

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