

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and thereby only by persons permitted to sell such securities. The securities being offered under this short form prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold in the United States of America or to U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended). See “Plan of Distribution”.

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 by reference herein may be obtained on request without charge from the Corporate Secretary of Stingray Digital Group Inc. at 730 Wellington Street, Montréal, Québec, H3C 1T4, telephone 514-664-1244, and are also available electronically at www.sedar.com.

New Issue

October 17, 2017

SHORT FORM PROSPECTUS



STINGRAY

STINGRAY DIGITAL GROUP INC.

\$40,001,600

4,348,000 Subordinate Voting Shares and Variable Subordinate Voting Shares (depending on whether the purchaser is a “Canadian” under the *Broadcasting Act* (Canada))

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of an aggregate of 4,348,000 subordinate voting shares (the “**Subordinate Voting Shares**”) and variable subordinate voting shares (the “**Variable Subordinate Voting Shares**”) and, together with the Subordinate Voting Shares, the “**Offered Shares**”) of Stingray Digital Group Inc. (“**we**”, “**us**”, “**Stingray**” or the “**Corporation**”) at a price of \$9.20 per Offered Share (the “**Offering Price**”). The Offering is being underwritten by National Bank Financial Inc. (“**NBF**”), GMP Securities L.P. (“**GMP**”), BMO Nesbitt Burns Inc., TD Securities Inc., CIBC World Markets Inc. and Desjardins Securities Inc. (collectively, the “**Underwriters**”) pursuant to an underwriting agreement dated as of October 10, 2017 between the Corporation and the Underwriters (the “**Underwriting Agreement**”).

Purchasers of Offered Shares who are “Canadian” within the meaning of a direction (the “**CRTC Direction**”) from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the *Broadcasting Act* (Canada) will receive Subordinate Voting Shares and purchasers of Offered Shares who are non-Canadians (as defined under the CRTC Direction) will receive Variable Subordinate Voting Shares. See “Description of Share Capital – Constraints on Share Ownership”. Subject to certain exceptions in respect of the voting and conversion rights attached to the Offered Shares in order to comply with the legal requirements of the CRTC Direction, the Offered Shares and the multiple voting shares of the Corporation (the “**Multiple Voting Shares**”) and, together with the Offered Shares, the “**Shares**”) are substantially identical with the exception of the multiple voting, conversion and subscription rights attached to the Multiple Voting Shares. Each Offered Share is entitled to one (1) vote (subject to certain restrictions in the case of the Variable Subordinate Voting Shares) and each Multiple Voting Share is entitled to ten (10) votes on all matters. The Multiple Voting Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain circumstances. The holders of Offered Shares benefit from protection provisions that give them certain rights in the event of a take-over bid for the Multiple Voting Shares. See “Description of Share Capital – Summary of Rights, Privileges, Restrictions and Conditions of the Multiple Voting Shares, the Subordinate Voting Shares and the Variable Subordinate Voting Shares”. Upon completion of the Offering (assuming no exercise of the Over-Allotment Option, as defined herein), the Corporation’s issued and outstanding Shares will consist of 39,414,227 Offered Shares and 16,294,285 Multiple Voting Shares. See “Description of Share Capital”.

The outstanding Subordinate Voting Shares and Variable Subordinate Voting Shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the trading symbols “**RAY.A**” and “**RAY.B**”, respectively. On October 2, 2017, the last trading day before the announcement of the Offering, the closing price of the Subordinate Voting Shares and the Variable Subordinate Voting Shares on the TSX was \$9.69 and \$9.41, respectively. On October 16, 2017, the last trading day before the date of this Prospectus, the closing price of the Subordinate Voting Shares and the Variable Subordinate Voting Shares on the TSX was \$9.13 and \$9.10, respectively. The TSX has conditionally approved the listing of the Subordinate Voting Shares and the Variable Subordinate Voting Shares to be issued

pursuant to the Offering and that may be sold pursuant to the exercise of the Over-Allotment Option, if any, subject to the Corporation fulfilling all of the requirements of the TSX on or before January 8, 2018.

Price: \$9.20 per Offered Share

	<u>Price to the Public⁽¹⁾</u>	<u>Underwriters' Fee⁽²⁾</u>	<u>Net Proceeds to the Corporation⁽³⁾⁽⁴⁾</u>
Per Offered Share.....	\$9.20	\$0.368	\$8.832
Total ⁽⁴⁾	\$40,001,600	\$1,600,064	\$38,401,536

- (1) The price of the Offered Shares was established by arm's length negotiation between the Corporation and the Underwriters.
- (2) The Corporation has agreed to pay the Underwriters an aggregate cash fee equal to 4% of the gross proceeds of the Offering (the "Underwriters' Fee"), being \$0.368 per Offered Share. See "Plan of Distribution".
- (3) Exclusive of the expenses of this Offering, which are estimated to be \$400,000.
- (4) The Corporation has granted the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from the closing of the Offering, to purchase up to an additional 652,200 Offered Shares, representing 15% of the number of Offered Shares offered hereby, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised at the Offering Price for a period of 30 days from the date of closing of the Offering. If the Over-Allotment Option is exercised in full, the "Price to the Public", the "Underwriters' Fee" and the "Net Proceeds to the Corporation" will be \$46,001,840, \$1,840,074 and \$44,161,766, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option to the Underwriters and any Offered Shares that are issued pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Offered Shares forming part of the Over-Allotment Option acquires those Offered Shares under this Prospectus, regardless of whether the over-allotment position is ultimately 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 Offered Shares that may be offered by the Corporation pursuant to the Over-Allotment Option:

<u>Underwriters' Position</u>	<u>Maximum Size or Number of Securities Held</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Option to purchase up to 652,200 Offered Shares	Within 30 days following the closing of the Offering	\$9.20 per Offered Share

The Underwriters, as principals, conditionally offer the Offered Shares qualified under this Prospectus, subject to prior sale, if, as and when issued, sold and delivered by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Corporation by Davies Ward Phillips & Vineberg LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP.

An investment in the Offered Shares is speculative and involves a degree of risk. Purchasers should carefully consider the risk factors described in this Prospectus and in the documents incorporated by reference herein in connection with making an investment in the Offered Shares. See "Risk Factors" and "Forward Looking Information".

Subject to applicable laws, in connection with the Offering, the Underwriters may over-allocate or effect transactions intended to stabilize or maintain the market price of the Offered Shares at levels other than those that might otherwise prevail on the open market. See "Plan of Distribution". **After the Underwriters have made reasonable efforts to sell the Offered Shares at the Offering Price referred to above, the Underwriters may offer the Offered Shares offered under this Prospectus to the public at prices lower than the Offering Price referred to above. Any such reduction will not affect the proceeds received by the Corporation. See "Plan of Distribution".**

Subscriptions for Offered Shares 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 Offered Shares will be registered and deposited directly with CDS Clearing and Depository Services Inc. ("CDS") or its nominee pursuant to the book-based system administered by CDS, and will be held by, or on behalf of, CDS, as depository of the Offered Shares for the participants of CDS, on a non-certificated basis and no certificates evidencing Offered Shares will be issued to purchasers thereof. Purchasers of Offered Shares will receive only a customer confirmation or statement from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares is purchased. The closing of the Offering is expected to occur on October 24, 2017, or such later date as the Corporation and the Underwriters may agree (the "Closing Date"), but in any event not later than October 31, 2017. See "Plan of Distribution".

Potential purchasers are advised to consult their own legal counsel and other professional advisors in order to assess income tax, legal and other aspects of this investment.

Each of NBF, BMO Nesbitt Burns Inc., CIBC World Markets Inc. and TD Securities Inc. is a subsidiary of a Canadian chartered bank that has made credit facilities available to the Corporation. Accordingly, in connection with the Offering and

pursuant to applicable securities legislation, the Corporation may be considered a “connected issuer” of each of NBF, BMO Nesbitt Burns Inc., CIBC World Markets Inc. and TD Securities Inc. See “Relationship between the Corporation and Certain Underwriters”.

Our head office and registered office is located at 730 Wellington Street, Montréal, Québec, H3C 1T4.

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GENERAL MATTERS

As used in this Prospectus, unless the context indicates or requires otherwise, the terms “Stingray”, “Corporation”, “we”, “us” and “our” mean Stingray Digital Group Inc., our subsidiaries and predecessors.

Prospective investors should rely only on the information contained in or incorporated by reference in Prospectus. Neither the Corporation nor the Underwriters have authorized any person to provide information that differs from the information contained herein. If anyone provides prospective investors with additional or different or inconsistent information, including information or statements in media articles about the Corporation, prospective investors should not rely on it.

The Offered Shares being offered for sale under this Prospectus may only be sold in those jurisdictions in which offers and sales of such securities are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy the Offered Shares in any jurisdiction where it is unlawful. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or of any sale of the Offered Shares.

All references in this Prospectus to “management” are to the persons who are executive officers of the Corporation. All statements in this Prospectus made by or on behalf of management are made in such persons’ capacities as executive officers of the Corporation and not in their personal capacities.

