

Molson Coors Canada and HEXO Announce Agreement to Create Joint Venture Focused on Non-Alcoholic, Cannabis-Infused Beverages for the Canadian Market

Molson Coors Canada, the Canadian business unit of Molson Coors Brewing Company (NYSE: TAP; TSX: TPX), and leading Canadian cannabis producer, The Hydrophocary Corporation ("HEXO") (TSX: HEXO), are pleased to announce that they have entered into a definitive agreement to form a joint venture to pursue opportunities to develop non-alcoholic, cannabis-infused beverages for the Canadian market following legalization.

The joint venture will be structured as a standalone start-up company with its own board of directors and an independent management team. Molson Coors Canada will have a 57.5% controlling interest in the JV, with HEXO having the remaining ownership interest. The new company will combine the proven beverage experience of Canada's leading brewer with a recognized innovator in the fast-growing cannabis sector to explore the highly anticipated consumable cannabis market, which is expected to be legally permissible in Canada in 2019. "Canada is breaking new ground in the cannabis sector and, as one of the country's leading beverage companies, Molson Coors Canada has a unique opportunity to participate in this exciting and rapidly expanding consumer segment. This new venture is consistent with our growth strategy and our commitment to being First Choice for Consumers and Customers by ensuring that Canadians have access to high-quality products that meet their evolving drinking preferences," said Frederic Landtmeters, President and CEO of Molson Coors Canada. "While we remain a beer business at our core, we are excited to create a separate new venture with a trusted partner that will be a market leader in offering Canadian consumers new experiences with quality, reliable and consistent non-alcoholic, cannabis-infused beverages. We look forward to partnering with HEXO, a recognized leader in the medical cannabis space in Canada that will bring robust production capacity, a track record of innovation, and, most

importantly, shared values when it comes to doing business the right way and earning the trust of consumers."

"HEXO continues to lead the way for smoke-free cannabis innovation in Canada. We are excited about this partnership with Molson Coors Canada, an iconic leader in adult beverages, as we embark on the journey of building a brand new market. With this new company, we are bringing together Quebec's oldest, most established company with one of its newest success stories in a truly innovative partnership," said HEXO's CEO and co-founder Sebastien St-Louis. "As two leading companies who share a track record of excellent practices, as well as respect for law and regulations, HEXO and Molson Coors Canada have established a relationship built on trust, and together we will develop responsible, high-quality cannabis-infused beverages for the consumable cannabis market in Canada."

Closing of the transaction, which is targeted to occur before September 30, 2018, is subject to the satisfaction of certain conditions, including execution and delivery of various transaction agreements, including governance documents and R&D and supply agreements. In connection with the closing of the transaction, subject to the final approval of the Toronto Stock Exchange, HEXO will issue to Molson Coors Canada warrants to purchase shares of HEXO. About Molson Coors Canada Molson Coors Canada is the Canadian business unit of Molson Coors Brewing Company. Headquartered in Toronto, Ontario, MCC is North America's oldest brewer and Canada's second largest brewer by volume, selling approximately one-third of the total Canadian beer market in 2017. Its portfolio consists of leading brands in all major product and price segments, including global priority brands Belgian Moon, Coors Banquet, and Coors Light, regional champion Molson Canadian, and other key owned brands, including Creemore Springs, Granville Island, Molson Dry, Molson Export, Old Style Pilsner, and Rickard's, and strategic distribution partner-

ships, including those with Heineken. MCC also includes partnership arrangements related to the distribution of beer in Ontario, Brewers' Retail Inc., and in the Western provinces, Brewers' Distributor Ltd. HEXO creates and distributes innovative, easy-to-use and easy-to-understand products to serve the Canadian cannabis market. One of the country's lowest-cost producers, HEXO is rapidly increasing its production capacity in the lead up to the adult-use cannabis market. The Company currently operates with over 300,000 sq. ft. of production capacity with construction on another 1,000,000 sq. ft. expansion set to be complete by year end. HEXO will serve the adult-use market under the HEXO brand, while continuing to serve its medical cannabis clients through the well-known Hydrophocary brand.

Forward-Looking Statements This press release includes "forward-looking statements" within the meaning of applicable securities laws. Generally, the words "believe," "expect," "intend," "anticipate," "project," "will," "outlook," and similar expressions identify forward-looking statements, which generally are not historic in nature. Although the companies believe that the assumptions upon which their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the companies' projections and expectations are disclosed in Molson Coors Brewing Company's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, and in HEXO Corporation's Annual Information Form and continuous disclosure filings with the Canadian Securities Administrators, which are available on SEDAR's website at www.sedar.com. These factors include, among others, failure to complete or realize anticipated benefits and synergies from the joint venture; potential negative consumer, investor or public

perception of our respective current brands or companies; changes in consumer preferences and product trends; and political, legal and regulatory uncertainty relating to cannabis products generally. All forward-

looking statements in this press release are expressly qualified by such cautionary statements and by reference to the underlying assumptions. Neither Molson Coors Brewing Company nor HEXO

Corporation undertakes to update forward-looking statements relating to their respective businesses, whether as a result of new information, future events or otherwise.



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