 2018.....	\$6.94	\$5.81	2,701,405
June 2018.....	\$7.44	\$5.79	6,865,760
July 2018	\$7.49	\$7.01	2,494,280
August 1-13, 2018.....	\$7.44	\$6.55	1,869,185

On August 1, 2018, being the day on which the Offering was publicly announced, the closing price of the Common Shares on the TSX was \$7.23. On August 13, 2018, the closing price of the Common Shares on the TSX was \$7.02.

RELATIONSHIP BETWEEN THE ISSUER AND CERTAIN UNDERWRITERS

CGC, one of the Underwriters, is a wholly-owned subsidiary of the Issuer. Consequently, the Issuer is a “related issuer” of CGC under applicable Canadian securities laws.

CGC will receive no benefit in connection with the Offering other than receiving its proportionate share of the Underwriters’ fee described above under “Plan of Distribution”.

Under applicable Canadian securities laws, each of Cormark Securities Inc., TD Securities Inc. CIBC World Markets Inc., National Bank Financial Inc., Echelon Wealth Partners Inc. and GMP Securities L.P. is considered to be an “independent underwriter” in connection with this Offering and the Issuer is not a “related issuer” or “connected issuer” to any of them. The decision to distribute the Debentures pursuant to the Offering and the determination of the terms of the distribution, including the price of the Debentures, were made through negotiations between the Issuer and the Underwriters. Cormark Securities Inc. and TD Securities Inc., each an underwriter in connection with this Offering and to whom the Issuer is not a “related issuer” or a “connected issuer”, participated in the structuring and pricing of the Offering and the due diligence activities performed by the Underwriters. Additionally, each of the Underwriters listed as independent above has reviewed this short form prospectus and has had the opportunity to propose such changes as it considered appropriate.

Certain of the Underwriters or their affiliates have provided, and may in the future provide, investment banking and financial advisory services to us or our affiliates for which they have or will receive customary compensation. In addition, certain of our affiliates utilize the institutional brokerage services of certain of the Underwriters in the usual course of business.

PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, counsel to the Issuer, and Stikeman Elliott LLP, counsel to the Underwriters, (collectively, “**Counsel**”) the following summary describes the principal Canadian federal income tax considerations pursuant to the Tax Act and generally applicable to a holder that acquires Debentures pursuant to this offering and that, for purposes of the Tax Act and all relevant times is, or is deemed to be, resident in Canada, holds the Debentures and will hold the Common Shares issuable on the conversion, redemption or maturity of the Debentures (collectively, the “**Securities**”) as capital property and deals at arm’s length with the Issuer and the Underwriters, and is not affiliated with the Issuer or the Underwriters (a “**Holder**”). Generally, the Securities will be considered to be capital property to a Holder provided the Holder does not hold the Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders that might not otherwise be considered to hold their Securities as capital property may, in certain circumstances, be entitled to have the Securities and every other “Canadian security” (as defined in the Tax Act) owned by such Holders in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable having regard to their particular circumstances.

This summary is not applicable to (i) a Holder that is a “financial institution”, as defined in the Tax Act for the purposes of the mark-to-market rules, (ii) a Holder an interest in which would be a “tax shelter investment” as defined in the Tax Act, (iii) a Holder that is a “specified financial institution” as defined in the Tax Act, (iv) a Holder that makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act to report its “Canadian tax results” as defined in the Tax Act in a currency other than Canadian currency, (v) a Holder that has entered or will enter into a “derivative forward agreement” as that term is defined in the Tax Act with respect to Securities, or (vi) a Holder that is a corporation resident in Canada and is (or does not deal at arm’s length for the purposes of the Tax Act with a corporation resident in Canada that is), or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Securities, controlled by a non-resident corporation for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Any such Holder should consult its own tax advisor with respect to an investment in the Securities.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to

the date hereof (the “**Proposed Amendments**”) and Counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, administrative, governmental or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ significantly from those discussed herein. **Holders that are not residents of Canada for the purposes of the Tax Act should consult with their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Securities in any jurisdiction in which they may be subject to tax, including Canada.**

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder or prospective Holder, and no representations with respect to the income tax consequences to any Holder or prospective Holder are made. Consequently, Holders and prospective Holders should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Debentures pursuant to this offering, having regard to their particular circumstances.

Taxation of Interest on Debentures

A Holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures that accrues or is deemed to accrue to the Holder to the end of the particular taxation year or that has become receivable by or is received by the Holder before the end of that taxation year, except to the extent that such interest was included in computing the Holder’s income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Debentures that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder’s income for a preceding taxation year. In addition, if at any time a Debenture should become an “investment contract” (as defined in the Tax Act) in relation to a Holder (other than a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary), such Holder will be required to include in computing income for a taxation year any interest that accrues or is deemed to accrue to the Holder on the Debenture up to any “anniversary day” (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Holder’s income for that year or a preceding year.