In this Prospectus, all references to “\$” are to the lawful currency of Canada and all dollar amounts herein are in Canadian dollars, unless otherwise indicated.

In this Prospectus and in the documents incorporated by reference herein, Pay-TV subscriber data is compiled by Stingray through information furnished by each of our Pay-TV provider customers on a monthly basis and the number of individuals having access to our services is estimated using data provided by Vision Critical through quarterly surveys commissioned by Stingray.

MARKET AND INDUSTRY DATA

We have obtained the market and industry data presented in this Prospectus and in the documents incorporated by reference herein from a combination of third-party sources and the estimates of management. Although we believe that these third-party sources and our management estimates are reliable, the accuracy and completeness of such data have not been verified by any independent sources. Market and industry data, including estimates and projections relating to size of market and market share, is inherently imprecise and cannot be verified due to limitations on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations inherent in any market research or other survey. Management’s estimates are based on internal research, its knowledge of the relevant market and industry and extrapolations from third-party sources. While we are not aware of any misstatements regarding the market and industry data presented in this Prospectus, such data involve risks and uncertainties and are subject to change based on various factors, including those factors discussed under “Forward-Looking Information” and “Risk Factors” in this Prospectus and in the documents incorporated by reference herein.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this 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 Corporation's Corporate Secretary at 730 Wellington Street, Montréal, Québec, H3C 1T4, telephone 514-664-1244. These documents may also be obtained over the Internet under our profile at the Canadian Securities Administrators' website ("SEDAR") at www.sedar.com.

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

- the annual information form of the Corporation dated June 8, 2017 for the fiscal year ended March 31, 2017 (the "**2017 AIF**");
- the audited consolidated financial statements of the Corporation, for the years ended March 31, 2017 and 2016, together with the notes thereto and the independent auditor's report thereon;
- management's discussion and analysis of the Corporation for the fiscal year ended March 31, 2017 (the "**2017 MD&A**");
- the unaudited interim consolidated financial statements of the Corporation, for the three-month period ended June 30, 2017, together with the notes thereto, but excluding the second paragraph of note 14a) to the effect that such financial statements have not been reviewed by the Corporation's auditor (the "**Interim Financial Statements**");
- management's discussion and analysis of the Corporation for the three-month period ended June 30, 2017, but excluding the last sentence of the first paragraph of the section entitled "Basis of presentation and forward looking statements" of such management's discussion and analysis to the effect that the Interim Financial Statements have not been reviewed by the Corporation's auditor (the "**June 30, 2017 MD&A**");
- the management information circular of the Corporation dated June 19, 2017 distributed in connection with the Corporation's annual meeting of shareholders held on August 2, 2017;
- the material change report dated May 4, 2017 with respect to the appointment of Valery Zamuner as Senior Vice-President, Mergers, Acquisitions & Strategic Initiatives;
- the "template version" (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements*) of the term sheet for the Offering dated October 3, 2017 (the "**Marketing Material**"); and
- the material change report dated October 6, 2017 with respect to the Offering.

Any documents of the foregoing type, and all other documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, which may be filed by the Corporation with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion or withdrawal of the Offering will be deemed to be incorporated by reference into this Prospectus.

Notwithstanding anything herein to the contrary, any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated or 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 is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall thereafter neither constitute, nor be deemed to constitute, a part of this Prospectus, except as so modified or superseded.

MARKETING MATERIALS

The Marketing Material and any other "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101—*General Prospectus Requirements*) do not form part of this Prospectus to the extent that their contents have been modified or superseded by a statement contained in this Prospectus. Any "template version" of any "marketing materials" pertaining to the Offering that is filed by us with any securities regulatory authority in Canada after the date of this Prospectus and before the termination of the distribution under the Offering is deemed to be incorporated by reference in this Prospectus.

FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information within the meaning of applicable Canadian securities laws. This forward-looking information includes, but is not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Corporation. This forward-looking information relates to, among other things, our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimations and intentions, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Statements with the words "could", "expect", "may", "will", "anticipate", "assume", "intend", "plan", "believes", "estimates", "guidance", "foresee", "continue" and similar expressions are intended to identify statements containing forward looking information, although not all forward-looking statements included such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to the following risk factors described in greater detail under "Risk Factors" in this Prospectus and in the documents incorporated by reference herein: the use of the net proceeds from the Offering; the timing and completion of the Offering; increases in royalties or restricted access to music rights; our dependence on Pay-TV providers; the rapidly evolving audio and video entertainment industry; competition from other content providers; the expansion of our operations into international markets; our rapid growth and our growth strategy; our acquisitions, business combinations and joint ventures; our dependence on key personnel; exchange rate fluctuations; economic and political instability in emerging countries; royalty calculation methods; rapid technological and industry changes; unavailability of additional funding; failure to generate cash revenues; reliance on our credit facilities; costly and protracted litigation in defence of copyrighted content; our inability to protect our proprietary technology; our reliance on third party hardware, software and related services; our inability to maintain our corporate culture; unfavourable economic conditions; our exposure to foreign privacy and data security laws; unauthorized and pirated music and video content; natural catastrophic events and interruption by man-made problems; additional income tax liabilities; maintaining our reputation; litigation and other claims; credit risk; liquidity risk; failure to comply with CRTC requirements; failure to maintain or renew our CRTC licences; the increase in broadcasting licence fees payable by us; unfavourable changes in government regulation affecting our industry; the fluctuation of the prices of the Offered Shares; the expenses we will incur as a result of the Offering; the significant ownership in the Corporation by the Principal Shareholders (as defined herein); the future sales of Offered Shares by the Principal Shareholders, directors, officers and senior management of the Corporation; the dilution in the net tangible book value of the Offered Shares; actual cash flow results differing from expectations; and, securities or industry analysts' research or reports impacting the price of the Offered Shares.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Prospectus. Such assumptions include, but are not limited to, the following: our ability to generate sufficient revenue while controlling our costs and expenses; our ability to manage our growth effectively; the absence of material adverse changes in our industry or the global economy; trends in our industry and markets; the absence of any changes in law, administrative policy or regulatory requirements applicable to our business, including any change to our licences with the CRTC; minimal changes to the distribution of the pay audio services by Pay-TV providers in light of recent CRTC policy decisions; our ability to manage risks related to international expansion; our ability to maintain good business relationships with our clients, agents and partners; our ability to expand our sales and distribution infrastructure and our marketing; our ability to develop products and technologies that keep pace with the continuing changes in technology, evolving industry standards, new product introductions by competitors and changing client preferences and requirements; our ability to protect our technology and intellectual property rights; our ability to manage and integrate acquisitions; our ability to retain key personnel; and our ability to raise sufficient debt or equity financing to support our business growth. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this Prospectus is qualified by these cautionary statements. Statements containing forward-looking information included in this Prospectus are made only as of the date hereof and in a document incorporated by reference in this Prospectus are made only as of the date of such document. The Corporation expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

Before making any investment decision in respect of the Offered Shares and for a detailed discussion of the risks and uncertainties associated with the Corporation's business, its operations and its financial targets, performance and condition and the material factors and assumptions underlying the forward-looking information herein and therein, fully review the disclosure

incorporated by reference in this Prospectus and the risks referenced under “Risk Factors” in this Prospectus and in the documents incorporated by reference herein.

IFRS AND NON-IFRS FINANCIAL MEASURES

The annual consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and are stated in Canadian dollars.

The Corporation believes that Adjusted EBITDA and Adjusted EBITDA margin are important measures when analyzing its operating profitability without being influenced by financing decisions, non-cash items and income taxes strategies. The Corporation believes that Adjusted net income and Adjusted net income per share are important measures as it demonstrates its core bottom-line profitability. The Corporation believes that Adjusted free cash flow is an important measure when assessing the amount of cash generated after accounting for capital expenditures and non-core charges. It demonstrates cash available to make business acquisitions, pay dividend and reduce debt. The Corporation believes that Net debt including and excluding contingent considerations and Net debt to Adjusted EBITDA are important measures when analyzing the significance of debt on the Corporation’s statement of financial position. Each of these non-IFRS financial measures is not an earnings or cash flow measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as an alternative to net income determined in accordance with IFRS as indicators of our performance or to cash flows from operating and investing activities as measures of liquidity and cash flows.

ELIGIBILITY FOR INVESTMENT

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Corporation, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) in force as of the date hereof, the Offered Shares will be a qualified investment under the Tax Act at the time of their acquisition by a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a deferred profit sharing plan, a registered education savings plan (“**RESP**”), a registered disability savings plan (“**RDSP**”), or a tax free savings account (“**TFSA**”), each as defined in the Tax Act (each a “**Plan**”) provided that, at the time of the acquisition, the Offered Shares are listed on a “designated stock exchange” as defined in the Tax Act (which includes the TSX) and the Corporation is a “public corporation” as defined in the Tax Act.

