

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.

Multiple Voting Shares, Warrants and Rights
Ayr Strategies Inc. (formerly, Cannabis Strategies Acquisition Corp.) (the “**Corporation**”)
590 Madison Avenue, 26th Floor
New York, NY 10022

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 placement 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. (the “**Sponsor**”, and together with Jonathan Sandelman and Mercer Park CB GP, LLC (the general partner of the Sponsor), the “**Filer**”)
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.

In a press release issued as of the date hereof, the Filer announced its beneficial ownership or control in the Corporation, following the completion of the qualifying transaction of the Corporation under which the Corporation concurrently acquired the target businesses of Washoe Wellness, LLC, The Canopy NV, LLC, Sira Naturals, Inc., LivFree Wellness, LLC and Cannapunch of Nevada LLC (collectively, the “**Qualifying Transaction**”).

The Filer acquired beneficial ownership or control over an aggregate of 3,677,626 multiple voting shares of the Corporation (the “**Multiple Voting Shares**”) in connection with the completion of the Qualifying Transaction, pursuant to which the Sponsor’s existing Class B shares of the Corporation (“**CSAC Class B Shares**”) were converted on a one-for-one basis into Multiple Voting Shares. Such Multiple Voting Shares represent approximately 99.4% of the issued and outstanding Multiple Voting Shares and 21.4% of the issued and outstanding shares of the Corporation. In addition, the Filer beneficially owns or controls (i) 2,894,058 warrants (“**AYR Warrants**”) of the Corporation (each of which entitles the holder to acquire one subordinate voting share (“**AYR Subordinate Voting Shares**”) of the Corporation)), representing approximately 17.7% of the issued and outstanding AYR Warrants, (ii) 262,188 rights (“**AYR Rights**”) of the Corporation (each of which entitles the holder to receive one-tenth of an AYR Subordinate Voting Share), representing approximately 1.9% of the issued and outstanding AYR Rights, and (iii) 850,250 restricted exchangeable shares of the Corporation, which are exchangeable when vested in accordance with their terms into Subordinate Voting Shares and are subject to certain vesting conditions.

The Filer holds its Multiple Voting Shares, AYR Warrants and AYR Rights for investment purposes. The Filer may acquire further securities of the Corporation or dispose of its holdings of securities of the Corporation, both as investment conditions warrant.

Prior to the completion of the Qualifying Transaction, the Filer had beneficial ownership or control over (i) 3,677,626 CSAC Class B Shares, or 99.4% of the issued and outstanding CSAC Class B Shares and 21.4% of the issued and outstanding shares of the Corporation, (ii) 2,894,058 warrants ("**CSAC Warrants**") to acquire Class A Restricted Voting shares ("**CSAC Class A Restricted Voting Shares**") of the Corporation (which, in connection with the completion of the Qualifying Transaction, became warrants to acquire Subordinate Voting Shares), representing 17.7% of the issued and outstanding CSAC Warrants, and (iii) 262,188 rights ("**CSAC Rights**") of the Corporation (each of which entitled the holder to receive one-tenth of a CSAC Class A Restricted Voting Share and which, in connection with the completion of the Qualifying Transaction, became rights to acquire one-tenth of a Subordinate Voting Share), representing 1.9% of the issued and outstanding CSAC Rights.

2.3 State the names of any joint actors.

See item 2.1 above.

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.

See Item 2.2 above.

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.

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 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.

See Item 2.2 above.

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,

See Item 2.2 above.

(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.

In connection with the initial public offering of the Corporation in December 2017, the Sponsor entered into a forfeiture and transfer restrictions agreement and undertaking dated December 14, 2017 in favour of the Corporation and Canaccord Genuity Corp. (the "**Forfeiture and Transfer Restrictions Agreement and Undertaking**") pursuant to which the Sponsor agreed to certain forfeiture and transfer restrictions which now apply in respect of 3,434,298 of its Multiple Voting Shares (the "**Subject Multiple Voting Shares**"). The restrictions applicable to the Subject Multiple Voting Shares will, subject to their terms, continue to apply to any applicable AYR Subordinate Voting Shares received by the Sponsor in exchange therefor. Pursuant to the Forfeiture and Transfer Restrictions Agreement and Undertaking, the Sponsor agreed not to transfer any of the Subject Multiple Voting Shares, or any securities of the Corporation received in exchange therefor, until the earliest of (i) one year following completion of the Qualifying Transaction, and (ii) the date on which the closing price of the AYR Subordinate Voting Shares equals or exceeds C\$12.00 per share (as adjusted for share splits, share consolidations, reorganizations, Extraordinary Dividends (as defined in the Corporation's management information circular dated February 19, 2019), recapitalizations and the like) for any 20 trading days within any 30-trading day period at any time following the closing of the Qualifying Transaction; in each case, subject to applicable securities laws and Neo Exchange rules. As well, pursuant to the Forfeiture and Transfer Restrictions Agreement and Undertaking, 25% of the Sponsor's applicable Multiple Voting Shares will be subject to forfeiture on the fifth anniversary of the Qualifying Transaction unless the value of the AYR Subordinate Voting Shares exceeds C\$13.00 (as adjusted for stock splits or consolidations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-day trading period at any time following the closing of the Qualifying Transaction.

In connection with the completion of the Qualifying Transaction, the Sponsor also entered into a coattail agreement dated as of the date hereof with the Corporation and Odyssey Trust Company, as trustee, which contains provisions customary for dual-class listed corporations designed to prevent transactions that otherwise would deprive the holders of AYR Subordinate Voting Shares of rights under applicable Canadian take-over bid legislation to which they would have been entitled if the Multiple Voting Shares had been AYR Subordinate Voting Shares.

Item 4 – Consideration Paid

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

Not applicable.

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.

The Filer acquired its Multiple Voting Shares, AYR Warrants and AYR Rights pursuant to a securities exchange. The market value per Subordinate Voting Share (into which the Filer's Multiple Voting Shares are convertible on a one-for-one basis), AYR Warrant and AYR Right as of the close of business on May 22, 2019 was C\$22.05, C\$10.00 and C\$2.10, respectively. The total value of the securities held by the Sponsor as of the close of business on such date was C\$110,582,828.

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

In connection with the Qualifying Transaction, the Filer acquired beneficial ownership or control over an aggregate of (i) 3,677,626 Multiple Voting Shares pursuant to the conversion of the Sponsor's existing CSAC Class B Shares on a one-for-one basis therefor, (ii) 2,894,058 AYR Warrants, which resulted from the existing CSAC Warrants, and (iii) 262,188 AYR Rights, which resulted from the existing CSAC Rights.

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.

See Item 2.2 above.

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 Item 3.8 above.

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.

[Remainder of page intentionally left blank. Certification follows.]

**Item 9 – Certification
Certificate**

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

DATED May 28, 2019.

(Signed) Jonathan Sandelman

Jonathan Sandelman

**MERCER PARK CB, L.P., by its general
partner, MERCER PARK CB GP, LLC**

By: *(Signed) Jonathan Sandelman*

Authorized Signatory