

NOTICE OF MEETING
OF 8.0% UNSECURED CONVERTIBLE DEBENTURES DUE DECEMBER 12, 2022

OF

CLS HOLDINGS USA, INC.

TO BE HELD ON SEPTEMBER 15, 2022

CLS HOLDINGS USA, INC.

NOTICE OF MEETING OF DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN THAT a meeting (the “**Meeting**”) of holders (the “**Debentureholders**”) of the 8.0% unsecured convertible debentures due December 12, 2022 (the “**Debentures**”) of CLS Holdings USA, Inc. (“**CLS Holdings**” or the “**Corporation**”) issued pursuant to an indenture dated as of December 12, 2018, as amended pursuant to a supplemental indenture dated as of March 31, 2021 (as the same has otherwise been amended or may be amended, modified, restated, supplemented or replaced from time to time, collectively, the “**Indenture**”) will be held on Thursday, September 15, 2022 at 2:00 p.m. (Toronto time) and can be accessed through the following link:

<https://nelsonmullins.zoom.us/j/87025182360?pwd=V0RiVDUvdW5YQk1mR1JRZIA3MkZpdz09>

for the following purposes:

1. To consider, and if deemed advisable, approve Extraordinary Resolutions (as such term is defined in the Indenture) of the Debentureholders to, among other things as described herein, amend (the “**Amendments**”):

(i) the Indenture to include a mandatory conversion provision to permit the Corporation, in its sole discretion, to convert US\$8,063,682, which includes US\$7,931,490 in the principal amount of Debentures and accrued interest thereon, into units (“**Units**”) of the Corporation at a conversion price of US\$0.07125 per Unit (“**Mandatory Conversion Price**”), with such conversion to occur on the effective date of the Amendments (anticipated to be September 15, 2022), and with distribution of such Units to take place within three business days following such conversion. This amount represents US\$7,931,490, which is 60% of the current principal amount of outstanding Debentures, together with US\$132,192, which is the accrued but unpaid interest thereon through to and including September 15, 2022 (the anticipated date of conversion), which interest will be paid in Units based on the Mandatory Conversion Price. Each Unit will continue to be comprised of one share of common stock in the capital of the Corporation (a “**Share**”) and one half of one Share purchase warrant (each whole share purchase warrant, a “**Warrant**”), with each Warrant entitling the holder to acquire a Share at an exercise price of US\$0.10 per Share for a period of 36 months from the effective date of the amendments to the Indenture as contemplated hereby, and all in accordance with the warrant indenture dated as of December 12, 2018, as amended pursuant to a supplemental indenture dated as of March 31, 2021 (as the same has otherwise been amended or may be amended, modified, restated, supplemented or replaced from time to time, collectively, the “**Warrant Indenture**”), which Warrant Indenture will be further amended to reflect the terms described herein;

(ii) the Conversion Price (as such term is defined in the Indenture), after the mandatory conversion, to reduce it from US\$0.30 per Unit to US\$0.10 per Unit;

(iii) the mandatory conversion VWAP threshold from US\$0.60 to US\$0.20;

(iv) the Indenture to permit registered Debentureholders to elect to convert greater than 60% of the principal amount of their Debentures plus accrued interest into Units at the Mandatory Conversion Price (“**Voluntary Conversion**”), provided that notice of the additional principal amount of Debentures to be converted is received from the registered Debentureholder by the Trustee on or before the date of the meeting to vote on the Amendments;

(v) the Maturity Date (as such term is defined in the Indenture) to December 31, 2023 for 50% of the principal amount of Debentures outstanding after the mandatory conversion, and to December 31, 2024 for the remainder of the principal amount then outstanding;

(vi) the Interest Payment Dates (as such term is defined in the Indenture) to provide for payment on December 31, 2023 and December 31, 2024, and so that all interest accruing from July 1, 2022 until December 31, 2024 shall be estimated and paid as follows: one-third of the total scheduled accrued interest shall be paid on December 31, 2023, and the balance of the accrued interest shall be paid on December 31, 2024, all as more particularly described herein;