Notwithstanding that the Offered Shares may be a qualified investment for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or an annuitant of a RRSP or RRIF, as the case may be, will be subject to a penalty tax in respect of such Offered Shares held in the TFSA, RRSP or RRIF, if such Offered Shares are a “prohibited investment” within the meaning of the Tax Act. The Offered Shares will generally not be a “prohibited investment” for a trust governed by a TFSA, RRSP or RRIF unless the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm’s length with the Corporation for purposes of the Tax Act or (ii) has a “significant interest” in the Corporation as defined in the prohibited investment rules in the Tax Act. The Offered Shares will not be a “prohibited investment” if the Offered Shares are “excluded property” as defined in the Tax Act for purposes of the prohibited investment rules. Under tax proposals to amend the Tax Act announced on March 22, 2017, the prohibited investment rules will extend to trusts governed by a RESP or RDSP and the annuitants or holders thereof, effective after March 22, 2017, subject to certain transitional rules.

Prospective purchasers who intend to hold the Offered Shares in their TFSAs, RRSPs, RRIFs, RDSPs or RESPs should consult their own tax advisors regarding their particular circumstances.

STINGRAY DIGITAL GROUP INC.

Overview

Stingray results from the amalgamation under the *Canada Business Corporations Act* (the “CBCA”) on April 1, 2017 of Stingray Digital Group Inc. and Stingray Business Inc. The first of the amalgamated companies, Stingray Digital Group Inc., was amalgamated on February 4, 2011. The second of the amalgamated companies, Stingray Business Inc., was incorporated on August 25, 2006.

The Corporation’s head office and registered office is located at 730 Wellington Street, Montréal, Québec, H3C 1T4.

The Subordinate Voting Shares and the Variable Subordinate Voting Shares are listed for trading on the TSX under the symbols “RAY.A” and “RAY.B”, respectively.

Summary Description of the Business

Stingray is a leading B2B multi-platform music and in-store media solutions provider operating on a global scale. We broadcast high quality music and video content on a number of platforms including digital cable TV, satellite TV, Internet Protocol television (IPTV), the Internet, mobile devices and game consoles. We reach an estimated 400 million subscribers (or households) and deploy our broadcast music, short and long-form television channels, karaoke products, and commercial music across 156 countries as well as over 78,000 commercial establishments across Canada including business offices, retail stores, restaurants, hotels and other commercial establishments. Stingray is headquartered in Montréal, Canada, and employs over 350 professionals and support staff across the world, including in the United States, the United Kingdom, the Netherlands, Israel, Australia, and Singapore.

Stingray delivers a first-class experience to entertainment content providers and commercial clients worldwide, which is driven by our customizable capabilities and wide array of multiplatform music products, all of which are fully curated by experts across the globe. Stingray’s distribution model is focused on providing high quality music content through a multitude of platforms, in exchange for a payment on a recurring and contractual basis. Revenue from our music broadcasting and television channels business is principally generated either on a payment per subscriber basis or a video-on-demand (VOD) basis. Our business model is based on a non-interactive, linear business model resulting in what management believes to be a more advantageous rights structure compared to other service providers operating on an interactive and B2C business model, such as Apple Music and Spotify. Revenue from our Commercial Music business is generated on a monthly subscription fee per location.

For more information on Stingray and its business, please refer to the 2017 AIF under “Documents Incorporated by Reference”.

Recent Developments

On July 31, 2017, Stingray announced that it had concluded the acquisition of Satellite Music Australia PTY Ltd. (SMA), a subsidiary of Macquarie Media Operations PTY Limited (MRN) and a leading Australian provider of in-store media solutions servicing more than 2,200 locations.

Also on July 31, 2017, Stingray announced that it had acquired SBA Music PTY Ltd. (SBA), an Australian provider of in-store media solutions.

For the three-month period ended September 30, 2017, the Corporation has incurred non-recurring legal fees in the aggregate amount of approximately \$5.0 million. Such fees were incurred in connection with (i) the preparation and filing of pleadings for *inter partes* review (IPR) (a procedure for challenging the validity of a United States patent before the United States Patent and Trademark Office) in respect of the patents that Music Choice has alleged were infringed by Stingray; (ii) significant litigation expenses that arise from the defence of the aforesaid alleged patent infringement complaint filed by Music Choice; (iii) the prosecution of Stingray’s counter-claims filed against Music Choice; (iv) acquisitions that were completed by Stingray and previously announced; and (v) transactions that were ultimately not consummated. For more information on the Music Choice legal proceedings, please refer to the June 30, 2017 MD&A under “Music Choice Litigation”.

USE OF PROCEEDS

The estimated net proceeds of the Offering will be approximately \$38.0 million (approximately \$43.8 million if the Over-Allotment Option is exercised in full), after deduction of the Underwriters’ Fee and the estimated expenses of the Offering of approximately \$400,000.

The net proceeds of the Offering will be used for working capital and general corporate purposes, including to provide further flexibility for future acquisitions. Pending such application of the net proceeds of the Offering, the Corporation will reimburse certain amounts owing under the Credit Facility (as defined herein), which Credit Facility shall remain fully available to the Corporation

including to fund future acquisitions. Amounts drawn under the Credit Facility were used for general corporate purposes, including to fund various acquisitions completed by the Corporation. See “Relationship between the Corporation and Certain Underwriters”.

CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of the Corporation, on a consolidated basis, since the date of the Interim Financial Statements incorporated by reference in this Prospectus.

As at June 30, 2017, there were 35,032,081 Offered Shares and 16,294,285 Multiple Voting Shares issued and outstanding. As at the date of this Prospectus, there are 35,066,227 Offered Shares and 16,294,285 Multiple Voting Shares issued and outstanding. After giving effect to the Offering, management expects the number of issued and outstanding Offered Shares to be 39,414,227 (and 40,066,427 if the Over-Allotment Option is exercised in full) and the number of issued and outstanding Multiple Voting Shares to be 16,294,285.

As at June 30, 2017, the consolidated indebtedness of the Corporation outstanding under the Credit Facility amounted to approximately \$58.1 million in the aggregate. After giving effect to the Offering and the use of proceeds therefrom (assuming no exercise of the Over-Allotment Option), the indebtedness of the Corporation, on a consolidated pro forma basis, outstanding under the Credit Facility will amount to approximately \$20.1 million in the aggregate.

See “Use of Proceeds” and “Relationship between the Corporation and Certain Underwriters”.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Multiple Voting Shares, Subordinate Voting Shares, Variable Subordinate Voting Shares, Special Shares and Preferred Shares.

The terms of the Variable Subordinate Voting Shares, as summarized below, are intended to ensure that the number of votes owned and controlled by non-Canadians (as defined in the CRTC Direction) is within the limit permitted under the CRTC Direction. The CRTC Direction also limits the number of voting shares that may be owned and controlled by non-Canadians (as defined in the CRTC Direction), without regard to the number of votes that may be exercised in respect of each such share. As a result, the limitation on the number of votes associated with the Variable Subordinate Voting Shares does not ensure compliance with the limit on the number of voting shares that may be owned and controlled by non-Canadians (as defined in the CRTC Direction). The Board of Directors of Stingray (the “**Board of Directors**”) intends to monitor the number of Variable Subordinate Voting Shares outstanding and may take steps to adjust the number of Special Shares outstanding from time to time in order to ensure continued compliance with the CRTC Direction’s limit on the number of voting shares that may be owned and controlled by non-Canadians (as defined in the CRTC Direction).

The Offered Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Corporation is exempt from the requirements of Section 12.3 of National Instrument 41-101 – *General Prospectus Requirements* on the basis that the securities offered by this Prospectus are of the same class as securities distributed under a previous prospectus that was filed by the Corporation that was, at the time of filing the previous prospectus, a private issuer.

The Special Shares were created to give the Corporation greater flexibility to raise capital in the future without impacting our status under the *Broadcasting Act* (Canada) and its regulations, as amended (the “**Broadcasting Act**”). The Corporation has no plans at present to issue any Special Shares.

Summary of Rights, Privileges, Restrictions and Conditions of the Multiple Voting Shares, the Subordinate Voting Shares and the Variable Subordinate Voting Shares

Except as described herein, the Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Multiple Voting Shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one (1) class only.

Rank

The Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Multiple Voting Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation. In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs, whether voluntarily or involuntarily, the holders of Subordinate Voting Shares, the holders of Variable Subordinate Voting Shares and the holders of Multiple Voting Shares are entitled to participate equally, share for share, subject always to the rights of the holders of any Preferred Shares and the holders of Special Shares, in the remaining property and assets of the Corporation available for distribution to shareholders of the Corporation, without preference or distinction among or between the Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Multiple Voting.

Dividends

The holders of outstanding Subordinate Voting Shares, Variable Subordinate Voting Shares and Multiple Voting Shares are entitled to receive, subject always to the rights of the holders of any Preferred Shares, dividends on a share for share basis out of assets legally available therefor at such times and in such amounts and form as the Board of Directors may from time to time determine, without preference or distinction among or between the Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Multiple Voting Shares. In the event of a payment of a dividend in the form of shares of the Corporation, holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, holders of Variable Subordinate Voting Shares shall receive Variable Subordinate Voting Shares and holders of Multiple Voting Shares shall receive Multiple Voting Shares.