A Holder of Debentures that throughout the relevant taxation year is a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay a refundable tax on its “aggregate investment income”, which is defined in the Tax Act to include interest income.

Any amount paid by the Issuer as a penalty or bonus because of early repayment of all or part of the principal amount of the Debenture will be deemed to be received by the Holder as interest on the Debenture and will be required to be included in the Holder’s income as described above, to the extent such amount can reasonably be considered to relate to, and does not exceed the value at the time of payment of, interest that would otherwise have been payable on the Debenture for the taxation years of the Issuer ending after the payment of such amount.

Upon a conversion, redemption or repayment at maturity of a Debenture, interest accrued thereon to the date of conversion, redemption or repayment and that would otherwise be payable after that date will be included in computing the Holder’s income, except to the extent that it was included in computing the Holder’s income for that or a preceding taxation year.

If the Issuer was to satisfy an Interest Obligation in the manner described under “Method of Payment – Payment of Interest”, the Canadian federal income tax consequences to a Holder should not differ from those described above.

Exercise of Conversion Privilege

Generally, a Holder that converts a Debenture into Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share) pursuant to the conversion privilege will be deemed not to have disposed of the

Debenture for the purposes of the Tax Act and, accordingly, will not be considered to realize a capital gain (or capital loss) on such conversion. Under the current administrative practice of the CRA, a Holder that, upon conversion of a Debenture, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may either treat this amount as proceeds of disposition of a portion of the Debenture, thereby realizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the Holder receives on the conversion by the amount of the cash received.

The aggregate cost to a Holder of the Common Shares acquired on the conversion of a Debenture will generally be equal to the Holder's adjusted cost base of the Debenture immediately before the conversion. The adjusted cost base to a Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base immediately before that time of any other Common Shares owned by the Holder as capital property at that time.

Disposition of Debentures

A disposition or deemed disposition of a Debenture by a Holder, including a redemption, payment on maturity or purchase for cancellation or otherwise, but not including the conversion of a Debenture into Common Shares pursuant to the Holder's conversion privilege as described above, will generally result in the Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (adjusted as described below and net of any other amount included in computing income) exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Taxation of Capital Gains and Capital Losses".

If the Issuer pays any amount upon the redemption, purchase or maturity of a Debenture by issuing Common Shares to the Holder, the Holder's proceeds of disposition of the Debenture will be equal to the fair market value, at the time of disposition of the Debenture, of the Common Shares and any other consideration so received (except any consideration received in satisfaction of accrued interest). The Holder's adjusted cost base of any Common Shares so received will be equal to the fair market value of such Common Shares. The adjusted cost base to a Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base immediately before that time of any other Common Shares owned by the Holder as capital property at that time.

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition will be included in computing the income of the Holder as described above under "Taxation of Interest on Debentures", and will be excluded in computing the Holder's proceeds of disposition of the Debenture.

Disposition of Common Shares

A disposition or a deemed disposition of a Common Share by a Holder (except to the Issuer, other than a purchase by the Issuer in the open market, if the Issuer purchased the Common Shares in the manner in which shares would normally be purchased by any member of the public in the open market) will generally result in the Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year must be included in the Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a Holder is a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

A Holder that throughout the relevant taxation year is a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay a refundable tax on “aggregate investment income” which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Receipt of Dividends on Common Shares

A Holder will be required to include in computing its income for a taxation year any taxable dividends received (or deemed to be received) on such Holder’s Common Shares, unless in the case of Holders that are corporations, the application of a specific anti-avoidance rule recharacterizes such dividends as proceeds of disposition or a capital gain. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

In the case of a Holder that is an individual (other than certain trusts), such taxable dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules for “eligible dividends”. Eligible dividends will generally include dividends paid by a taxable Canadian corporation, such as the Issuer, where those dividends have been designated as “eligible dividends” by the corporation at or prior to the time the dividends are paid.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

In the case of a Holder that is a corporation, dividends received (or deemed to be received) on Common Shares by the Holder will generally be included in the Holder’s income for the taxation year in which such dividends are received and will generally be deductible in computing the Holder’s taxable income. A Holder that is or is deemed to be a “private corporation” or a “subject corporation”, as such terms are defined in the Tax Act, may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on Common Shares in a taxation year to the extent such dividends are deductible in computing the corporation’s taxable income for the year.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES

Charles N. Bralver, Kalpana Desai and Dipesh Shah, each a director of the Issuer’s board of directors, reside outside of Canada. Charles N. Bralver, Kalpana Desai and Dipesh Shah have each appointed Canaccord Genuity Group Inc. located at 3000 – 161 Bay Street, Toronto, Ontario M5J 2S1 as their agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Goodmans LLP, on behalf of the Issuer, and by Stikeman Elliott LLP, on behalf of the Underwriters. No person or company whose profession or business gives authority to a statement made by such person or company and who is named in this short form prospectus or in a document that is specifically incorporated by reference into this short form prospectus as having prepared or certified a part of this short form prospectus has received or shall receive a direct or indirect interest in the property of the Issuer or of any associate or affiliate of the Issuer.

