



Cannabis Strategies Acquisition Corp.

Investor Presentation

Initial Public Offering

November 21, 2017



Disclosure

Disclaimer

This document is for information purposes only and should not be considered a recommendation to purchase, sell or hold a security. This document does not constitute an offering memorandum or an offer or solicitation in any province or other jurisdiction in which an offer or solicitation is not authorized. An amended and restated preliminary prospectus dated November 15, 2017 containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Quebec. A copy of the amended and restated preliminary prospectus, and any amendment, is required to be delivered with this document. The amended and restated preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The amended and restated preliminary prospectus constitutes a public offering of the securities only in those jurisdictions where they may be law fully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the amended and restated preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision. This presentation has been prepared in connection with an offering of Class A Restricted Voting Units (the “**Securities**”) of Cannabis Strategies Acquisition Corp. (“CSAC” or the “Company”).

Forward-Looking Statements

Certain information in this presentation may constitute “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may relate to CSAC, Mercer Park CB L.P. (the “Sponsor”), Mercer Park L.P. (“Mercer Park”) or their respective affiliates’ future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of CSAC, the Sponsor or their respective affiliates, as the case may be. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of CSAC, the Sponsor or their respective affiliates are forward-looking statements. The forward-looking information in this presentation is based on certain assumptions, including, without limitation, the closing of CSAC’s initial public offering, the receipt all required regulatory approvals, and the expected timing related thereto, CSAC’s future objectives and strategies to achieve those objectives, including the completion of a qualifying transaction, as well as other statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Generally, forward-looking information can be identified by use of words such as “outlook”, “objective”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “forecasts”, “project”, “seek”, “anticipate”, “believes”, “should”, “plans” or “continue”, and other similar terminology.

Forward-looking statements are based on the opinions and estimates of management of CSAC, the Sponsor or their respective affiliates, as the case may be, as of the date such statements are made, and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements of the Company, the Sponsor or their respective affiliates, as the case may be, to be materially different from those expressed or implied by such forward-looking statements. Although management of the Company, the Sponsor or their respective affiliates, as the case may be, believe the assumptions and analysis underlying such statements are reasonable as of the date hereof, you are cautioned not to place undue reliance on these statements.

Although management of CSAC, the Sponsor and their respective affiliates have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. CSAC, the Sponsor and their respective affiliates do not undertake to update any forward-looking statements that are contained herein, except as required by applicable securities law s. See “Risk Factors” attached as Schedule “A” hereto for a description of the risk factors faced by CSAC.

Cautionary Note Regarding United States Securities Laws

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities of the CSAC, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities of CSCA 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 may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons,” as such term is defined in Regulation S under the U.S. Securities Act, unless an exemption from such registration is available.

Presentation Team



Jonathan Sandelman

CEO, Chairman, Director & Corporate Secretary



Mark Smith

Chief Operating Officer



- Currently the Chief Executive Officer of Mercer Park, L.P., a privately-held family office in New York and the parent of CSAC's Sponsor
- Previously, he was the Chief Executive Officer of Sandelman Partners, L.P., a New York-based hedge fund, and was President and former Head of Debt and Equities at Banc of America Securities
- Prior to joining Banc of America, he was deputy head of Global Equities and Managing Director of equity derivatives and proprietary trading at Salomon Brothers

- CEO of Green Cross Colorado, Green Cross Nevada and Tumbleweed Companies
- Previously the owner and CEO of a three-state pawnshop company, and subsequently sold this business to a publicly-held company, EZ Pawn Corp.
- Prior to the acquisition, owned and developed multiple franchise businesses in the auto industry under the Tires Plus and Jiffy Lube franchises

Investment Highlights

A Cannabis-Focused SPAC Offering

- **Cannabis Strategies Acquisition Corp. (“CSAC”) is a newly organized special purpose acquisition corporation (“SPAC”) formed for the purpose of effecting a qualifying transaction of one or more businesses or assets**
 - CSAC intends to acquire companies that specialize in the production or distribution of marijuana

Opportunities in Production and Distribution

- **Ideal candidates will be businesses that focus on marijuana production and/or distribution**
 - Opportunity to form a platform for a future roll-up strategy