Voting Rights

Upon the closing of Offering (assuming no exercise of the Over-Allotment Option), 8242003 Canada Inc., 8978832 Canada Inc., Boyko Investments Corporation and Télésystème Média Can Inc. (collectively, the “**Principal Shareholders**”) will collectively hold 100% of the Corporation’s issued and outstanding Multiple Voting Shares, approximately 29.2% of the Corporation’s total issued and outstanding Shares and approximately 80.5% of the voting power attached to all of the Shares (approximately 28.9% and 80.3%, respectively, if the Over-Allotment Option is exercised in full) and, as a result, will have a significant influence on the Corporation.

Upon the closing of the Offering (assuming no exercise of the Over-Allotment Option), the Subordinate Voting Shares and the Variable Subordinate Voting Shares will represent approximately 70.8% of the Corporation’s total issued and outstanding Shares and approximately 19.5% of the voting power attached to all of the Shares (approximately 71.1% and 19.7%, respectively, if the Over-Allotment Option is exercised in full).

Subordinate Voting Shares

The holders of Subordinate Voting Shares are entitled to receive notice of, and to attend and vote at all meetings of the shareholders, except those at which holders of a specific class are entitled to vote separately as a class under the CBCA. Each Subordinate Voting Share shall confer the right to one (1) vote per share.

Variable Subordinate Voting Shares

The holders of Variable Subordinate Voting Shares are entitled to receive notice of, and to attend and vote at all meetings of the shareholders, except those at which holders of a specific class are entitled to vote separately as a class under the CBCA. Each Variable Subordinate Voting Share shall confer the right to one (1) vote per share, except where (i) the number of votes that may be exercised in respect of all issued and outstanding Variable Subordinate Voting Shares exceeds 20% of the total number of votes that may be exercised in respect of all issued and outstanding voting shares of the Corporation (or any greater percentage that would qualify the Corporation as a Canadian (as defined in the CRTC Direction) pursuant to the Broadcasting Act), or (ii) the total number of votes cast by or on behalf of the holders of Variable Subordinate Voting Shares at any meeting on any matter on which a vote is to be taken exceeds 20% (or any greater percentage that would qualify the Corporation as a Canadian (as defined in the CRTC Direction) pursuant to the Broadcasting Act) of the total number of votes that may be cast at such meeting.

If either of the above-noted thresholds is surpassed at any time, the vote attached to each Variable Subordinate Voting Share will decrease automatically without further act or formality. Under the circumstances described in clause (i) of the paragraph above, the Variable Subordinate Voting Shares as a class cannot carry more than 20% (or any greater percentage that would qualify the Corporation as a Canadian (as defined in the CRTC Direction)) of the total voting rights attached to the aggregate number of issued and outstanding Variable Subordinate Voting Shares, Subordinate Voting Shares and Multiple Voting Shares of the Corporation. Under the circumstances described in clause (ii) of the paragraph above, the Variable Subordinate Voting Shares as a class cannot, for a given shareholders’ meeting, carry more than 20% (or any greater percentage that would qualify the Corporation as a Canadian (as defined in the CRTC Direction)) of the total number of votes that may be cast at the meeting.

Multiple Voting Shares

The holders of Multiple Voting Shares are entitled to receive notice of, and to attend and vote at all meetings of the shareholders, except those at which holders of a specific class are entitled to vote separately as a class under the CBCA. Each Multiple Voting Share shall confer the right to ten (10) votes per share.

Conversion

Subordinate Voting Shares and Variable Subordinate Voting Shares

Automatic Conversion

Each issued and outstanding Subordinate Voting Share shall be converted into one (1) Variable Subordinate Voting Share, automatically and without any further act of the Corporation or the holder, if such Subordinate Voting Share is or becomes owned or controlled by a non-Canadian (as defined in the CRTC Direction).

Each issued and outstanding Variable Subordinate Voting Share shall be automatically converted into one (1) Subordinate Voting Share, without any further intervention on the part of the Corporation or the holder, if (i) the Variable Subordinate Voting Share is or becomes owned and controlled by a Canadian (as defined in the CRTC Direction); or if (ii) the provisions contained in or promulgated under the Broadcasting Act relating to foreign ownership restrictions are repealed and not replaced with other similar provisions in applicable legislation.

Upon an Offer

In the event that an offer is made to purchase Subordinate Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Subordinate Voting Shares in a given province or territory of Canada to which these requirements apply, each Variable Subordinate Voting Share shall become convertible at the option of the holder into one (1) Subordinate Voting Share at any time while the offer is in effect until one (1) day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Subordinate Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to the provisions concerning voting rights for Variable Subordinate Voting Shares notwithstanding their conversion. In such event, the Corporation's transfer agent shall deposit the resulting Subordinate Voting Shares on behalf of the holder.

Should the Subordinate Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Subordinate Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Corporation or on the part of the holder, into Variable Subordinate Voting Shares.

In the event that an offer is made to purchase Variable Subordinate Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Variable Subordinate Voting Shares in a given province or territory of Canada to which these requirements apply, each Subordinate Voting Share shall become convertible at the option of the holder into one (1) Variable Subordinate Voting Share at any time while the offer is in effect until one (1) day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Variable Subordinate Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to the provisions concerning voting rights for Subordinate Voting Shares notwithstanding their conversion. In such event, the Corporation's transfer agent shall deposit the resulting Variable Subordinate Voting Shares on behalf of the holder.

Should the Variable Subordinate Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Variable Subordinate Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Corporation or on the part of the holder, into Subordinate Voting Shares.

Multiple Voting Shares

Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one (1) Subordinate Voting Share. Upon the first date that any Multiple Voting Share shall be held other than by a Permitted Holder (as defined below), such holder, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert all of the Multiple Voting Shares held by such holder into fully paid and non-assessable Subordinate Voting Shares, on a share for share basis.

In addition, all Multiple Voting Shares, regardless of the holder thereof, will convert automatically into Subordinate Voting Shares at such time as the aggregate voting rights attached to all of the issued and outstanding Multiple Voting Shares no longer represent more than 50% of the aggregate voting rights attached to all issued and outstanding shares of the Corporation.

For the purposes of the foregoing:

“**Affiliate**” means, with respect to any specified person, any other person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified person.

“**Members of the Immediate Family**” means with respect to any individual, each spouse (whether by marriage or civil union) or common law partner (as defined in the Tax Act) or child or other descendants (whether by birth or adoption) of such individual, each spouse (whether by marriage or civil union) or common law partner (as defined in the Tax Act) of any of the aforementioned persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned persons, and each legal representative of such individual or of any aforementioned persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a person shall be considered the spouse of an individual if such person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the Tax Act as amended from time to time) of such individual. A person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual.

“**Permitted Holder**” means (i) with respect to the Boyko Group (as that term is defined in the articles of the Corporation), (a) Eric Boyko and the Members of the Immediate Family of Eric Boyko; (b) Boyko Investments Corporation, any successor corporation (by amalgamation or otherwise) of Boyko Investments Corporation any of its affiliates, as long as Eric Boyko and/or any one or more of the Members of the Immediate Family of Eric Boyko is, directly or indirectly, the registered and the beneficial owner of securities carrying in the aggregate at least 50% + 1 of the votes for the election of directors and representing in the aggregate at least 50% + 1 of the participating (equity) securities of such companies, (c) 8242003 Canada Inc., as long as Eric Boyko, Pascal Tremblay or Lloyd Perry Feldman remains the sole voting trustee of 8242003 Canada Inc. under the voting trust agreement pertaining to 8242003 Canada Inc.; and (d) 8978832 Canada Inc., as long as Eric Boyko, Pascal Tremblay or Lloyd Perry Feldman remains the sole voting trustee of 8978832 Canada Inc. under the voting trust agreement pertaining to 8978832 Canada Inc.; and (ii) with respect to Télésystème Ltée, Télésystème Ltée, any successor corporation (by amalgamation or otherwise) and any of its affiliates.

“**person**” means any individual, partnership, corporation, company, association, unincorporated organization, trust, joint venture or limited liability company.

A person is “controlled” by another person or other persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least 50% + 1 of the votes for the election of directors and representing in the aggregate at least 50% + 1 of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other person or persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a person that is not a company or other body corporate, at least 50% + 1 of the participating (equity) and voting interests of such person are held, directly or indirectly, by or solely for the benefit of the other person or persons; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly).

Constraints on Share Ownership

The Multiple Voting Shares and the Subordinate Voting Shares may only be owned or controlled by Canadians (as defined in the CRTC Direction), unless the provisions contained in or made under the Broadcasting Act relating to the ineligibility of a non-Canadian (as defined in the CRTC Direction) to hold a licence to operate a broadcasting undertaking are repealed and not superseded or replaced with other similar provisions in respect of Canadian ownership and control.