(vii) provided all regulatory approvals are obtained by the Corporation, the Indenture to include the grant of a security interest in certain select assets of the Corporation (such as licenses, inventory (including work in process), equipment (excluding equipment subject to leases or purchase money financing) and contract rights (excluding investments in entities other than wholly owned subsidiaries) to the holders of Debentures, to rank *pari passu* with other debtholders of the Corporation, which debts are currently secured or may be secured in the future; and

2. To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Your vote is important.

This notice is accompanied by a voting instruction form for non-registered Debentureholders (collectively, the “**Meeting Materials**”).

Debentureholders are invited to attend the Meeting virtually through the platform of Zoom by going to:

<https://nelsonmullins.zoom.us/j/87025182360?pwd=V0RiVDUvdW5YQk1mR1JRZIA3MkZpdz09>

or may be represented by proxy. Registered Debentureholders who are unable to attend the Meeting virtually are requested to complete, date and sign the form of proxy and send it to the Corporation, c/o the trustee under the Indenture, Odyssey Trust Company, Stock Exchange Tower 1230 – 300 5th Ave SW Calgary, Alberta, T2P 3C4. Non-registered Debentureholders who receive the Meeting Materials through their broker or other intermediary should complete and send the voting instruction form in accordance with the instructions provided.

The board of directors of the Corporation has, by resolution, fixed the close of business on August 11, 2022 as the record date for the determination of holders of Debentures entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof. The board of directors of the Corporation has, by resolution, fixed at 2:00 p.m. (Toronto time)] on September 13, 2022, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment(s) or postponement(s) of the Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment or postponement thereof must be deposited with the trustee for the Debentures.

Pursuant to the provisions of the Indenture, Debentureholders are to vote on any Extraordinary Resolution at a meeting of Debentureholders and as such, the favourable votes of the Debentureholders of not less than 66⅔% of the aggregate principal amount of the Debentures present or represented by proxy at a meeting at which a quorum is present (or represented by proxy) and voted upon on a poll on such resolution will be required in order to effect such Extraordinary Resolution. The Extraordinary Resolution will be binding upon all Debentureholders, whether present at, or absent from, the Meeting.

DATED at Toronto, Ontario, this 17th day of August, 2022.

BY ORDER OF THE BOARD

“Andrew Glashow”

Andrew Glashow

President and Director

GENERAL MATTERS

General

This Notice is furnished in connection with the solicitation of proxies by and on behalf of the management of the Corporation for use at the Meeting. Other than as set forth herein, no person has been authorized to give any information or make any representation in connection with the Amendments or any other matters to be considered at the Meeting other than those contained in this Notice and, if given or made, any such information or representation must not be relied upon as having been authorized.

In light of the ongoing public health crisis related to the COVID-19 outbreak, the Meeting will be conducted in a virtual format. In light of COVID-19, Debentureholders are urged to vote on the matters in advance of the Meeting by proxy and to participate in the Meeting by way of the live webcast that will be available at:

<https://nelsonmullins.zoom.us/j/87025182360?pwd=V0RiVDUvdW5YQk1mR1JRZIA3MkZpdz09>

Except as otherwise stated, the information contained in this Notice is given as of August 17, 2022.

The form of proxy forwarded to Debentureholders with the Notice confers discretionary authority upon the proxy nominees with respect to Amendments or variations of matters identified in this Notice or other matters which may properly come before the Meeting.

This Notice does not constitute an offer to sell, or a solicitation of an offer to purchase, Debentures in connection with the Amendments, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction. The delivery of this Notice does not under any circumstances imply or represent that there has been no change in the information set forth herein since the date of this Notice.