As at the date hereof, the partners and associates of each of Goodmans LLP and Stikeman Elliott LLP beneficially own, directly or indirectly, less than one percent of the securities of the Issuer and its associates and affiliates. In addition, none of the aforementioned persons or companies, nor any director, partner, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a trustee, officer or employee of the Issuer or of any associates or affiliates of the Issuer.

The Issuer's auditors, Ernst & Young LLP, Chartered Professional Accountants, are independent in accordance with the Rules of Professional Conduct of Chartered Professional Accountants Ontario.

AUDITORS, TRANSFER AGENT AND REGISTRAR AND INDENTURE TRUSTEE

The auditors of the Issuer are Ernst & Young LLP, Chartered Professional Accountants, 100 Adelaide Street West, Toronto, Ontario M5H 0B3.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., at its principal offices in Toronto, Ontario. The indenture trustee for the Debentures is Computershare Trust Company of Canada, at its principal office in Vancouver, British Columbia.

RISK FACTORS

An investment in the Debentures involves a high degree of risk. An investment in the Debentures should be considered speculative due to various factors. An investment in the Debentures should only be made by persons who can afford the total loss of their investment. **Prospective investors should consider carefully all of the information set out in this short form prospectus and in the documents incorporated by reference herein and the risks attaching to an investment in the Issuer, including, in particular, those risk factors set forth below and the specific factors set out under "Risk Factors" at pages 28 to 38 of the AIF, before making any investment decision.** All statements regarding the Issuer's business should be viewed in light of these risk factors. Investors should consider carefully whether investment in the Debentures is suitable for them in light of the information in this short form prospectus and in the documents incorporated by reference herein and their personal circumstances. Such information does not purport to be an exhaustive list. If any of the identified risks were to materialize, the Issuer's business, financial position, results and/or future operations may be materially adversely affected. Additional risks and uncertainties not presently known to the Issuer, or which the Issuer currently deems immaterial, may also have an adverse effect upon the Issuer. There can be no certainty that the Issuer will be able to implement successfully the strategy set out in this short form prospectus and in the documents incorporated by reference herein. No representation is or can be made as to the future performance of the Issuer and there can be no assurance that the Issuer will achieve its objectives. Investors should consult their own professional advisors to assess the tax, legal and other aspects of an investment in Debentures.

The Issuer may not be able to satisfy payments of interest and principal on the Debentures

There is no guarantee that the Issuer will have sufficient cash available to make interest and principal payments on the Debentures on a timely basis or at all. The likelihood that purchasers will receive the payments owing to them in connection with the Debentures will be dependent upon the financial health and creditworthiness of the Issuer and the ability of the Issuer to earn revenues. The Debentures are subordinated to the Senior Indebtedness. This subordination may significantly reduce the possibilities for purchasers of obtaining payment of the amounts owed under the Debentures.

Market for the Debentures

The Debentures constitute a new issue of securities of the Issuer for which there is currently no public market. Even though an application has been made to list the Debentures (including any Debentures that may be issued pursuant to the Over-Allotment Option) on the TSX, there can be no assurance that such listing application will be accepted by the TSX and that a secondary market for trading in the Debentures will develop or that any secondary market, which does develop, will continue. Also, there can be no assurances that any such secondary market will be active. To the extent that an active trading market for Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected.

Absence of covenant protection

The Indenture will not restrict the Issuer or any of its subsidiaries from incurring additional indebtedness for borrowed money or otherwise from mortgaging, pledging or charging their real or personal property or properties to secure any indebtedness or other financing. The Indenture will not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Issuer or any of its subsidiaries.

The Issuer may not be able to purchase Debentures on a Change of Control

The Issuer will be required to offer to purchase all outstanding Debentures upon the occurrence of a Change of Control. However, it is possible that following a Change of Control, the Issuer will not have sufficient funds at that time to make the required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases. See “Description of Debentures – Change of Control”.

Redemption prior to maturity

The Debentures may be redeemed, at the option of the Issuer, after December 31, 2021 and prior to the Maturity Date at any time and from time to time (provided that, in the case of any redemption between December 31, 2021 and December 31, 2022, the Current Market Price of the Common Shares is not less than 125% of the Conversion Price). Debentureholders should assume that this redemption option will be exercised if the Issuer is able to refinance at a lower interest rate or it is otherwise in the interest of the Issuer to redeem the Debentures.

Conversion following certain transactions

In the case of certain transactions, each Debenture will become convertible into securities, cash or property receivable by a holder of Common Shares in the kind and amount of securities, cash or property into which the Debenture was convertible immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the Debentures in the future. See “Description of the Debentures – Conversion” and “Description of the Debentures – Changes to Conversion Right”.