Sector Focused Management Team

- **CSAC is supported by a highly experienced management team**
 - Founders or officers have been involved in the leadership and/or growth of several successful cannabis businesses and well-known Wall Street firms
 - Management’s prior deal experience and marijuana expertise will be applied to the target business, which will help with the expansion and execution of a roll-up strategy

Improved Approach to Traditional Private Equity Funds

- **The SPAC structure allows for several advantages over investing in a committed private equity fund**
 - Investors can make their own assessment of a transaction, rather than investing in a blind pool
 - Investors’ shares and warrants are anticipated to be liquid and tradable securities – allows access to liquidity if required, unlike a private equity commitment

Management Team and Board



Jonathan Sandelman
CEO, Chairman, Director
& Corporate Secretary



- Currently the CEO of Mercer Park, L.P., a privately-held family office in NY and the parent of CSAC's sponsor
- Previously was both the President and former Head of Debt and Equities at Banc of America Securities
- Worked at Salomon Brothers prior to Banc of America Securities



Mark Smith
Chief Operating Officer



- CEO of Green Cross Colorado, Green Cross Nevada and Tumbleweed Companies
- Previously sold three-state pawnshop company to EZ Pawn Corp.
- Owned and developed multiple franchise businesses under Tires Plus and Jiffy Lube franchises



Carmelo Marrelli
Chief Financial Officer



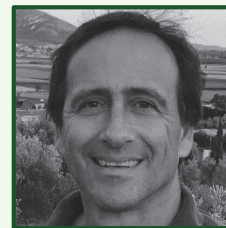
- Currently the principal of Marrelli Support Services Inc., a firm that delivers accounting and regulatory compliance services for public companies
- Also controls DSA Corporate Services Inc.
- Is a Chartered Professional Accountant (CPA)



Kamaldeep Thindal
Director



- Co-founder of Core Capital Partners and serves as the firm's Managing Partner
- Spent five years as an independent capital markets advisor for TSX Venture Exchange-listed companies
- Has sourced investments in various sectors, particularly in Biotech, Health Care and Special Situations



Charles Miles
Director



- Managing Director at Recapture Partners, a venture capital company that advises, invests and raises money in early stage Fintech companies
- Previously worked at Bloomberg LLP, Deutsche Bank, Salomon Brothers and Citibank
- At Salomon Brothers and Citibank, he ran one of the most successful equity derivatives sales teams on Wall Street

Mark Smith – A Leading Cannabis Entrepreneur



Mark Smith
Chief Operating Officer

Cannabis Operator Experience

- CEO of Green Cross Colorado, Green Cross Nevada and Tumbleweed Companies
- Oversees a multi-state operation in the marijuana industry with business units consisting of both marijuana manufacturing facilities and dispensaries
- His companies currently operate four manufacturing facilities, two in each of Colorado and Nevada, which produce a variety of cannabis-based branded products including CannaPunch, Highly Edible and Dutch Girl Edibles or like products
- Also manages the Tumbleweed brand, which currently has eight dispensaries in Colorado, and is in the process of obtaining a dispensary license in Nevada
- In his current roles, Mr. Smith manages a combined employee base of over 200 people with total revenues in excess of \$40 million