Any Subordinate Voting Share owned or controlled by a non-Canadian (as defined in the CRTC Direction) is or must be converted into a Variable Subordinate Voting Share. Variable Subordinate Voting Shares may only be owned or controlled by non-Canadians (as defined in the CRTC Direction). Therefore, any Variable Subordinate Voting Share owned or controlled by a Canadian (as defined in the CRTC Direction) is or must be converted into a Subordinate Voting Share. Stingray’s by-laws set out general powers of the Board of Directors to enact procedures regarding the issuance, transfer and holding of Subordinate Voting Shares and Variable Subordinate Voting Shares, power to require declarations regarding ownership status of persons holding Subordinate Voting Shares or Variable Subordinate Voting Shares and various enforcement provisions regarding Canadian ownership. In addition, Stingray has adopted certain monitoring procedures to ensure compliance with its articles, its by-laws and the maintenance of Canadian ownership as required by the Broadcasting Act or any regulations or directions promulgated thereunder, including the CRTC Direction. These procedures establish that Stingray’s transfer agent will make periodic inquiries of intermediaries holding Subordinate Voting Shares and Variable Subordinate Voting Shares for non-registered holders to ensure compliance with shareholding ownership requirement. See “– Conversion” and “Declaration of Canadian Status”.

Subscription Rights

Pursuant to Stingray's articles, in the event of any distribution or issuance, including by way of a share dividend (a "**Distribution**") of voting shares of the Corporation (other than Multiple Voting Shares, Subordinate Voting Shares issued upon the conversion of Multiple Voting Shares or of Variable Subordinate Voting Shares, Variable Subordinate Voting Shares issued upon conversion of Subordinate Voting Shares, or voting shares issued pursuant to the exercise of a right attached to any security of the Corporation issued prior to the Distribution) (the "**Subject Voting Shares**") or of securities convertible or exchangeable into Subject Voting Shares or giving the right to acquire Subject Voting Shares (other than options or other securities issued under compensatory plans or other plans to purchase Subject Voting Shares or any other securities in favour of the management, directors, employees or consultants of the Corporation) (the "**Convertible Securities**" and, together with the Subject Voting Shares, the "**Distributed Securities**"), the Corporation shall issue to the holder(s) of Multiple Voting Shares rights to subscribe for that number of Multiple Voting Shares, or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, *mutatis mutandis* (except for the ultimate underlying securities which shall be Multiple Voting Shares), as those stipulated in the Convertible Securities, that number of Multiple Voting Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully-diluted basis) associated with the then outstanding Multiple Voting Shares (the "**Rights to Subscribe**").

The Rights to Subscribe shall be issued to the holder(s) of Multiple Voting Shares in a proportion equal to their respective holdings of Multiple Voting Shares and shall be issued concurrently with the completion of the Distribution of the applicable Distributed Securities. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities underlying such Rights to Subscribe (the "**Subscription Securities**") shall be issued and must be paid for concurrently with the completion of the Distribution and payment to the Corporation of the issue price for the Distributed Securities, at the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges but at a price not lower than (i) if the Distributed Securities are Subordinate Voting Shares or Variable Subordinate Voting Shares, the price at which Subordinate Voting Shares or Variable Subordinate Voting Shares, as the case may be, are then being issued or distributed, (ii) if the Distributed Securities are Convertible Securities, the price at which the applicable Convertible Securities are then being issued or distributed; and (iii) if the Distributed Securities are Subject Voting Shares other than Subordinate Voting Shares or Variable Subordinate Voting Shares, the higher of (a) the weighted average price of the transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be) for the 20 trading days preceding the Distribution of such Subject Voting Shares or of (b) the weighted average price of transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be), the trading day before the Distribution of such Subject Voting Shares.

The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Multiple Voting Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Multiple Voting Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Multiple Voting Shares after giving effect to the exercise by the holder(s) of the privileges attached to such Convertible Securities.

The right to receive Rights to Subscribe as described above, and the legal or beneficial ownership of the Rights to Subscribe, may be assigned in whole or in part among Permitted Holders, provided that written notice of any such assignment shall be sent promptly to the other holders of Multiple Voting Shares and the Corporation.

The Principal Shareholders, as the owners of all the outstanding Multiple Voting Shares, have waived the exercise of their Rights to Subscribe in connection with the Offering.

Subordinate Voting Shares and Variable Subordinate Voting Shares have no pre-emptive or subscription rights to purchase any securities of the Corporation. An issuance of participating (equity) securities will not be rendered invalid due to a failure by the Corporation to comply with the foregoing.

Subdivision or Consolidation

No subdivision or consolidation of the Subordinate Voting Shares, the Variable Subordinate Voting Shares, or the Multiple Voting Shares may be carried out unless, at the same time, the shares of the three (3) classes are subdivided or consolidated in the same manner and on the same basis and preserve the relative rights of the holders of each of these classes of shares.

Certain Amendments

In addition to any other voting right or power to which the holders of Subordinate Voting Shares and Variable Subordinate Voting Shares shall be entitled by law or regulation or other provisions of Stingray's articles from time to time in effect, holders of Subordinate Voting Shares and holders of Variable Subordinate Voting Shares, respectively, shall be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of

Stingray's articles which would adversely affect the powers, preferences or rights of the holders of Subordinate Voting Shares or the holders of Variable Subordinate Voting Shares, respectively, including an amendment to the terms of Stingray's articles that provides that any Multiple Voting Shares sold or transferred to a person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares.

Certain Class Votes

Without limiting other rights at law of any holders of Multiple Voting Shares, Subordinate Voting Shares or Variable Subordinate Voting Shares to vote separately as a class or the terms of the following paragraph, neither the holders of the Multiple Voting Shares nor the holders of the Subordinate Voting Shares shall be entitled to vote separately as a class upon a proposal to amend Stingray's articles in the case of an amendment of the kind referred to in paragraph (a) of subsection 176(1) of the CBCA and, as regards the creation of additional classes of Preferred Shares which are non-voting, paragraph (e) of subsection 176(1) of the CBCA.

The holders of the Subordinate Voting Shares and the holders of Variable Subordinate Voting Shares shall be entitled to vote separately as a class (but will not have any dissent rights) in respect of any amalgamation, arrangement, business combination or sale, lease, exchange or transfer of all or substantially all the property of the Corporation (as such expressions are interpreted for the purposes of the CBCA) in connection with which or following which any holder of Multiple Voting Shares would, directly or indirectly, receive or be entitled to receive consideration, money, property or securities of greater value per share or different in kind than the consideration or distribution available to holders of Subordinate Voting Shares and holders of Variable Subordinate Voting Shares, unless the holders of Subordinate Voting Shares or of Variable Subordinate Voting Shares, as the case may be, are otherwise already entitled to vote separately as a class in respect of such transaction under any applicable law (including, without limitation, securities laws in any jurisdiction, together with the rules, regulations, orders and notices made thereunder and the local, uniform and national published instruments and policies adopted by the securities regulatory authority in such jurisdiction, as applied and interpreted by such securities regulatory authority) or the rules, notices, policies and procedures or any decision of any applicable stock exchange.

Issuance of Additional Multiple Voting Shares

Subject to the provisions of Stingray's articles, the Corporation may not issue Multiple Voting Shares without the approval of at least 66 2/3% of the votes cast at each of the meetings of the holders of Subordinate Voting Shares and of the holders of Variable Subordinate Voting Shares duly held for that purpose. However, approval is not required in connection with a subdivision or conversion on a *pro rata* basis as between the Subordinate Voting Shares and the Variable Subordinate Voting Shares, on the one hand, and the Multiple Voting Shares, on the other hand, or the issuance of Multiple Voting Shares upon the exercise of the Rights to Subscribe.

Take-Over Bid Protection

Under applicable Canadian law, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares or Variable Subordinate Voting Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares or of Variable Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, the Principal Shareholders, as the owners of all the outstanding Multiple Voting Shares, have entered into a customary coattail agreement with the Corporation and a trustee (the "**Coattail Agreement**"). The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares or of Variable Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares or Variable Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by any Principal Shareholder of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares and Variable Subordinate Voting Shares that:

- (i) offers a price per Subordinate Voting Share or Variable Subordinate Voting Share at least as high as the highest price per share paid pursuant to the take-over bid for the Multiple Voting Shares;
- (ii) provides that the percentage of outstanding Subordinate Voting Shares or Variable Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (iii) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares or Variable Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- (iv) is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares by a Principal Shareholder to a Permitted Holder, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would constitute an exempt take-over bid (as defined in applicable securities legislation). The conversion of Multiple Voting Shares into Subordinate Voting Shares or into Variable Subordinate Voting Shares, if applicable, whether or not such Subordinate Voting Shares or Variable Subordinate Voting Shares are subsequently sold, would not constitute a disposition of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any disposition of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the agreement will be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares or Variable Subordinate Voting Shares in accordance with Stingray's articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares or of the Variable Subordinate Voting Shares. The obligation of the trustee to take such action will be conditional on the Corporation or holders of the Subordinate Voting Shares or of the Variable Subordinate Voting Shares, as the case may be, providing such funds and indemnity as the trustee may require. No holder of Subordinate Voting Shares or of Variable Subordinate Voting Shares, as the case may be, will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares or of the Variable Subordinate Voting Shares, as the case may be, and reasonable funds and indemnity have been provided to the trustee. The Corporation has agreed to pay the reasonable costs of any action that may be taken in good faith by holders of Subordinate Voting Shares or of Variable Subordinate Voting Shares, as the case may be, pursuant to the Coattail Agreement.

