

EARLY WARNING REPORT

FILED PURSUANT TO NATIONAL INSTRUMENT 62-103 – THE EARLY WARNING SYSTEM AND RELATED TAKE-OVER BID AND INSIDER REPORTING ISSUES

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended

This report is filed to amend information disclosed in the report of Joe Caltabiano (the “**Transferor**”) dated November 30, 2018.

1. Security and Reporting Issuer

1.1 Designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the super voting shares (the “**Super Voting Shares**”) of Cresco Labs Inc. (the “**Issuer**” or “**Company**”). The Issuer’s registered office is located at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8, Canada and the head office of the Issuer is located at 400 W. Erie Street, Suite 110, Chicago, IL 60654, USA.

1.2 Name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

As previously agreed between the Issuer and the Transferor, the Transferor has agreed to transfer to Charles Bachtell 100,000 Super Voting Shares (the “**Transferred Shares**”) held by the Transferor (the “**Transfer**”). The transfer of the Transferred Shares by the Transferor triggered the requirement to file this report.

2. Identity of the Transferor

2.1 State the name and address of the Transferor.

Mr. Joe Caltabiano
360 Lagoon Avenue
Naples FL 34108

2.2 Date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence

June 1, 2021.

In connection with the Transfer, the Transferor relinquished ownership, control and direction over the Transferred Shares.

2.3 State the names of any joint actors.

Not applicable.

3. Interest in Securities of the Reporting Issuer

3.1 *Designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the Transferor's security holding percentage in the class of securities.*

After giving effect to the Transfer, the Transferor, no longer owns or controls, directly or indirectly, any Super Voting Shares and is no longer an insider of the Company.

3.2 *State whether the Transferor acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.*

See Item 2.2 above.

3.3 *If the transaction involved a securities lending arrangement, state that fact.*

Not applicable.

3.4 *State the designation and number or principal amount of securities and the Transferor's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report*

Prior to the Transfer, the Transferor owned or controlled, directly or indirectly, 100,000 Super Voting Shares, representing 20% of the issued and outstanding Super Voting Shares.

After giving effect to the Transfer, the Transferor no longer owns or controls, directly or indirectly any Super Voting Shares and is no longer an insider of the Company.

3.5 *Designation and number or principal amount of securities and the Transferor's security holding percentage in the class of securities referred to in Item 3.4 over which*

(a) *the Transferor, either alone or together with any joint actors, has ownership and control;*

See Item 3.4 above.

(b) *the Transferor, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Transferor, or any joint actor; and*

Not applicable.

(c) *the Transferor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

Not applicable.

3.6 *If the Transferor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the Transferor's securityholdings.*

Not applicable.

3.7 *If the Transferor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal*

amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement. State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 *If the Transferor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Transferor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

4. Consideration Received

- 4.1 *The value, in Canadian dollars, or any consideration paid or received per security and in total.*

The consideration received for the Transferred Shares was US\$1.00.

- 4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or required by the Transferor.*

See Item 4.1 above.

- 4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

See Item 1.2 above.

5. Purpose of the Transaction

State the purpose or purposes of the Transferor and any joint actors for the acquisition or disposition of securities of the reporting issuer.

The Transfer was completed in accordance with a prior agreement between the Transferor and the Issuer.

Describe any plans or future intentions which the Transferor and any joint actors may have which relate to or would result in any of the following:

- (a) *The acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*

The Transferor may, subject to market conditions, seek to increase or decrease his investment, directly or indirectly, in the Issuer through the market, privately or otherwise, depending on market conditions or any other relevant factors.

- (b) *a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*

Not applicable.

- (c) *a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*

Not applicable.

- (d) *a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*

Not applicable.

- (e) *a material change in the present capitalization or dividend policy of the reporting issuer;*

Not applicable.

- (f) *a material change in the reporting issuer's business or corporate structure;*

Not applicable.

- (g) *a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*

Not applicable.

- (h) *a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*

Not applicable.

- (i) *the Issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*

Not applicable.

- (j) *a solicitation of proxies from securityholders; and*

Not applicable.

- (k) *an action similar to any of those enumerated above.*

Not applicable.

6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the Transferor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

See Item 5 above.

7. Change in Material Fact

Description of any change in a material fact set out in a previous report filed by the Transferor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

8. Exemption

If the Acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

9. Certification

I, Joe Caltabiano, as the Transferor, certify that the statements made in this report are true and complete in every respect.

DATED this 25th day of June, 2021.

(signed) "*Joe Caltabiano*"

Joe Caltabiano