Cannabis Company Involvements



Cannabis Brand Involvements



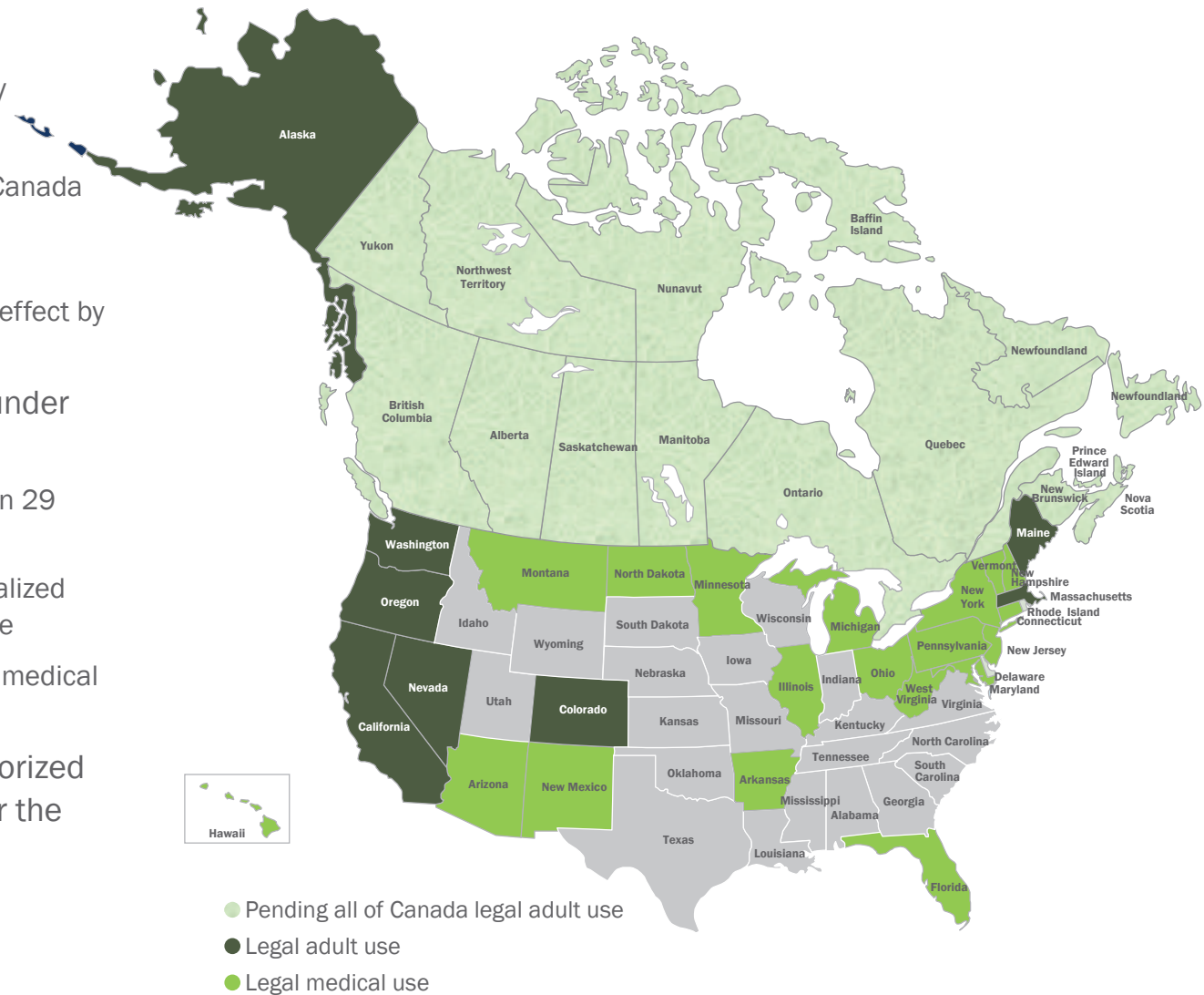
Oversees a chain of dispensaries currently operating in Colorado under the Tumbleweed brand, and the company is in the process of obtaining a dispensary license in Nevada



Cannabis Industry Overview

Status of Cannabis Legalization in North America

- In Canada, cannabis is currently legalized for medical use only
 - In April 2017, the Government of Canada introduced legislation to allow for recreational use
 - Legislation expected to come into effect by July 1, 2018
- The legality of cannabis varies under state law in the United States
 - Legalized cannabis in some form in 29 states
 - Eight of the 29 states are fully legalized cannabis, allowing recreational use
 - 21 other states currently allow for medical use only
- Cannabis continues to be categorized as a controlled substance under the CSA in the United States



Canadian Cannabis Comparables - Redacted

In accordance with Section 13.7(4)(b) of National Instrument 41-101 - General Prospectus Requirements, all the information relating to the Company's comparables and any disclosure relating to the comparables, which is contained in the presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on the System for Electronic Document Analysis and Retrieval (SEDAR).

