# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of the**
**Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): September 15, 2022**

# CLS HOLDINGS USA, INC.

(Exact name of registrant as specified in its charter)

| Nevada | 000-55546 | 45-1352286 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| 11767 South Dixie Highway, Suite 115<br>Miami, Florida | 33156 |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

**Registrant's telephone number, including area code: (888) 359-4666**

**Not Applicable**
**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Securities Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: **None.**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 1.01 Entry into a Material Definitive Agreement.**

**Amendments to Convertible Debentures and Underlying Warrants**

On September 15, 2022, CLS Holdings USA, Inc. ("CLS" or the "Company") executed a Supplemental Indenture to amend that certain debenture indenture by and between the Company and Odyssey Trust Company, as Trustee, dated as of December 12, 2018, as supplemented March 31, 2021 (collectively, the "Debenture Indenture"), in order to amend the terms of its outstanding US$13,219,150 principal amount unsecured convertible debentures (the "December Debentures") issued December 12, 2018 to, among other things, (i) permit the mandatory conversion, in the Company's discretion, of $7,931,490 in principal amount of the December Debentures plus $132,192 in accrued interest on the December Debentures into units at the reduced conversion price of $0.07125 per unit; (ii) decrease the conversion price of the remaining December Debentures (following the mandatory conversion) to $0.10 per unit; (iii) reduce the mandatory conversion VWAP provision in the December Debentures from $0.60 to $0.20; (iv) provide for a reduced conversion price to holders of the December Debentures who elect to covert more than the mandatory conversion amount of December Debentures on or prior to the date of the meeting of debenture holders; (v) change the maturity date of the December Debentures so that half of the remaining December Debentures mature on December 31, 2023 and the remaining December Debentures mature on December 31, 2024; (vi) provide for the payment of interest accruing between July 1, 2022 and December 31, 2024 so that one-third of the total scheduled interest is paid on December 31, 2023 and the balance of the accrued interest is paid on December 31, 2024, and so that all interest accruing from September 15, 2022 following the mandatory conversion is calculated based on the amount of principal outstanding following the mandatory conversion notwithstanding the payment of principal on December 31, 2023; and (vii) subject to the receipt of regulatory approvals, grant a security interest in certain of the Company's assets (such as licenses, inventory (including work in process), equipment (excluding equipment subject to purchase money financing) and contract rights (excluding investments in entities other than wholly owned subsidiaries)) to the holders of the December Debentures and to other holders of the Company's debt, now or in the future, as the Company may elect. All prices described above are prior to the Reverse Stock Split described below.

On September 15, 2022, the Company also executed a Supplemental Indenture to amend that certain warrant indenture by and between the Company and Odyssey Trust Company, as Trustee, dated as of December 12, 2018, as supplemented March 31, 2021, in order to (i) reduce the exercise price of each warrant issuable under the Debenture Indenture from $0.40 per share of our common stock to $0.10 per share of our common stock (prior to the Reverse Stock Split); and (ii) change the expiration date from March 31, 2024 to September 15, 2025 (the "Warrant Supplemental Indenture" and, together with the Debenture Supplemental Indenture, the "Indenture Supplements").

In connection with the execution of the Debenture Indenture, the Company elected to convert $7,880,810 in principal amount of the December Debentures plus accrued interest in the amount of $131,347, and issued 28,112,832 units (on a post on a post-Reverse Stock Split basis) pursuant to the terms of the Debenture Indenture. Additionally, the Company issued 1,205,261 units (on a pre-Reverse Stock Split basis) as a result of a voluntary conversion of $84,467 in principal amount of December Debentures and accrued interest thereon. Each unit comprises one share of the Company's common stock and a warrant to purchase half a share of common stock.

