

Title: Early Warning Report Filed Pursuant to National Instrument 62-103

Toronto, Canada – May 29, 2019 – EARLY WARNING REPORT REGARDING THE QUALIFYING TRANSACTION OF AYR STRATEGIES INC., FORMERLY KNOWN AS CANNABIS STRATEGIES ACQUISITION CORP.

Item 1 – Security and Reporting Issuer

This press release relates to subordinate voting shares (the “**Subordinate Voting Shares**”), share purchase warrants (the “**Warrants**”) and rights (the “**Rights**”) of Ayr Strategies Inc., formerly known as Cannabis Strategies Acquisition Corp. (the “**Issuer**”).

Upon the completion of the Qualifying Transaction (as defined below), the Rights automatically became convertible into one-tenth (1/10) of one Class A restricted voting share of the Issuer (the “**Class A Shares**”) and each Warrant became exercisable into one Subordinate Voting Share of the Issuer after 65 days. Following the Qualifying Transaction, each Class A Share automatically converted into a Subordinate Voting Share.

The Issuer’s head office address is:

199 Bay Street, Suite 5300
Commerce Court West
Toronto, Ontario
M5L 1B9

The transactions that triggered the requirement to file this press release took place through the facilities of Aequitas NEO Exchange Inc. (“**NEO**”) or other marketplaces and acquisitions of one or more businesses or assets, by way of merger, share exchange, asset acquisition, share purchase, reorganization, or other similar business combinations involving the Issuer (together, the “**Qualifying Transaction**”).

Item 2 – The Transaction

This press release is being filed on behalf of: Craig Effron (“**Effron**”), Curtis Schenker (“**Schenker**”), Scoggin Management LP (the “**Manager**”), Scoggin International Fund Ltd. (the “**Fund**”), Dev Chodry (“**Chodry**”), and certain other individuals (such other individuals together being the “**Additional Holders**”). Effron and Schenker each has control or direction over the Subordinate Voting Shares beneficially owned by the Fund by virtue of having control or direction over the Manager, which in turn has control or direction over the Subordinate Voting Shares beneficially owned by the Fund. Each of Effron and Schenker also beneficially owns additional Subordinate Voting Shares personally. Schenker is the general partner of CJS Partners LP (“**CJS**”) and of Carolyn Partners LP (“**Carolyn**”, and together with Effron, Schenker, the Manager, the Fund, Chodry, the Additional Holders and CJS, the “**Investor**”) and as such has control or direction over additional Subordinate Voting Shares beneficially owned by CJS and Carolyn. Chodry is the Chief Investment Officer for Distressed Credit Strategies of the Manager and beneficially owns his Subordinate Voting Shares personally.

The address of the Investor is:

c/o Scoggin Management LP
660 Madison Avenue, 20th Floor
New York, NY 10065
USA

The Qualifying Transaction occurred on May 24, 2019. The Qualifying Transaction, when taken together with acquisitions of Class A Shares, Rights and Warrants by the Investor since the date of the last report (the “**Market Acquisitions**”), resulted in an increase in the Investor’s holdings and deemed holdings of the securities of the Issuer by more than 2% since the date of the last report.

The Market Acquisitions took place through the NEO or through the facilities of U.S. over-the-counter market.

The Qualifying Transaction involved the acquisition by the Issuer of certain cannabis companies operating in the United States.

Scoggin Management LP is the investment manager of the Fund and has direction or control over the Subordinate Voting Shares, Rights and Warrants of the Issuer beneficially owned by the Fund. Scoggin GP LLC controls and is the general partner of Scoggin Management LP and as a result also has direction or control over the Subordinate Voting Shares, Rights and Warrants of the Issuer beneficially owned by the Fund. Each of Effron and Schenker has control or direction over the Manager and as a result also has direction or control over the Subordinate Voting Shares, Rights and Warrants beneficially owned by the Fund. As the general partner of each of CJS and Carolyn, Schenker has control or direction over both CJS and Carolyn and the Subordinate Voting Shares, Rights and Warrants beneficially owned by those entities. Neither Effron or Schenker has control or direction over, or beneficial ownership of, any Subordinate Voting Shares, Rights and Warrants that are beneficially owned by or are under the control or direction of the other, except with respect to the Subordinate Voting Shares, Rights and Warrants that are beneficially owned by the Fund.

Chodry beneficially owns and has control and direction over his Subordinate Voting Shares, Rights and Warrants but does not have control or direction over, or beneficial ownership of, any of the Subordinate Voting Shares, Rights and Warrants that are beneficially owned by or are under the control or direction of Effron, Schenker or the Fund.