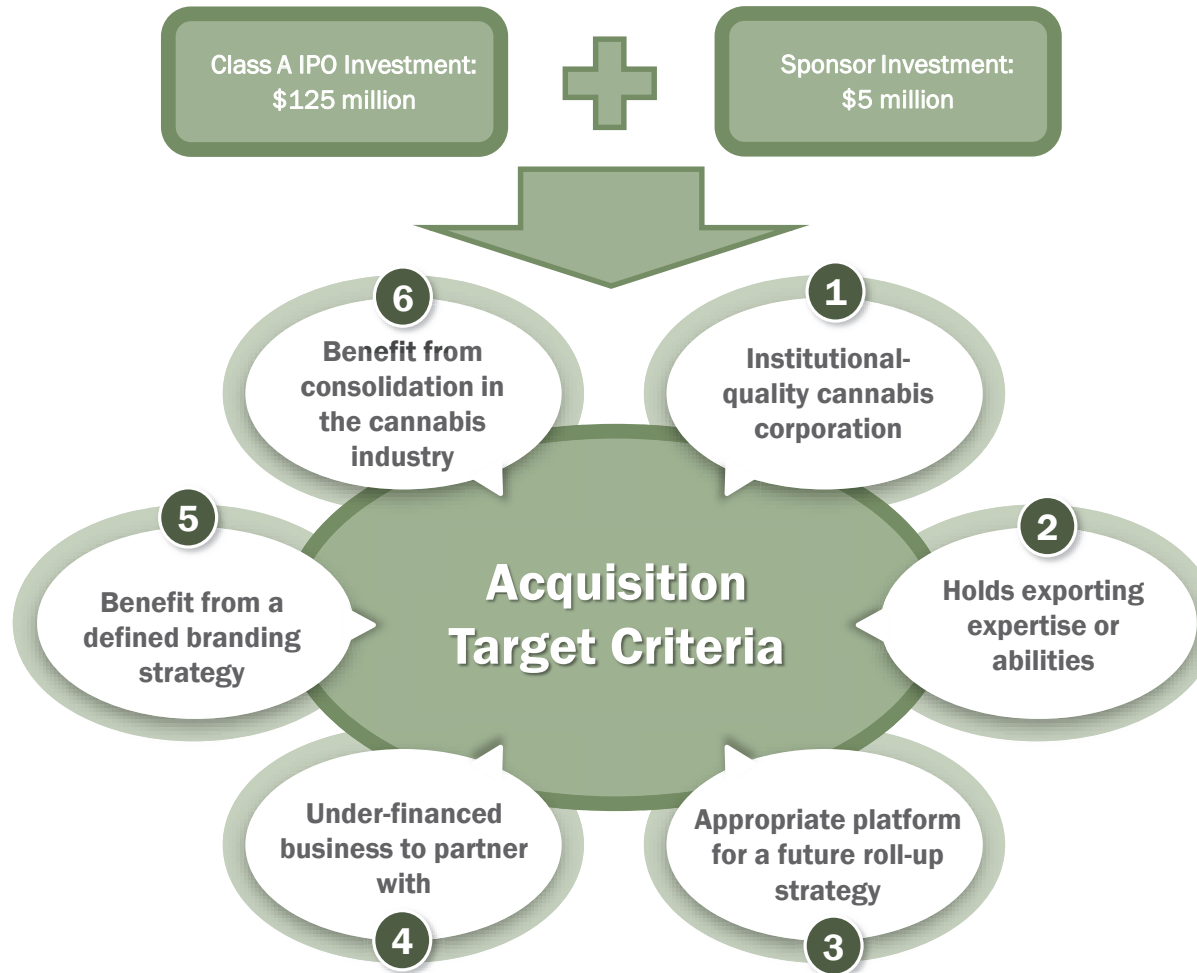


CSAC Overview

Cannabis Strategies Acquisition Corp. Approach

CSAC intends to acquire one or more marijuana production and distribution companies with an aggregate enterprise value between \$150 million and \$300 million