Debentureholders should not construe the contents of this Notice as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Notice.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY UNITED STATES FEDERAL OR STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA, NOR HAS THE SEC, ANY UNITED STATES FEDERAL OR STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

THE MEETING

The Corporation and Odyssey Trust Company, as Trustee (the “**Trustee**”), have entered into an indenture dated as of December 12, 2018, as amended pursuant to a supplemental indenture dated as of March 31, 2021 (as the same has otherwise been amended or may be amended, modified, restated, supplemented or replaced from time to time, collectively, the “**Indenture**”) pursuant to which the Corporation has issued 8.0% unsecured convertible debentures currently due December 12, 2022 (the “**Debentures**”).

This document has been prepared in connection with the solicitation of proxies by or on behalf of the management of CLS Holdings USA, Inc. (“**CLS Holdings**” or the “**Corporation**”) for use at the meeting (the “**Meeting**”) of holders of Debentures (the “**Debentureholders**”) to be held on Thursday, September 15, 2022, at the time and place and for the purposes set forth above and any adjournment or postponement thereof.

Solicitation of Proxies

The enclosed proxy is being solicited by the management of the Corporation for use at the Meeting. Proxies may be solicited by mail, telephone, email, facsimile or other electronic means. Proxies may be solicited personally by directors or regular employees of the Corporation. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The Corporation may also, upon request, reimburse brokers and other persons holding shares as nominees for their reasonable costs incurred in sending proxy material to beneficial owners of Debentures. The Corporation may also retain agents to assist in soliciting proxies, who may be paid a fee for such services. The cost of solicitation of proxies will be paid by the Corporation.

The board of directors of the Corporation (the “**Board**”) has, by resolution, fixed the close of business on August 11, 2022 (the “**Record Date**”) as the record date for the determination of the holders of Debentures entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof. Debentureholders at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or at any adjournment or postponement thereof (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated proxy with the Trustee as specified herein).

The Board has, by resolution, fixed at 2:00 p.m. (Toronto time) on September 13, 2022, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment or postponement of the Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment or postponement thereof must be deposited with the Trustee at Stock Exchange Tower 1230 – 300 5th Ave SW Calgary, Alberta, T2P 3C4 Attention: Dan Sander. The Chairman of the Meeting may extend or waive the proxy deadline without notice.

These materials are being sent to and non-registered owners of the securities. If you are a non-registered owner, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Please return your voting instructions as specified in the request for voting instructions.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Debentureholder desiring to appoint some other person or entity to represent him, her or it at the Meeting may do so by inserting such person or entity’s name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the Trustee, as indicated in the instructions accompanying or included in the form of proxy, not later than the time specified in this Notice.**

In addition to revocation in any other manner permitted by law, a Debentureholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing

a later date) executed by the Debentureholder or by an attorney authorized in writing to the Trustee at Stock Exchange Tower 1230 – 300 5th Ave SW Calgary, Alberta, T2P 3C4 Attention: Dan Sander at any time up to and including two business days preceding the day of the Meeting.

Meeting Procedures

The Meeting will be conducted in a manner substantially similar to the way the Corporation conducts its meetings of shareholders, including as required under the Corporation's constituting documents and applicable law, as modified by the Indenture and for the fact that the Debentures are debt securities without general voting rights.

The Meeting will be conducted as a virtual meeting of Debentureholders by way of a virtual meeting webcast through Zoom. The virtual meeting webcast can be accessed at:

<https://nelsonmullins.zoom.us/j/87025182360?pwd=V0RiVDUvdW5YQk1mR1JRZIA3MkZpdz09>.

As a registered Debentureholder, you will be able to participate in the voting portion of the meeting by following the directions on the provided website. You will need to use the Control Number provided to you in your form of proxy to vote. Debentureholders are encouraged to register in advance and, at the least, 15 minutes prior to the start of the Meeting.

Quorum

A quorum of the Debentureholders is required to transact business at the applicable Meeting. Pursuant to the Indenture, the quorum requirement for the applicable Meeting will be satisfied and the applicable Meeting will be properly constituted where there are present in person or represented by proxy, at the Meeting, Debentures representing at least 25% of the outstanding principal amount of the Debentures.

