

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 - Security and Reporting Issuer

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

Class B Units (including their underlying securities), Class B Shares and Warrants
Cannabis Strategies Acquisition Corp. (the "Issuer")
199 Bay Street, 5300 Commerce Court West, Toronto, Ontario, M5L 1B9

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

The transactions referred to in this report took place through private agreement or prospectus qualified issuances and not through the facilities of any stock exchange or any other marketplace.

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Mercer Park CB, L.P.
590 Madison Avenue, 26th Floor, New York, NY 10022
Jurisdiction of organization: Delaware
Principal business: Investment holding

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

The acquisition by Mercer Park CB, L.P. (the "Sponsor") of Class B shares of the Issuer ("Class B Shares") took place on or prior to December 14, 2017. The acquisition by the Sponsor of Class B units of the Issuer ("Class B Units") (including their underlying securities) and share purchase warrants of the Issuer ("Warrants") took place concurrent with the closing of the initial public offering (the "Offering") that closed on December 21, 2017 of the Issuer of its Class A Restricted Voting units ("Class A Restricted Voting Units").

2.3 State the names of any joint actors.

Not applicable.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the 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 acquiror's securityholding percentage in the class of securities.

The Sponsor acquired an aggregate of (i) 3,915,547 Class B Shares (including 3,642,109 Founders' Shares (as defined in the Final Prospectus (as defined below)) and including the 273,438 Class B Shares forming part of the 273,438 Class B Units), representing 21.384% of the issued and outstanding shares, (ii) an aggregate of 273,438 Class B Units, representing 100% of the issued and outstanding Class B Units, and (iii) an aggregate of 2,734,375 Founders' Warrants (as defined in the Final Prospectus), representing 100% of the issued and outstanding Founders' Warrants, in each case assuming that the over-allotment option is exercised in full. The Founders' Shares were acquired by the Sponsor for approximately \$0.0068 per share (or \$24,790 in total), the Founders' Warrants were acquired by the Sponsor for \$1.00 per Founders' Warrant (or \$2,734,375 in total), and the Class B Units were acquired by the Sponsor for \$10.00 per Class B Unit (or \$2,734,375 in total), in each case assuming that the over-allotment option is exercised in full.

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

Please see response to item 3.1.

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 acquiror'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.

Immediately before the transaction, the Sponsor held 3,662,109 Class B Shares, representing 100% of the then issued and outstanding Class B Shares, no Warrants and no Rights (as defined in the Final Prospectus). For the designation and number of securities after the transaction, please see response to item 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

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

Please see response to item 3.1.

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

Not applicable.

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

Not applicable.

3.6 If the acquiror 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 acquiror's securityholdings.

Not applicable.

3.7 If the acquiror 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.

Not applicable.

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 acquiror 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 acquiror'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.

See the Issuer's press release dated December 21, 2017, and the final prospectus of the Issuer dated December 14, 2017 (the "**Final Prospectus**"), which describe the agreements entered into by the Sponsor.

Item 4 - Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Please see response to item 3.1.

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 received by the acquiror.

Please see response to item 3.1.

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

Not applicable.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror 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;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (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;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (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;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Sponsor's direct position in the Issuer was acquired for investment purposes. The Sponsor is restricted from selling its Class B Units (including its underlying securities), Class B Shares and Warrants as described in the Final Prospectus. In addition to acquiring additional Class B Units, Class B Shares and Warrants if the over-allotment option is exercised in full, the Sponsor may purchase and/or sell any Class A Restricted Voting Units, Class A Restricted Voting shares, Class B Units, Warrants and/or Rights (as defined in the Final Prospectus) from time to time,

subject to applicable law. In connection with the Offering, and as sponsor to the Issuer, the Sponsor entered into certain material agreements, all as described in the Final Prospectus.

Item 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 acquiror 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 the Issuer's press release dated December 21, 2017, and the Final Prospectus of the Issuer, which describe the agreements entered into by the Sponsor.

Item 7 - Change in material fact

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

Not applicable.

Item 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.

Item 9 - Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

December 21, 2017

.....

Date

(Signed) "Jonathan Sandelman"

.....

Signature

Jonathan Sandelman, Chief Executive Officer,
Chairman and Corporate Secretary

.....

Name/Title