CSAC plans to acquire one or more businesses with certain key attributes



Summary Terms

Issuer	<ul style="list-style-type: none"> • Cannabis Strategies Acquisition Corp. (the “Corporation”)
Offering Size	<ul style="list-style-type: none"> • \$125,000,000 • 12,500,000 Class A Restricted Voting Units at \$10.00 per Unit
Sponsor	<ul style="list-style-type: none"> • Mercer Park CB, L.P. (the “Sponsor”)
Over-Allotment Option	<ul style="list-style-type: none"> • 15% of Offering Size, up to 1,875,000 additional units
Class A Units to IPO Subscribers	<ul style="list-style-type: none"> • One Class A Restricted Voting Share • One Warrant
Class B Units to Sponsor	<ul style="list-style-type: none"> • The Sponsor intends to acquire 250,000 Class B Units for an aggregate purchase price of \$2,500,000, each Class B Unit consisting of one Class B Share and one Warrant
Founders’ Warrants	<ul style="list-style-type: none"> • 2,500,000 Founders’ Warrants to be sold to the Sponsor for \$1.00 per Founders’ Warrant
Warrants	<ul style="list-style-type: none"> • 15,250,000 warrants outstanding if the Over-Allotment Option is not exercised • \$11.50 strike with 5-year term upon closing of Qualifying Transaction • The Warrants will become exercisable only commencing 30 days after the completion of a Qualifying Transaction • Once the Warrants become exercisable, the Corporation may accelerate the expiry date of the outstanding Warrants by providing 30 days’ notice, if and only if, the closing price of the Class B Shares equals or exceeds \$18.00 per Class B Share for any 20 trading days within a 30-trading day period.
Founders’ Shares	<ul style="list-style-type: none"> • 3,662,109 Class B Shares for an aggregate purchase price of \$25,000 or ~\$0.0068 per Founder’s Share (or \$0.0078 per Founder’s Share if the Over-Allotment Option is not exercised) <ul style="list-style-type: none"> - Up to 474,609 of such Founders’ Shares (the Over-Allotment Forfeitable Founders’ Shares) are subject to forfeiture if the Over-Allotment Option is not exercised
Founders’ Forfeiture Shares	<ul style="list-style-type: none"> • 100% transfer restriction for the earlier of one year following the Qualifying Transaction, or share price \geq\$12.00 • 25% forfeiture if \$13.00 not reached within 5 years of Qualifying Transaction close