Voting of Proxies

The persons named in the form of proxy will vote the Debentures in respect of which they are appointed in accordance with the direction of the Debentureholders appointing them. **In the absence of such direction, such Debentures will be voted in favour of the passing of all the matters and resolutions described below. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified herein and with respect to other matters which may properly come before the applicable Meeting.** As at the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the applicable Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

A proxy will not be valid unless it is signed by the registered Debentureholder, or by the registered Debentureholder's attorney with proof that they are authorized to sign. If you represent a registered Debentureholder that is a corporation, your proxy must be executed by an officer or an attorney, authorized in writing. If you execute a proxy as an attorney for an individual registered Debentureholder, or as an officer or attorney of a registered Debentureholder that is a corporation, you must include the original or notarized copy of the written authorization for the officer or attorney with your proxy form.

Non-Registered Holders

Only registered Debentureholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Debentures beneficially owned by a holder who is not a registered Debentureholder (a "**Non-Registered Debentureholder**") are registered either: (i) in the name of an intermediary with whom the Non-Registered Debentureholder deals in respect of the Debentures such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans (an "**Intermediary**"); or (ii) in the name of a clearing agency (such as CDS & Co., of which the Intermediary is a participant).

There are two kinds of Non-Registered Debentureholders, those who object to their name being made known to the issuers of securities which they own, and those who do not object to the issuers of the securities they own knowing who they are. In accordance with procedures used for communicating with beneficial securityholders used by public companies, the Corporation will distribute copies of this Notice and a Voting Instruction Form (as defined below) (collectively, the **"Mailed Materials"**) to the clearing agencies and Intermediaries for distribution to Non-Registered Debentureholders.

If you are a non-objecting Non-Registered Debentureholder, and the Corporation or its agent has sent the Mailed Materials directly to you, your name and address and information about your holdings of Debentures have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Debentures on your behalf.

Non-Registered Debentureholders will be given, in substitution for the proxy otherwise contained in the proxy-related materials, a request for voting instructions (the **"Voting Instruction Form"**) which, when properly completed and, if applicable, signed by the Non-Registered Debentureholder and returned to the Intermediary or the Corporation, as applicable, will constitute voting instructions which the Intermediary or the Corporation, as applicable, must follow. The purpose of this procedure is to permit Non-Registered Debentureholders to direct the voting of the Debentures they beneficially own. Should a Non-Registered Debentureholder who receives the Voting Instruction Form wish to vote at the Meeting in person (or have another person attend the vote on behalf of the Non-Registered Debentureholder), the Non-Registered Debentureholder should so indicate in the place provided for that purpose in the Voting Instruction Form and a form of legal proxy will be sent to the Non-Registered Debentureholder by the intermediary. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Debentureholders in order to ensure that their Debentures are voted at the Meeting. If you have any questions respecting the voting of Debentures held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance. The Corporation cannot issue legal proxies to Non-Registered Debentureholders to vote at the Meeting in person.

THE AMENDMENTS

Background to the Amendments

Management and the Board regularly review and evaluate the Corporation's capital structure and strategic alternatives relating to the Debentures and other obligations of the Corporation with a view to meeting the Corporation's financial obligations and enhancing securityholder value. As noted, the maturity date for the Debentures is currently December 12, 2022, however, the Corporation does not anticipate being in a position to repay the Debentures with cash on hand when they become due. Notwithstanding the efforts of management, the Corporation has not been able to secure commercially reasonable re-financing terms to facilitate repayment of the Debentures. As a result, management approached a number of Debentureholders regarding available alternatives and the need for the Corporation to reduce its overall debt and strengthen its balance sheet in order to position it for future financial success, with such discussions resulting in the request by the Corporation for approval of the Amendments by Debentureholders in accordance with the terms of the Indenture.