The Additional Holders beneficially own and have control and direction over their respective Subordinate Voting Shares, Rights and Warrants but do not have control or direction over, or beneficial ownership of, any of the Subordinate Voting Shares, Rights and Warrants that are beneficially owned by or are under the control or direction of Effron, Schenker or the Fund. The Additional Holders are employees of the Manager and may be viewed as acting jointly or in concert with the Manager.

Item 3 – Interest in Securities of the Reporting Issuer

The Fund's Interests

Between the date of the last report and the date of the Qualifying Transaction, the Fund is reporting a decrease in beneficial ownership of 205,000 Class A Shares (hereafter referred to as Subordinate Voting Shares), which when subtracted from the Fund's previous total holdings of 1,650,000 Subordinate Voting Shares, represents a net decrease of approximately 1.52% in the Fund's securityholding percentage and results in a total securityholding percentage of approximately 10.72% of the 13,474,000 Subordinate Voting Shares issued and outstanding prior to the Qualifying Transaction.

Pursuant to the conversion of Rights in connection with the Qualifying Transaction, the Fund is reporting an increase in beneficial ownership of 195,180 Subordinate Voting Shares underlying the Rights, which when added to the Fund's actual holdings of 1,445,000 Subordinate Voting Shares, represents a net decrease of approximately 0.24% in the Fund's securityholding percentage and results in a total securityholding percentage of approximately 12.00% of the 13,669,180 Subordinate Voting Shares issued and outstanding as of the date of this press release.

Five days following the Qualifying Transaction, the Fund will be deemed to acquire beneficial ownership of and control or direction over an additional 960,500 Subordinate Voting Shares, representing a net increase of approximately 5.54% in the Fund's securityholding percentage, resulting in a total securityholding percentage of approximately 17.78% of the 14,629,680 Subordinate Voting Shares issued and outstanding as of the date of this press release.

Effron's Interests

As at the last report, Effron held beneficial ownership of, and control or direction over 254,350 Subordinate Voting Shares personally and control or direction over the 1,650,000 Subordinate Voting Shares beneficially owned by the Fund, in aggregate representing approximately 14.13% of the 13,475,000 Subordinate Voting Shares of the Issuer issued and outstanding at the time of the last report. Between the date of the last report and the date of the Qualifying Transaction, Effron is reporting a decrease in beneficial ownership of 4,350 Subordinate Voting Shares personally and a decrease in beneficial ownership of, and control or direction over, 205,000 Subordinate Voting Shares, resulting in a net decrease of approximately 1.55% in Effron's securityholding percentage since the date of the last report. As a result, Effron is the beneficial owner of or holds control or direction over 1,695,000 Subordinate Voting Shares representing approximately 12.58% of the 13,474,000 Subordinate Voting Shares that are issued and outstanding immediately prior to the Qualifying Transaction.

Pursuant to the conversion of Rights in connection with the Qualifying Transaction, Effron will be deemed to have acquired beneficial ownership of and control or direction over an additional 215,180 Subordinate Voting Shares, personally, representing a net decrease of approximately 0.18% in Effron's securityholding percentage and 13.95% of the 13,689,180 Subordinate Voting Shares issued and outstanding as of the date of this press release.

Five days following the Qualifying Transaction, Effron will be deemed to acquire beneficial ownership of and control or direction over an additional 1,185,600 Subordinate Voting Shares, representing a net increase of approximately 6.68% in Effron's securityholding percentage,

resulting in a total securityholding percentage of approximately 20.81% of the 14,874,780 Subordinate Voting Shares issued and outstanding as of the date of this press release.

Schenker's Interests

As at the last report, Schenker held beneficial ownership of, and control or direction over, 200,000 Subordinate Voting Shares personally. Schenker also held control or direction over the 54,350 Subordinate Voting Shares beneficially owned by Carolyn, 50,000 Subordinate Voting Shares beneficially owned by CJS and the 1,650,000 Subordinate Voting Shares beneficially owned by the Fund. In aggregate, Schenker held beneficial ownership of and/or control and direction over approximately 14.50% of the 13,475,000 Subordinate Voting Shares of the Issuer issued and outstanding. Between the date of the last report and the date of the Qualifying Transaction, Schenker is reporting a decrease in beneficial ownership of 15,500 Subordinate Voting Shares personally, and gained control and direction over an additional 7,500 Subordinate Voting Shares acquired by Carolyn, and an additional 12,500 Subordinate Voting Shares acquired by CJS. Schenker is reporting a decrease in beneficial ownership of 205,000 Subordinate Voting Shares of the Fund, representing a net decrease of approximately 1.48% in Schenker's securityholding percentage since the date of the last report. As a result, Schenker is the beneficial owner of and/or control or direction over 1,753,850 Subordinate Voting Shares representing approximately 13.02% of the 13,474,000 Subordinate Voting Shares of the Issuer that are issued and outstanding immediately prior to the Qualifying Transaction.