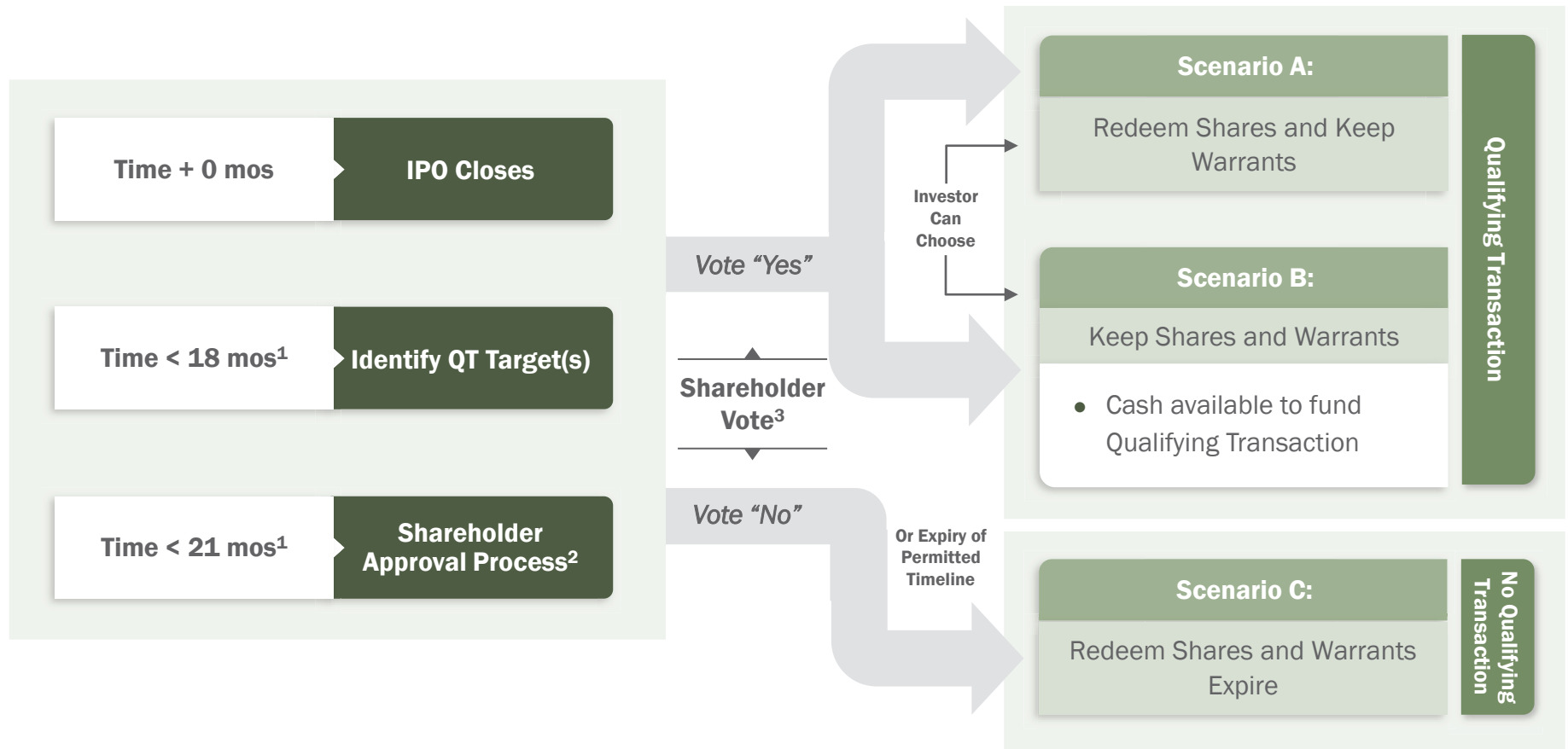
Summary Terms (cont'd)

Number of Shares Outstanding After Close	<ul style="list-style-type: none"> • <u>Class A Restricted Voting Shares</u>: 12,500,000 Class A Restricted Voting Shares (14,375,000 Class A Restricted Voting Shares if the Over-Allotment Option is fully exercised) • <u>Class B Shares</u>: 3,437,500 Class B Shares (including the 3,662,109 Founders' Shares initially held by the Founders, net of the 474,609 Over-Allotment Forfeitable Founders' Shares which would be forfeited if the Over-Allotment Option is not exercised, and including the 250,000 Class B Shares forming part of the Class B Units)
Redemption Rights	<ul style="list-style-type: none"> • Holders of Class A Restricted Voting Shares can elect to redeem all or a portion of their Class A Restricted Voting Shares, whether they vote for or against, or do not vote on, the Qualifying Transaction, provided that they deposit their shares for redemption prior to the fifth business day before the Shareholders Meeting
Form of Offering	<ul style="list-style-type: none"> • Initial public offering by way of a long-form prospectus filed in all provinces and territories of Canada, except Quebec. Private placement in the United States to "qualified institutional buyers" pursuant to Rule 144A of the U.S. Securities Act and similar exemptions under applicable state securities laws, and internationally, as permitted.
Trading	<ul style="list-style-type: none"> • The Class A Restricted Voting Units are intended to begin trading promptly on the Aequitas NEO Exchange (the "Exchange") after the Closing • Prior to the Qualifying Transaction, the Class A Restricted Voting Shares and Warrants will initially trade as a unit and will begin trading separately 40 days following the Closing Date
Underwriter	<ul style="list-style-type: none"> • Canaccord Genuity Corp.
Time Period for Qualifying Transaction	<ul style="list-style-type: none"> • 18 months (21 months with LOI) • Such permitted timeline, however, could be extended to up to 36 months with shareholder approval of only the holders of Class A Restricted Voting Shares, by ordinary resolution, and with the consent of the board of directors and the Exchange.
Proceeds in Escrow	<ul style="list-style-type: none"> • 100% of the Offering proceeds to be held in escrow until either a QT, liquidation or winding up of the Company • Escrowed proceeds to be invested in short-term Canadian Government securities with interest accruing to the escrow account (estimated rate of ~0.90% per annum)
Pricing	<ul style="list-style-type: none"> • Expected week of December 11, 2017
Closing	<ul style="list-style-type: none"> • Expected week of December 18, 2017