Effective Date of the Amendments

If the Extraordinary Resolutions as contemplated herein are approved by Debentureholders, the Amendments (as defined below) will become effective on the date the Corporation and the Trustee enter into a supplemental indenture providing for the Amendments (the **"Supplemental Indenture"**). Although the Corporation anticipates entering into the Supplemental Indenture on or about September 15, 2022 following receipt of approval of the Debentureholders as contemplated hereunder, it is not possible to state with certainty when the effective date of the Amendments will occur. The effective date of the Amendments could be delayed for a number of reasons. **Although the Corporation intends to enter into the Supplemental Indenture as soon as possible following approval of the Extraordinary Resolutions, the Board will retain the discretion, without further notice to, or approval of, the Debentureholders, to revoke the Extraordinary Resolutions at any time prior to the Corporation entering into the Supplemental Indenture.**

Grant of Security

In order to permit the Corporation to grant a security interest in any of the assets that form part of its Nevada operations, the Nevada Cannabis Control Board (“**CCB**”) must receive notice in advance of the proposed grant of the security interest, and the CCB reserves the right to vet the recipients thereof (including the Trustee and all Debentureholders). The Corporation will use commercially reasonable efforts to obtain all necessary regulatory approvals to permit it to grant to Debentureholders a security interest (“**Security**”) in certain of its select assets, such as its licenses, inventory (including work in process), equipment (excluding equipment subject to leases or purchase money financing) and contract rights (excluding investments in entities other than wholly owned subsidiaries); however, the grant of the Security will be subject to CCB approval, which has not yet been requested or received. The Corporation will notify the CCB of its intent to grant the Security only if Debentureholders have approved the Amendments as described herein. It is not possible to state with certainty when the effective date of the grant of the Security will occur, if at all. The grant of the Security is subject to the risk that CCB approval for the grant may not be received at all, or may be received with burdensome conditions for the Corporation and/or one or more of the Debentureholders that are not commercially reasonable to comply with and/or may be outside the control of the Corporation. In the event the Security is ultimately granted to Debentureholders, the Corporation will retain the ability to subsequently grant a security interest in the same assets comprising the Security to other debtholders of the Corporation whether existing on the date hereof or incurred by the Corporation in the future, and which debts are currently secured or may be secured in the future.

Voluntary Conversion

A Debentureholder that wishes to take advantage of the Voluntary Conversion should contact their broker or Intermediary as soon as possible to withdraw their Debentures from CDS and to submit their conversion notice specifying the additional principal amount of Debentures to be converted at the Mandatory Conversion Price directly to the Trustee on or before the meeting date at which Debentureholders will consider the Amendments. Following the meeting date, Voluntary Conversion will no longer be accepted by the Corporation.

Interests of Certain Persons in the Amendments

As at the date of this Notice, none of the directors or executive officers of the Corporation own any Debentures.

PARTICULARS OF MATTERS TO BE ACTED UPON

Text of Extraordinary Resolution

Debentureholder Extraordinary Resolutions

WHEREAS:

- A. By a trust indenture made as of the 12th day of December, 2018, as amended pursuant to a supplemental indenture dated as of March 31, 2021 (as the same has otherwise been amended or may be amended, modified, restated, supplemented or replaced from time to time, collectively, the “**Indenture**”) between CLS Holdings USA, Inc. (the “**Corporation**”) and Odyssey Trust Company (the “**Trustee**”), provision was made for the various powers that may be exercised at a meeting of Debentureholders by way of “Extraordinary Resolution” or by an instrument in writing signed by the holders of 66 2/3% of the principal amount of all outstanding Debentures, including the capacity “to assent to any modification of, or change in, or addition to, or omission from, the provisions contained in this Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;”