The Coattail Agreement provides that it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (i) the consent of the TSX and any other applicable securities regulatory authority in Canada and (ii) the approval of at least 66 2/3% of the votes cast by holders of Subordinate Voting Shares and 66 2/3% of the votes cast by holders of Variable Subordinate Voting Shares excluding votes attached to Subordinate Voting Shares and to Variable Subordinate Voting Shares, if any, held by the Principal Shareholders, their affiliates and any persons who have an agreement to purchase Multiple Voting Shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares or of Variable Subordinate Voting Shares under applicable law.

Summary of the Rights, Privileges, Restrictions and Conditions of the Special Shares

The Special Shares were created to give the Corporation greater flexibility to raise capital in the future without impacting our status under the Broadcasting Act so that 80% of the Corporation's voting shares remain, directly or indirectly, in the aggregate owned by Canadians (as defined in the CRTC Direction). The holders of Special Shares will be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation. Each Special Share shall confer the right to one (1) vote at any such meetings. The votes attached to the Special Shares as a class will, in aggregate, not be more than 1% of the votes attached to all shares in the capital of the Corporation. See "Description of the Business – Canadian Regulatory Matters – Maintaining Canadian Control" in the 2017 AIF.

The Special Shares will be redeemable at the option of the Corporation at an amount equal to (i) the monetary consideration received by the Corporation upon the issuance of such Special Shares, if such Special Shares have been issued for money, less any amount distributed in respect of such Special Shares on a reduction of the stated capital account maintained in respect of the Special Shares or (ii) the fair market value of the consideration received by the Corporation (including, without limitation, shares of another class of the Corporation) upon the issuance of such Special Share, if such Special Share has been issued for a consideration other than money, less any amount distributed in respect of such share on a reduction of the stated capital account maintained in respect of the Special Shares (in each case, the "**Special Share Redemption Price**") and, in the event of the liquidation, dissolution or other distribution of the Corporation's assets for the purpose of winding up the Corporation's affairs, holders of Special Shares will be entitled to receive the Special Share Redemption Price in priority to the holders of other shares of the Corporation, but will have no further rights. Special Shares will not be entitled to receive dividends. The Special Shares will not be listed on any stock exchange. The Corporation has no plans at present to issue any Special Shares.

Summary of the Rights, Privileges, Restrictions and Conditions of the Preferred Shares

The Corporation is authorized to issue an unlimited number of Preferred Shares, issuable in series. Each series of Preferred Shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the Board of Directors prior to the issuance thereof. Holders of Preferred Shares, except as otherwise provided in the terms specific to

a series of Preferred Shares or as required by law, will not be entitled to vote at meetings of the shareholders of the Corporation. Subject to the rights of the holders of Special Shares to receive the Special Share Redemption Price in priority to all other shareholders of the Corporation in the event of a liquidation, dissolution or winding-up of the Corporation, with respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the Preferred Shares are entitled to preference over the Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over voting shares of the Corporation and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series. The Corporation has no plans at present to issue any Preferred Shares.

DIVIDEND POLICY

Stingray's dividend policy is at the discretion of the Board of Directors and may vary depending upon, among other things, our available cash flow, results of operations, financial condition, business growth opportunities and other factors that the Board of Directors may deem relevant.

Stingray pays a quarterly dividend, subject to the discretion of the Board of Directors. Our quarterly dividend payment is currently equal to \$0.05 per Share. The payment of dividends is not guaranteed and the amount and timing of any dividends payable will be at the discretion of the Board of Directors. Further information on Stingray's dividend policy during the last three financial years, see the 2017 AIF under "Documents Incorporated by Reference". See also "Risk Factors" in this Prospectus and in the documents incorporated by reference herein.

Under the terms of the Credit Agreement (as defined herein), Stingray is prevented from paying dividends if a default under such agreement exists or if such payment would result in a default.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement between the Corporation and the Underwriters, the Corporation has agreed to issue and sell and the Underwriters have agreed to purchase, as principals, 4,348,000 Offered Shares at the Offering Price for aggregate gross consideration of \$40,001,600 payable in cash to the Corporation against delivery of the Offered Shares on the Closing Date or such later date as the parties agree, but no later than October 31, 2017, subject to and in compliance with all of the necessary legal requirements and conditions contained in the Underwriting Agreement. The terms of the Offering and the Offering Price were determined by negotiation between the Corporation and the Underwriters.

Pursuant to the Underwriting Agreement, the Corporation has granted to the Underwriters an Over-Allotment Option to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters, in whole or in part at the sole discretion of the Underwriters, for a 30 day period following the Closing Date, and entitles the Underwriters to purchase from the Corporation up to an aggregate of 652,200 additional Offered Shares at the Offering Price (being 15% of the aggregate number of Offered Shares offered hereunder). If the Over-Allotment Option is exercised in full, the total price to the public will be \$46,001,840, the Underwriters' Fee will be \$1,840,074 and the net proceeds to the Corporation will be \$44,161,766, before deducting expenses of this Offering. This Prospectus qualifies the distribution of the Offered Shares issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Offered Shares forming part of the over-allocation position acquires such Offered Shares under this Prospectus regardless of whether the over-allocation position is filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscriptions for Offered Shares 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 Offered Shares will be registered and deposited directly with CDS or its nominee pursuant to the book-based system administered by CDS, and will be held by, or on behalf of, CDS, as depository of the Offered Shares for the participants of CDS, on a non-certificated basis and no certificates evidencing Offered Shares will be issued to purchasers thereof. Purchasers of Offered Shares will receive only a customer confirmation or statement from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares is purchased. The closing of the Offering is expected to occur on the Closing Date or such later date as the Corporation and the Underwriters may agree, but in any event not later than October 31, 2017.

The obligations of the Underwriters under the Underwriting Agreement are joint and not solidary (several and not joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. The Corporation has agreed to indemnify the Underwriters and their respective shareholders, directors, officers, employees and agents against certain liabilities and expenses, including liabilities under applicable Canadian securities legislation in certain circumstances, or to contribute to payments the Underwriters may be required to make because of such liabilities.

In consideration for their services in connection with the Offering, the Corporation has agreed to pay the Underwriters the Underwriters' Fee of \$0.368 per Offered Share in cash and the Corporation shall pay the Underwriters' Fee with respect to the Over-Allotment Option (if it is exercised).

Pursuant to the Underwriting Agreement, the Corporation has agreed not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Subordinate Voting Shares or Multiple Voting Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Subordinate Voting Shares or Multiple Voting Shares or other equity securities of the Corporation, or agree or become bound to do so, or publicly announce any intention to do any of the foregoing for a period of 90 days after the Closing Date, without the prior written consent of each of NBF and GMP, such consent not to be unreasonably withheld, provided that the foregoing restrictions shall not apply in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the existing share incentive plans of the Corporation and other employee share compensation arrangements currently in place or that could be put in place in accordance with applicable law; (ii) existing instruments or agreements outstanding at the date thereof; (iii) the Offering; or (iv) issuances of securities by the Corporation as consideration in connection with acquisitions.

The Offered Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and, subject to certain exceptions, may not be offered, or sold in the United States or to "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) ("Regulation S") unless the Offered Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available and in compliance with any applicable state securities laws. The Underwriters have agreed that they will not offer or sell the Offered Shares within the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person except in accordance with the Underwriting Agreement to "Qualified Institutional Buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to an exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder, and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer is made otherwise than in reliance on Rule 144A.

In connection with the Offering, certain of the Underwriters or securities dealers may distribute this Prospectus electronically.

The Offered Shares are being offered to the public under this Prospectus in all of the provinces and territories of Canada. The outstanding Subordinate Voting Shares and Variable Subordinate Voting Shares are listed on the TSX under the trading symbols "RAY.A" and "RAY.B", respectively. On October 2, 2017, the last trading day before the announcement of the Offering, the closing price of the Subordinate Voting Shares and the Variable Subordinate Voting Shares on the TSX was \$9.69 and \$9.41, respectively. On October 16, 2017, the last trading day before the date of this Prospectus, the closing price of the Subordinate Voting Shares and the Variable Subordinate Voting Shares on the TSX was \$9.13 and \$9.10, respectively. The TSX has conditionally approved the listing of the Subordinate Voting Shares and the Variable Subordinate Voting Shares to be issued pursuant to the Offering and that may be sold pursuant to the exercise of the Over-Allotment Option, if any, subject to the Corporation fulfilling all of the requirements of the TSX on or before January 8, 2018.

The Underwriters propose to offer the Offered Shares initially at the Offering Price on the cover page of this Prospectus. After the Underwriters have made reasonable efforts to sell the Offered Shares at the Offering Price, the Underwriters may offer the Offered Shares offered under this Prospectus to the public at prices lower than the Offering Price. Any such reduction will not affect the proceeds received by the Corporation.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Offered Shares at levels other than those which otherwise might prevail on the open market, including stabilizing transactions, short sales, purchases to cover positions created by short sales, imposition of penalty bids, and syndicate covering transactions.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Offered Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Offered Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the applicable stock exchange, including the Universal Market Integrity Rules for Canadian Marketplaces, 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.