Pursuant to the conversion of Rights in connection with the Qualifying Transaction, Schenker will be deemed to have acquired beneficial ownership of and control or direction over an additional 215,090 Subordinate Voting Shares, personally, representing a net decrease of approximately 0.12% in Schenker's securityholding percentage, and approximately 14.38% of the 13,689,090 Subordinate Voting Shares of the Issuer issued and outstanding as of the date of this press release.

Five days following the Qualifying Transaction, Schenker will be deemed to acquire beneficial ownership of and control or direction over an additional 1,158,700 Subordinate Voting Shares, representing a net increase of approximately 6.56% in Schenker's securityholding percentage, resulting in a total securityholding percentage of approximately 21.06% of the 14,847,790 Subordinate Voting Shares of the Issuer issued and outstanding as of the date of this press release.

Chodry's Interests

Chodry held beneficial ownership of or control or direction over 15,000 Subordinate Voting Shares as at the date of the last report. Chodry acquired beneficial ownership of and control and direction over 30,000 Subordinate Voting Shares, representing a net increase of approximately 0.22% in his securityholding percentage and a total securityholding percentage of approximately 0.33% of the 13,474,000 Subordinate Voting Shares of the Issuer issued and outstanding as of the date of this press release. Chodry did not acquire any additional Subordinate Voting Shares upon the completion of the Qualifying Transaction.

Total Interests

The total securityholding percentage of all joint actors subject to the disclosure requirements of this press release with respect to the issued and outstanding Subordinate Voting Shares of the Issuer, as calculated by aggregating the beneficial ownership percentages of each of the Fund,

Effron, Schenker, CJS, Carolyn, Chodry and Additional Holders, is equal to approximately 15.50%. Such joint actors together hold beneficial ownership of and control or direction over 2,088,850 of the 13,474,000 Subordinate Voting Shares of the Issuer issued and outstanding immediately prior to the date of the completion of the Qualifying Transaction.

Pursuant to the conversion of the Rights in connection with the Qualifying Transaction, the total securityholding percentage of all joint actors subject to the disclosure requirements of this press release with respect to the issued and outstanding Subordinate Voting Shares of the Issuer is equal to approximately 16.95%. The joint actors together hold beneficial ownership of and control or direction over 2,323,940 of the 13,709,090 Subordinate Voting Shares of the Issuer issued and outstanding as of the date of this press release.

Five days following the Qualifying Transaction, the total deemed securityholding percentage of all joint actors subject to the disclosure requirements of this press release with respect to the issued and outstanding Subordinate Voting Shares of the Issuer will be equal to approximately 24.79% after giving effect to warrants to acquire additional securities that will then be exercisable within 60 days. The joint actors together will be deemed to hold beneficial ownership of and control or direction over 3,752,740 of the of the 15,137,890 Subordinate Voting Shares.

As of the date of this press release, Effron has or is deemed to have beneficial ownership of and control or direction over 270,000 Subordinate Voting Shares that he holds personally, Schenker has or is deemed to have beneficial ownership of and control or direction over 204,410 Subordinate Voting Shares that he holds personally, Chodry has or is deemed to have beneficial ownership of and control or direction over 45,000 Subordinate Voting Shares that he holds personally and the Additional Holders have or are deemed to have beneficial ownership of and control or direction over 40,000 Subordinate Voting Shares. The Fund has or is deemed to have beneficial ownership of 1,640,180 Subordinate Voting Shares but control or direction is held by the Manager, Effron and Schenker. Effron and Schenker hold shared control or direction over the 1,640,180 Subordinate Voting Shares beneficially owned, or deemed to be beneficially owned by the Fund and Schenker holds control or direction over the 62,500 Subordinate Voting Shares beneficially owned or deemed to be beneficially owned by CJS and the 61,850 Subordinate Voting Shares beneficially owned or deemed to be beneficially owned by Carolyn.

Item 4 – Purpose of the Transaction

As of the date of this press release, none of Effron, Schenker, the Manager or the Fund, or any of the other parties referred to in Item 2.3, have any specific current plan or future intention to participate in a transaction which would relate to or result in the occurrence of item (a) of Item 5 above, but may or may not purchase or sell securities of the Issuer in the future on the open market or in private transactions in the ordinary course, depending on market conditions and other factors material to the their investment decisions.

As of the date of this press release, none of Effron, Schenker, the Manager or the Fund, or any of the other parties referred to in Item 2.3, have any specific current plan or future intention to participate in a transaction or other material change which would relate to or result in the occurrence of any of items (b) through (k) of Item 5 above, but may decide to do so in the event that a firm proposal for a transaction or other material change is advanced by the Issuer, or any other party, on terms satisfactory to them:

- (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.

For further details please contact:

SCOGGIN MANAGEMENT LP

Tel: (646) 201-4656

Email: Scott Cohen <SCohen@scogcap.com>