B. The Corporation desires to amend the Indenture (the “**Amendments**”) to:

- (i) include a mandatory conversion provision to permit the Corporation, in its sole discretion, to convert US\$8,063,682, which includes US\$7,931,490 in the principal amount of Debentures and accrued interest thereon, into units (“**Units**”) of the Corporation at a conversion price of US\$0.07125 per Unit (“**Mandatory Conversion Price**”), with such conversion to occur on the effective date of the Amendments (anticipated to be September 15, 2022), with distribution of such Units to take place within three business days following such conversion. This amount represents US\$7,931,490, which is 60% of the current principal amount of outstanding Debentures, together with US\$132,192, which is the accrued but unpaid interest thereon through to and including September 15, 2022 (the anticipated date of conversion), which is the accrued but unpaid interest thereon which will be paid in Units based on the Mandatory Conversion Price. Each Unit shall be comprised of one share of common stock in the capital of the Corporation (a “**Share**”) and one half of one Share purchase warrant (each whole share purchase warrant, a “**Warrant**”), with each Warrant entitling the holder to acquire a Share at an exercise price of US\$0.10 per Share for a period of 36 months years from the effective date of the amendments to the Indenture as contemplated hereby, and all in accordance with the warrant indenture dated as of December 12, 2018, as amended pursuant to a supplemental indenture dated as of March 31, 2021 (as the same has otherwise been amended or may be amended, modified, restated, supplemented or replaced from time to time, collectively, the “**Warrant Indenture**”), which Warrant Indenture will be further amended to reflect the terms described herein;
- (ii) amend the Conversion Price (as such term is defined in the Indenture) to reduce it from US\$0.30 per Unit to US\$0.10 per Unit;
- (iii) reduce the mandatory conversion VWAP threshold from US\$0.60 to US\$0.20;
- (iv) permit Debentureholders to elect to convert an additional principal amount of their Debentures plus accrued interest into Units at the Mandatory Conversion Price (“**Voluntary Conversion**”), provided that notice of the additional principal amount of Debentures to be converted is received from the registered Debentureholder by the Trustee on or before the date of the meeting to vote on the Amendments;
- (v) amend the Maturity Date (as such term is defined in the Indenture) to December 31, 2023 for 50% of the principal amount of Debentures then outstanding, and to December 31, 2024 for the remainder of the principal amount then outstanding;
- (vi) amend the Interest Payment Dates (as such term is defined in the Indenture) to provide for payment on December 31, 2023 and December 31, 2024, and so that all accrued and unpaid from July 1, 2022 until December 31, 2024 shall be estimated and paid as follows: one-third of the total scheduled accrued interest shall be paid on December 31, 2023, and the balance of the accrued interest shall be paid on December 31, 2024, all as more particularly described herein;
- (vii) include the grant of a security interest in certain select assets of the Corporation (such as licenses, inventory (including work in process), equipment (excluding equipment subject to leases or purchase money financing) and contract rights (excluding investments in entities other than wholly owned subsidiaries) to the holders of Debentures, to rank *pari passu* with other debtholders of the Corporation, which debts are currently secured or may be secured in the future, provided all regulatory approvals are obtained by the Corporation;

- C. Changes to the terms of the Debentures and amendments to the Indenture of this nature must be approved by way of one or more an Extraordinary Resolutions of the Debentureholders pursuant to Article 12 of the Indenture.
- D. Terms defined in the Indenture and used herein are used with the same defined meaning herein.

BE IT RESOLVED THAT: The Amendments be and they are hereby approved;

- 1. Section 1.1 of the Indenture be amended to replace the definition of “Conversion Price” with the following:

“**Conversion Price**” means \$0.10 per Unit, subject to adjustment in accordance with the provisions of Section 4.6;”

- 2. Section 1.1 of the Indenture be amended to insert the definition of “Mandatory Conversion Price” as follows:

“**Mandatory Conversion Price**” shall have the meaning ascribed thereto in Section 4.5(5);”

- 3. Section 1.1 of the Indenture be amended to replace the definition of “Maturity Date” with the following:

“**Maturity Date**” means (i) December 31, 2023 for 50% of the principal amount of Debentures outstanding after the mandatory conversion, and (ii) December 31, 2024 for the remainder of the principal amount then outstanding;”

- 4. Section 1.1 of the Indenture be amended to replace the definition of “Interest Payment Date” with the following:

“**Interest Payment Date**” means, subject to Section 2.3(4), the last day of March, the last day of June, the last day of September and the last day of December in each year from the date of Issuance until June 30, 2022, and thereafter, December 31, 2023 and December 31, 2024, and such other dates to which interest accrues and is payable pursuant to Section 2.3, it being acknowledged that for a period of eighteen (18) months from the Issue Date, any Interest Obligation payable hereunder shall automatically accrue to the principal amount of the Debentures, and shall thereafter be deemed to be part of the principal amount of the Debentures;”