Credit risk

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health of the Issuer and its creditworthiness.

Subordination of Debentures

The Debentures are unsecured obligations of the Issuer and are subordinate in right of payment to all of the Issuer’s Senior Indebtedness. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the Issuer, the assets that serve as collateral for any Senior Indebtedness would be made available to satisfy the obligations of the creditors of such Senior Indebtedness before being available to pay the Issuer’s obligations to Debentureholders. Accordingly, all or a substantial portion of the Issuer’s assets could be unavailable to satisfy the claims of the Debentureholders.

Dilution

The Issuer may determine to redeem outstanding Debentures for Common Shares or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Common Shares. The issuance of additional Common Shares may have a dilutive effect on shareholders and an adverse impact on the price of Common Shares.

Prevailing yields on similar securities

Prevailing yield on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

Investment eligibility

The Issuer will endeavour to ensure that the Debentures and the Common Shares continue to be qualified investments under the Tax Act for trusts governed by RRSPs, RESPs, RRIFs, deferred profit sharing plans (except, in the case of the Debentures, a deferred profit sharing plan to which the Issuer, or an employer that does not deal at arm's length with the Issuer, has made a contribution), RDSPs and TFSAs, although there is no assurance that the conditions prescribed for such qualified investments will be adhered to at any particular time. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments.

Volatility of market price of Debentures and Common Shares

The market price of the Debentures and the underlying Common Shares may be volatile. The volatility may affect the ability of holders of Debentures to sell the Debentures at a favourable price. Additionally, volatility in the market price of the Common Shares may result in greater volatility in the market price of the Debentures than would be expected for non-convertible debt securities. Market price fluctuations in the Common Shares and the Debentures may be due to the Issuer's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Issuer or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "Forward-Looking Statements". In addition, broad market fluctuations may adversely affect the market prices of the Debentures and the Common Shares.

Discretion in the Use of Proceeds

The Issuer will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures. As a result, investors will be relying on the judgment of the Issuer's management as to the application of the proceeds of the Offering. The management of the Issuer may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Issuer's results of operations may suffer.

The Offering is conditional upon completion of the Non-Brokered Private Placement

The closing of the Offering and the Non-Brokered Private Placement are separate from each other. However, the closing of the Offering is conditional upon the closing of the Non-Brokered Private Placement and the closing of the Non-Brokered Private Placement is conditional upon the closing of the Offering. The Issuer intends that the closing of the Non-Brokered Private Placement will occur on the Closing Date. If the closing of the Non-Brokered Private Placement does not occur on the closing of the Offering for any reason, the Underwriters will not be obligated to purchase the Debentures under the Offering.

The Offering is subject to IIROC approval

The closing of the Offering and the Non-Brokered Private Placement are both subject to approval by IIROC in accordance with the IIROC Dealer Member Rules. IIROC has not conditionally approved the Issuer's issuance of the Debentures in connection with the Offering and the Private Placement, and there is no assurance that IIROC will approve such issuances.

STATUTORY AND CONTRACTUAL RIGHTS OF RESCISSION AND STATUTORY RIGHTS OF WITHDRAWAL

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right generally may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable

provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

Original purchasers of Debentures under the Offering will have a contractual right of rescission against the Issuer following the conversion of such Debentures in the event that this short form prospectus or any amendment thereto contains a misrepresentation. The contractual right of rescission will entitle such original purchasers to receive from the Issuer, upon surrender of the Common Shares issued upon conversion of such Debentures, the amount paid for such Debentures, provided that (i) the conversion takes place within 180 days of the date of the purchase of the Debentures under this short form prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Debentures under this short form prospectus.

In an offering of convertible securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE ISSUER

Dated: August 14, 2018

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

CANACCORD GENUITY GROUP INC.

By: (signed) DANIEL DAVIAU
Chief Executive Officer

By: (signed) DONALD
MACFAYDEN
Chief Financial Officer

CANACCORD GENUITY GROUP INC.
On behalf of the Board of Directors

By: (signed) DAVID KASSIE
Director

By: (signed) TERENCE LYONS
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: August 14, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

CANACCORD GENUITY CORP.

CORMARK SECURITIES INC.

TD SECURITIES INC.

By: (signed) MICHAEL SHUH

By: (signed) ALFRED AVANESSY

By (signed) MAHSA AFGHAHI

CIBC WORLD MARKETS INC.

NATIONAL BANK FINANCIAL INC.

By: (signed) SHANNAN M. LEVERE

By: (signed) MAUDE LEBLOND

ECHELON WEALTH PARTNERS INC.

GMP SECURITIES L.P.

By: (signed) DAVID G. ANDERSON

By: (signed) KEVIN SULLIVAN