As a result of these activities, the price of the Offered Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Offered Shares are listed, on the over-the-counter market, or otherwise.

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN UNDERWRITERS

Each of NBF, BMO Nesbitt Burns Inc., CIBC World Markets Inc. and TD Securities Inc. is a subsidiary of a Canadian chartered bank that has made a revolving credit facility in a principal amount of up to \$100 million (the “**Credit Facility**”) available to us. Accordingly, in connection with the Offering and pursuant to applicable securities legislation, we may be considered a “connected issuer” of each of NBF, BMO Nesbitt Burns Inc., CIBC World Markets Inc. and TD Securities Inc.

As at October 16, 2017, the consolidated indebtedness of the Corporation outstanding under the Credit Facility to the above-mentioned financial institutions amounted to approximately \$69.3 million in the aggregate, with approximately \$69.3 million in respect of which the lenders are the financial institutions of which NBF (as to approximately \$27.7 million), BMO Nesbitt Burns Inc. (as to approximately \$20.8 million), CIBC World Markets Inc. (as to approximately \$10.4 million) and TD Securities Inc. (as to approximately \$10.4 million) are subsidiaries.

After giving effect to the Offering and the use of proceeds therefrom (assuming no exercise of the Over-Allotment Option), the indebtedness of the Corporation, on a consolidated *pro forma* basis, outstanding under the Credit Facility to the above-mentioned financial institutions will amount to approximately \$31.3 million in the aggregate, with approximately \$31.3 million in respect of which the lenders are the financial institutions of which NBF (as to approximately \$12.5 million), BMO Nesbitt Burns Inc. (as to approximately \$9.4 million), CIBC World Markets Inc. (as to approximately \$4.7 million) and TD Securities Inc. (as to approximately \$4.7 million) are subsidiaries.

The Corporation is not in breach of the terms of the credit agreement governing such indebtedness (the “**Credit Agreement**”), in any material respect. The lenders under the Credit Agreement have otherwise not waived any breach of the Credit Agreement since its execution. There has been no material adverse change in the financial position of the Corporation or to the security for the indebtedness under the Credit Facility since the date that the Credit Facility was established. As security for the obligations of the Corporation, as borrower, under the Credit Facility, the Corporation has granted security on all of its present and future property and Music Choice Europe Limited, a subsidiary of the Corporation, has granted (i) a guarantee and (ii) a pledge of the shares of its subsidiary Stingray Digital International Ltd. for the benefit of the lenders under the Credit Facility. In addition, certain subsidiaries of the Corporation have granted, as security for the obligations of the Corporation under the Credit Facility, (i) a guarantee and (ii) security on all or substantially all of their present and future assets in favour of the lenders under the Credit Facility.

The decision of each Underwriter that is a subsidiary of an aforesaid financial institution to participate in the Offering was made independently of such financial institution and was not required by such financial institutions. None of the Underwriters will receive any benefit from the Offering, other than its respective portion of the fee payable by the Corporation.

DECLARATION OF CANADIAN STATUS

Stingray’s articles provide that: (i) the Subordinate Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by Canadians (as defined in the CRTC Direction), and (ii) the Variable Subordinate Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by non-Canadians (as defined in the CRTC Direction).

In accordance with Stingray’s articles, purchasers of Offered Shares who are Canadians (as defined in the CRTC Direction) will receive Subordinate Voting Shares and purchasers of Offered Shares who are non-Canadians (as defined in the CRTC Direction) will receive Variable Subordinate Voting Shares. On the closing date of the Offering, NBF, on behalf of the Underwriters, will provide Stingray with a declaration of Canadian (as defined in the CRTC Direction) status, in a form acceptable to Stingray, specifying the number of Subordinate Voting Shares to be purchased by Canadians (as defined in the CRTC Direction) and the number of Variable Subordinate Voting Shares to be purchased by non-Canadians (as defined in the CRTC Direction). See “Description of Share Capital”.

TRADING PRICE AND VOLUME

The Subordinate Voting Shares and the Variable Subordinate Voting Shares are listed and posted for trading on the TSX under the trading symbols “RAY.A” and “RAY.B”, respectively. The following table shows the monthly ranges of high and low prices per Subordinate Voting Share and Variable Subordinate Voting Share, respectively, as well as total monthly volumes traded on the TSX during the preceding 12-month period, respectively.

RAY.A Month	Share Price (\$)		Total Trading Volume
	Monthly High	Monthly Low	
October 2016.....	\$8.63	\$7.44	690,203
November 2016.....	\$8.62	\$7.91	540,275
December 2016.....	\$8.80	\$7.99	532,172
January 2017.....	\$9.05	\$8.39	315,820
February 2017.....	\$9.20	\$8.23	940,158
March 2017.....	\$8.79	\$8.28	484,668
April 2017.....	\$8.50	\$8.03	288,098
May 2017.....	\$8.20	\$7.31	354,402
June 2017.....	\$7.97	\$7.19	548,539
July 2017.....	\$8.15	\$7.55	154,538
August 2017.....	\$8.99	\$8.01	632,439
September 2017.....	\$9.87	\$8.83	1,430,056
October 1 to October 16, 2017.....	\$9.76	\$9.02	509,366

RAY.B Month	Share Price (\$)		Total Trading Volume
	Monthly High	Monthly Low	
October 2016.....	\$8.83	\$7.50	62,180
November 2016.....	\$8.79	\$7.84	29,714
December 2016.....	\$8.70	\$8.13	20,061
January 2017.....	\$9.48	\$8.59	58,477
February 2017.....	\$9.13	\$8.25	60,975
March 2017.....	\$8.80	\$8.30	9,181
April 2017.....	\$8.70	\$8.04	19,710
May 2017.....	\$8.25	\$7.55	11,783
June 2017.....	\$7.89	\$7.35	61,334
July 2017.....	\$8.08	\$7.54	6,615
August 2017.....	\$9.00	\$7.92	27,250
September 2017.....	\$9.92	\$8.94	28,198
October 1 to October 16, 2017.....	\$9.65	\$9.06	24,400

PRIOR SALES

Other than as described below or in the documents incorporated by reference herein, during the 12-month period before the date of this Prospectus, the Corporation has not issued any Subordinate Voting Shares or Variable Subordinate Voting Shares or any securities that are convertible into Subordinate Voting Shares or Variable Subordinate Voting Shares:

<u>Date</u>	<u>Type of Security</u>	<u>Number of Securities</u>	<u>Issuance/Exercise Price per Security</u>
November 9, 2016	Options to purchase Subordinate Voting Shares ⁽¹⁾	8,416	8.20 ⁽¹⁾
February 6, 2017	Options to purchase Subordinate Voting Shares ⁽¹⁾	16,556	9.00 ⁽¹⁾
February 21, 2017	Subordinate Voting Shares ⁽²⁾	10,000	0.46 ⁽²⁾
March 20, 2017	Subordinate Voting Shares ⁽²⁾	6,600	0.46 ⁽²⁾
June 23, 2017	Options to purchase Subordinate Voting Shares ⁽¹⁾	661,421	7.62 ⁽¹⁾
August 24, 2017	Subordinate Voting Shares ⁽²⁾	15,000	2.26 ⁽²⁾
August 30, 2017	Subordinate Voting Shares ⁽²⁾	4,146	8.84 ⁽²⁾
August 30, 2017	Options to purchase Subordinate Voting Shares ⁽¹⁾	21,008	8.89 ⁽¹⁾

<u>Date</u>	<u>Type of Security</u>	<u>Number of Securities</u>	<u>Issuance/Exercise Price per Security</u>
September 19, 2017	Subordinate Voting Shares ⁽²⁾	15,000	2.26 ⁽²⁾

(1) Options to purchase Subordinate Voting Shares granted to the Corporation's eligible employees pursuant to the Corporation's Stock Option Plan.

(2) Subordinate Voting Shares issued by the Corporation upon the exercise of option by eligible employees pursuant to the Corporation's Stock Option Plan.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Corporation, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following summary describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder who (i) acquires the Offered Shares, as beneficial owner, pursuant to this Offering, (ii) for purposes of the Tax Act and at all relevant times, holds the Offered Shares as capital property, and (iii) deals at arm's length with the Corporation and the Underwriters, and is not affiliated with the Corporation or the Underwriters. Generally, Offered Shares will be considered to be capital property to a holder provided the holder does not hold the Offered Shares 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 who are residents of Canada and who might not otherwise be considered to hold their Offered Shares as capital property may, in certain circumstances, be entitled to have their Offered Shares, and all other "Canadian securities" (as defined in the Tax Act) owned by such holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Canadian resident holders should consult their own tax advisors regarding this election.