- 5. Subsection 4.5(1) of the Indenture is deleted in its entirety and replaced with the following:

“At any time following the date that is 4 months and one day following the Issue Date, the Corporation may force the conversion of the principal amount of the then Outstanding Debentures at the Conversion Price on not less than 30 days’ notice (the “**Mandatory Conversion Notice**”) to the Holders in accordance with Section 11.2 and the Trustee and concurrently issuing a press release should the VWAP of the Common Shares be greater than US\$0.20 for any 10 consecutive trading days.”

- 6. The following provision in Schedule 2.2 – *Form of Debenture* of the Indenture is deleted in its entirety:

“At any time following the date that is 4 months and one day following the Issue Date, the Corporation may force the conversion of the principal amount of the then Outstanding Debentures at the Conversion Price on not less than 30 days’ notice should the VWAP of the Common Shares be greater than US\$0.60 for any 10 consecutive trading days.”

and replaced with the following:

“At any time following the date that is 4 months and one day following the Issue Date, the Corporation may force the conversion of the principal amount of the then Outstanding Debentures at the Conversion Price on not less than 30 days’ notice should the VWAP of the Common Shares be greater than US\$0.20 for any 10 consecutive trading days.”

7. Section 4.5 of the Indenture be amended to add the following as Section 4.5(5):

The Corporation is permitted, in its sole discretion, to convert US\$8,090,119.20, which includes US\$7,931,489.40 in the principal amount of Debentures and accrued interest payable thereon, into Units of the Corporation at a conversion price of US\$0.07125 per Unit (the “**Mandatory Conversion Price**”).

8. The first paragraph of Schedule 2.2 – *Form of Debenture* of the Indenture be deleted in its entirety and replaced with the following:

CLS HOLDINGS USA, INC. (the “**Corporation**”), for value received, hereby acknowledges itself indebted and promises to pay to the order of the registered holder the principal sum of

[insert amount] as follows,

(i) on December 31, 2023 (the “**Maturity Date**”), or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture hereinafter mentioned, 50% of the principal amount of this Debenture, and (ii) on December 31, 2024, or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture hereinafter mentioned, the remaining outstanding principal amount represented by this Debenture, in lawful money of the United States, on presentation and surrender of this Debenture (as defined below) at the principal office of the Trustee (defined below) in the manner specified in the Indenture (as defined below), in the City of Calgary, Province of Alberta, and to pay interest on the principal amount then Outstanding (as defined in the Indenture) at the rate of 8.0% per annum from the most recent Interest Payment Date to which interest has been paid or made available for payment on the Debentures then outstanding, whichever is later, at the option of the Corporation, in like money, as follows: Interest accruing from July 1, 2022 until December 31, 2024 shall be estimated and paid as follows: one-third of the total scheduled accrued interest shall be paid on December 31, 2023, and the balance of the accrued interest shall be paid on December 31, 2024, (each such date, an “**Interest Payment Date**”). For certainty, no interest will accrue or be payable on Debentures converted under the Mandatory Conversion provisions of Section 4.5(5) of the Debenture.

9. The following provision in Schedule 2.2 – *Form of Debenture* of the Indenture be deleted in its entirety:

“This Debenture is one of the 8.0% Unsecured Convertible Debentures due December 12, 2021 (the “**Debentures**”) created and issued under an Indenture (the “**Indenture**”) dated as of December 12, 2018 made between, inter alia, the Corporation and Odyssey Trust Company, as trustee (the “**Trustee**”).”

and replaced with the following:

“This Debenture is one of the 8.0% Unsecured Convertible Debentures due December 31, 2023 and December 31, 2024 (the “**Debentures**”) created and issued under an Indenture dated as of December 12, 2018, as amended pursuant to supplemental indentures dated as of March 31, 2021 and September 15, 2022 (as the same has otherwise been amended or may be amended, modified, restated, supplemented or

replaced from time to time, collectively, the “**Indenture**”), made between, inter alia, the Corporation and Odyssey Trust Company, as trustee (the “**Trustee**”).”