SPAC Timeline

Timeframe: Up to 18 Months (21 with LOI)¹

(Investors can sell units daily in the open market)



1. Permitted timeline could be extended to up to 36 months with shareholder approval of only the holders of Class A Restricted Voting Shares, by ordinary resolution, and with approval by the board of directors and the consent of the Exchange, if required. Redemption rights would apply at time of extension.
2. If shareholder approval not obtained, Corporation could propose alternative qualifying transaction(s) within Permitted Timeline.
3. Subject to Exchange relief or rule changes if applicable.

Contacts



Individual Contacts

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Chief Executive Officer

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Mark Smith

Chief Operating Officer

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Email: m.smith@csacorp.org

Schedule “A”

Risk Factors

Factors that could cause such differences include, but are not limited to:

- the Company’s lack of operating history and revenues;
- the ability of holders of Class A Restricted Voting Shares to redeem their Class A Restricted Voting Shares for cash may make the Company’s financial condition less attractive to potential qualifying transaction targets;
- the requirement that the Company complete our qualifying transaction within the Permitted Timeline (unless extended);
- the net proceeds of this Offering not being held in the escrow account may be insufficient to allow the Company to operate until at least the Permitted Timeline;
- third parties may bring claims against the Company where the Company is not indemnified by its Founders;
- the Company’s directors’, officers’ or their affiliates’ ability to purchase Class A Restricted Voting Shares, which may influence a vote on a proposed qualifying transaction;
- the ability of the Company’s shareholders to exercise redemption rights with respect to a large number of its Class A Restricted Voting Units, which may not allow it to complete the most desirable qualifying transaction or optimize its capital structure;
- changes in laws or regulations, or a failure to comply with any laws and regulations;
- potential adverse tax consequences on holders of Class A Restricted Voting Shares and on the Corporation in the event the Corporation acquires a United States company or assets of a United States entity in an “inversion” transaction;
- the inability to ascertain the merits or risks of any particular target’s business operations;
- the target business with which the Company enters into its qualifying transaction may not have attributes entirely consistent with the Company’s general criteria and guidelines;
- the Company may not be required to obtain an opinion from a qualified person confirming that the price it intends to pay for a target company or target business is fair to it or its shareholders from a financial point of view;
- resources could be wasted in pursuing acquisitions that are not consummated;
- the loss of the Company’s directors and officers;
- the loss of key personnel;
- a target’s business management may not have the skills, qualifications or abilities to manage a public company;
- the Company may be subject to competition from other companies seeking to consummate a business plan similar to that of the Company;
- the loss of an acquisition target’s key personnel;
- the Company’s Sponsor, directors and officers may have conflicts of interest with the target company;
- the Company’s Sponsor, directors, officers and their respective affiliates and associates may have interests that conflict with its interests;
- the Company’s Founders will lose its investment in the Company if its qualifying transaction is not completed and their holdings of Founders’ Shares may create financial incentives that differ compared to holders of Class A Restricted Voting Shares;
- multiple prospective targets may give rise to increased costs and risks that could negatively impact the Company’s operations and profitability;
- a qualifying transaction with a private company may result in a qualifying transaction with a company that is not as profitable as the Company suspected, if at all;
- the inability to maintain control of a target business after the Company’s qualifying transaction;
- the inability to obtain additional financing to complete the Company’s qualifying transaction or to fund the operations and/or growth of a target business;
- the lack of investment diversification and dependence on a single target business which may have a limited number of products or services if the Company is only able to complete one qualifying transaction;
- competition from other businesses;
- a market for the Company’s securities may not develop;
- the tax consequences of the qualifying transaction; and
- risks associated with acquiring and operating a marijuana business.