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 has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency, or (v) a holder who enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Offered Shares. This summary does not address the possible application of the "foreign affiliate dumping" rules that may be applicable to a holder that is a corporation that is or that becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or that becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Offered Shares, controlled by a non-resident corporation for purposes of the rules in section 212.3 of the Tax Act. **Any such holder should consult its own tax advisor with respect to an investment in Offered Shares.**

This summary is based upon (i) the provisions of the Tax Act in force as of the date hereof, (ii) all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the "**Tax Proposals**") and (iii) counsel's understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency. This summary assumes the Tax Proposals will be enacted in the form proposed; however, no assurance can be given that the Tax Proposals 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 Tax Proposals, does not take into account any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

The Tax Proposals do not include, and this summary does not take into account, the discussion paper seeking input on possible approaches to address certain perceived tax advantages of investing passively through a private corporation released, for consultation, by the Minister of Finance (Canada) on July 18, 2017. Prospective holders should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Offered Shares through such a corporation based on their particular circumstances. See, in this regard, "Risk Factors – Risks Related to this Offering – Change of Tax Law".

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 of Offered Shares, and no representations with respect to the income tax consequences to any holder or prospective holder are made. Consequently, holders and prospective holders of Offered Shares should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Offered Shares pursuant to this Offering, having regard to their particular circumstances.

Residents of Canada

The following discussion applies to a holder of Offered Shares who, at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada (a "**Canadian Holder**").

Disposition of Offered Shares

A disposition or a deemed disposition of an Offered Share by a Canadian Holder (except to the Corporation) will generally result in the Canadian Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Offered Share exceeds (or are less than) the aggregate of the adjusted cost base to the Canadian Holder 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 Canadian Holder in a taxation year must be included in the Canadian Holder’s income for the year, and one half of any capital loss (an “**allowable capital loss**”) realized by a Canadian Holder in a taxation year must be deducted from taxable capital gains realized by the Canadian Holder in that year. Allowable capital losses 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 Canadian Holder that is a corporation on the disposition of an Offered Share may be reduced by the amount of dividends received or deemed to be received by it on such Offered Share (or on a share for which the Offered Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Offered Shares directly or indirectly through a partnership or a trust.

A Canadian Holder that is, throughout the relevant taxation year, 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 taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

Receipt of Dividends on Offered Shares

Dividends received or deemed to be received on Offered Shares held by a Canadian Holder will be included in the Canadian Holder’s income for the purposes of the Tax Act.

Such dividends received by a Canadian Holder that is an individual (other than certain trusts) will be subject to the gross up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross up and dividend tax credit in respect of dividends designated by the Corporation as “eligible dividends”. There may be limitations on the ability of the Corporation to designate dividends as “eligible dividends”.

Taxable dividends received by a Canadian Holder who is an individual (other than certain trusts) may result in such Canadian Holder being liable for alternative minimum tax under the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

A Canadian Holder that is a corporation will include such dividends in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Canadian Holder that is a corporation as proceeds of disposition or a capital gain. Canadian Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Canadian Holder that is a “private corporation” or “subject corporation” (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Offered Shares to the extent such dividends are deductible in computing the Canadian Holder’s taxable income.

Non-Resident Holders

The following summary applies to a holder of Offered Shares who, at all relevant times, for purposes of the Tax Act, (i) is neither resident nor deemed to be resident in Canada, and (ii) does not, and is not deemed to, use or hold Offered Shares in carrying on a business in Canada (a “**Non-Canadian Holder**”). In addition, this discussion does not apply to an insurer who carries on an insurance business in Canada and elsewhere.

Disposition of Offered Shares

A Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Canadian Holder on a disposition or deemed disposition of an Offered Share unless the Offered Shares constitute “taxable Canadian property” (as defined in the Tax Act) of the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax convention.

As long as the Offered Shares are then listed on a designated stock exchange (which currently includes the TSX), Offered Shares generally will not constitute taxable Canadian property of a Non-Canadian Holder, unless at any time during the 60 month period immediately preceding the disposition of the Offered Shares: (i) (a) the Non-Canadian Holder, (b) persons with whom the Non-Canadian Holder did not deal at arm’s length, (c) partnerships in which the Non-Canadian Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, or (d) the Non-Canadian Holder together with such persons, owned 25% or more of the issued shares of any class of the capital stock of the Corporation, and (ii) more than 50% of the fair market value of the Offered Shares was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada; (b) Canadian resource properties; (c) timber resource properties; and (d) options in respect of, or interests in or for civil law rights in, property described in (ii)(a) to (c), whether or not such property exists. **A Non-Canadian Holder contemplating a disposition of Offered Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.**

As long as the Offered Shares are listed at the time of their disposition or deemed disposition on a “recognized stock exchange” (as defined in the Tax Act), which currently includes the TSX, a Non-Resident Holder who disposes of Offered Shares that are or are deemed to be taxable Canadian property will not be required to satisfy the obligations imposed under section 116 of the Tax Act. An exemption from such requirements may also be available in respect of such disposition if the Offered Shares are “treaty-exempt property”, as defined in the Tax Act.

Receipt of Dividends on Offered Shares

Any dividends paid or credited, or deemed to be paid or credited, on the Offered Shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention between Canada and the Non-Canadian Holder’s country of residence. For instance, where the Non-Canadian Holder is a resident of the United States that is entitled to full benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

RISK FACTORS

An investment in the Offered Shares involves risk. In addition to the risks set forth below and the other information contained in this Prospectus, you should consider carefully the risks and uncertainties described in the documents incorporated by reference in this Prospectus. Discussions of certain risks and uncertainties affecting our business are provided in the 2017 AIF and 2017 MD&A each of which is incorporated by reference in this Prospectus. These are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us, or that we currently consider immaterial, may also materially and adversely affect us. If any of the events identified in these risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially harmed.

Risks Relating to the Offering

Positive Return not Guaranteed

A positive return on an investment in the Offered Shares is not guaranteed. There is no guarantee that an investment in the Offered Shares will earn any positive return in the short term or long term. An investment in the Offered Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Offered Shares is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Payment of Dividends

Any decisions to pay dividends on the Shares is subject to the discretion of the Board of Directors and based on, among other things, the Corporation’s earnings and financial requirements for operations, the satisfaction of applicable solvency tests for the declaration and payment of dividends and other conditions existing from time to time. As a result, no assurance can be given as to whether the Corporation will declare and pay dividends in the future, or the frequency or amount of any such dividend.

Use of Proceeds

The Corporation currently intends to use the net proceeds from the Offering as described under “Use of Proceeds”. However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from the description under “Use of Proceeds” if it believes that it would be in the best interests of the Corporation to do so or if circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Corporation.

Change of Tax Law

On July 18, 2017, the Minister of Finance (Canada) released for consultation a discussion paper seeking input on possible approaches to address certain perceived tax advantages of investing passively through a private corporation. Potential alternatives for amending the current system of corporate taxation under the Tax Act are outlined in this paper, though specific proposals to amend the Tax Act are not included. Legislative proposals are expected to be released by the Minister of Finance (Canada) following such consultation.

ENFORCEMENT OF LEGAL RIGHTS

Gary S. Rich, a director of Stingray, resides outside of Canada. Although Mr. Rich has appointed Stingray as his agent for service of process at the following address: 730 Wellington Street, Montréal, Québec, H3C 1T4, purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against Mr. Rich even if he has appointed an agent for service of process.

EXPERTS

There is no person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named as having prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference, other than Davies Ward Phillips & Vineberg LLP, Fasken Martineau DuMoulin LLP and KPMG LLP.

Certain legal matters in connection with this Offering, will be passed upon on behalf of the Corporation by Davies Ward Phillips & Vineberg LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. As of the date of this Prospectus the respective partners and associates of each of Davies Ward Phillips & Vineberg LLP and Fasken Martineau DuMoulin LLP own beneficially, directly or indirectly, less than one percent (1%) of any outstanding securities of any class of the Corporation or any associate of the Corporation.

The Corporation’s independent auditor, KPMG LLP, has confirmed that it is independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Our independent auditor is KPMG LLP, 600 de Maisonneuve Boulevard West, Suite 1500, Tour KPMG, Montréal, Québec, H3A 0A3.

The transfer agent and registrar for the Offered Shares is AST Trust Company (Canada) at its principal office in Montréal, Québec.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus, and any amendment thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, 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 or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

Date: October 17, 2017

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 and territories of Canada.

(Signed) ERIC BOYKO
President and Chief Executive Officer

(Signed) JEAN-PIERRE TRAHAN
Chief Financial Officer

On behalf of the Board of Directors

(Signed) CLAUDINE BLONDIN
Director

(Signed) PASCAL TREMBLAY
Director

CERTIFICATE OF THE UNDERWRITERS

Date: October 17, 2017

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 and territories of Canada.

NATIONAL BANK FINANCIAL INC.

By: *(Signed)* Benoit Véronneau

GMP SECURITIES L.P.

By: *(Signed)* Éric Desrosiers

BMO NESBITT BURNS INC.

By: *(Signed)* Nicolas Brunet

TD SECURITIES INC.

By: *(Signed)* Hany Tawfik

CIBC WORLD MARKETS INC.

By: *(Signed)* Paul St-Michel

DESJARDINS SECURITIES INC.

By: *(Signed)* François Carrier