10. The reference to “December 12, 2022” in the Trustee’s Certificate appended to Schedule 2.2 – *Form of Debenture* of the Indenture be replaced with “December 31, 2023 and December 31, 2024”.
11. References to “December 12, 2022” in Schedule Section 2.26 of the Indenture are replaced with “December 31, 2023 and December 31, 2024”
12. The following provision in Schedule 2.2 – *Form of Debenture* of the Indenture be deleted in its entirety:

“This Debenture is one of the 8.0% Unsecured Convertible Debentures due December 12, 2021 (the “**Debentures**”) created and issued under an Indenture (the “**Indenture**”) dated as of December 12, 2018 made between, inter alia, the Corporation and Odyssey Trust Company, as trustee (the “**Trustee**”).”

and replaced with the following:

“This Debenture is one of the 8.0% Unsecured Convertible Debentures due December 31, 2023 and December 31, 2024 (the “**Debentures**”) created and issued under an Indenture dated as of December 12, 2018, as amended pursuant to supplemental indentures dated as of March 31, 2021 and September 15, 2022 (as the same has otherwise been amended or may be amended, modified, restated, supplemented or replaced from time to time, collectively, the “**Indenture**”), made between, inter alia, the Corporation and Odyssey Trust Company, as trustee (the “**Trustee**”).”

13. Section 2.3 of the Indenture be amended to add the following as Subsection 2.3(5):

“Notwithstanding any other terms herein, all interest accruing on Debentures from July 1, 2022 until December 31, 2024 shall be paid as follows: (i) one-third of the total scheduled accrued interest shall be paid on December 31, 2023, and (ii) the balance of the accrued interest shall be paid on December 31, 2024. For certainty, no interest will accrue or be payable on Debentures converted under the Mandatory Conversion provisions of Section 4.5(5) of the Debenture.
14. Section 4.1 of the Indenture be amended to add the following as Section 4.1(6):

A registered Holder may elect to convert, all or any part that is greater than 60%, being \$1,000 or an integral multiple thereof, of its principal amount of Debentures together with accrued interest thereon into Units at the Mandatory Conversion Price on or before the date of the meeting to vote on these amendments by delivering written notice to the Trustee specifying the principal amount of Debentures to be so converted at the Mandatory Conversion Price.
15. The Corporation and the Trustee are hereby authorized and directed to enter into, execute, deliver and perform all of their respective obligations under a supplemental debenture indenture to the Indenture (the “**Supplemental Indenture**”), amending the provisions as set out above and such other consequential amendments, including to the form of Debenture certificate, as required to give effect to the Amendments, such Supplemental Indenture being subject to such changes and Amendments as may be approved by the Corporation pursuant to paragraph 17 hereof, such approval to be conclusively evidenced by the execution and delivery of such Supplemental Indenture (as changed or amended, if applicable) by the Corporation and the Trustee, and the Supplemental Indenture so executed shall be conclusively deemed to be the Supplemental Indenture approved and authorized by, and referred to in, these resolutions.

16. All additional amendments to the Indenture reasonably necessary or desirable to give effect to the Amendments and the foregoing be and they are hereby approved. The Trustee and the Corporation are authorized and directed to enter into any supplemental indenture as may be deemed necessary or advisable in connection with the foregoing.
17. Notwithstanding that this extraordinary resolution has been passed by the Debentureholders, the Corporation is authorized without further notice to or approval of the Debentureholders, to (i) change or amend the Supplemental Indenture as referred to in paragraph 15, or (ii) not proceed with the Amendments.

APPROVAL

The Board has approved the contents of this Notice and the sending thereof to the Corporation's Debentureholders.

ON BEHALF OF THE BOARD

“Andrew Glashow”

Andrew Glashow
President and Director
August 17, 2022