**Amendments to Navy Capital Subscription Agreements**

On September 15, 2022, the Company also entered into two second amendments to subscription agreements (each a "Second Amendment" and, collectively, the "Second Amendments"), to amend the Subscription Agreements between the Company, and each of Navy Capital Green Fund, LP and Navy Capital Green Co-Invest Fund, LLC (together, "Purchasers"), as amended on April 21, 2021, pursuant to which the Company sold convertible debentures (the "Navy Capital Debentures"), in the original aggregate principal amount of $5,000,000 to the Purchasers, in order to (i) reduce the conversion price of the Navy Capital Debentures from $0.30 per unit to $0.10 per unit; (ii) extend the maturity date of the Navy Capital Debentures to December 31, 2023 for 50% of the principal amount of the Navy Capital Debentures outstanding after the mandatory conversion (as defined in the Second Amendments), and December 31, 2024 for the remainder of the principal amount then outstanding, which balance, solely for purposes of the interest computation, shall not be reduced by the principal payment to be made on December 31, 2023; (iii) include a mandatory conversion provision to permit the Company, in its sole discretion, to convert 60% of the amount due under each of the Navy Capital Debentures and accrued interest thereon, into units of the Company at a conversion price of $0.07125 (the "Mandatory Conversion Price"); (iv) reduce the mandatory conversion VWAP threshold from $0.60 to $0.20; (v) permit the Purchasers to elect to convert greater than 60% of the principal amount of their respective Debentures plus accrued interest into units at the Mandatory Conversion Price; (vi) reduce the exercise price of each warrant (that is part of a unit received upon conversion) to $0.10 per share of common stock; and execute Second Amended and Restated Debentures (the "Second Amended and Restated Debentures"). Each unit comprises one share of the Company's common stock and a warrant to purchase half a share of common stock. The Second Amendments also provide that the Company shall file a registration statement to register for resale all of the shares of common stock of the Company issuable to the Purchasers upon conversion of the Second Amended and Restated Debentures and the exercise of the warrants (the "Warrants") issuable upon conversion of the Second Amended and Restated Debentures. All prices described above are prior to the Reverse Stock Split described below.

In connection with the Second Amendments, the Company elected to convert (i) $686,930 due under the Debenture issued to Navy Capital Green Fund, LP, which includes $675,668 in the principal amount of the Debenture and accrued interest, into 9,641,123 units (on a pre-Reverse Stock Split basis) of the Company; and (ii) $2,747,719 due under the Debenture issued to Navy Capital Green Co-Invest Fund, LLC, which includes $2,702,674 in the principal amount of the Debenture and accrued interest, into 38,564,478 units (on a pre-Reverse Stock Split basis) of the Company.

The foregoing descriptions of the Indenture Supplements, the Second Amendments, the Second Amended and Restated Debentures, and the Warrants are summary descriptions of the material terms thereof and are qualified in their entirety by reference to the full text of the Indenture Supplements, the Second Amendments, the Second Amended and Restated Debentures, and the Warrants, which are incorporated by reference hereto and filed as Exhibits 4.1, 4.2, 10.1, 10.2, 10.3, 10.4, and 10.5 to this Current Report on Form 8-K.

**Item 3.03 Material Modification to Rights of Security Holders.**

Effective September 21, 2022 (the "Effective Date"), the Company effected a reverse stock split of the Company's issued and outstanding common stock (the "Common Stock"), at a ratio of 1-for-4 (the "Reverse Stock Split"), wherein 1 share of Common Stock will be issued to the Company's stockholders who own Common Stock on the Effective Date, in exchange for every 4 shares of Common Stock owned by them on the Effective Date. The authorized Common Stock will also be reduced as a result of the Reverse Stock Split from 750,000,000 shares to 187,500,000 shares, and the authorized preferred stock (the "Preferred Stock") will be reduced from 20,000,000 shares to 5,000,000 shares. There are no issued and outstanding shares of Preferred Stock. The primary purpose of the Reverse Stock Split is to reduce the number of outstanding shares of Common Stock to a level more consistent with other public companies with a similar market capitalization.

No fractional shares will be issued and no cash or other consideration will be paid as a result of the Reverse Stock Split. Instead, the Company will issue one whole share of the post-Reverse Stock Split Common Stock to any stockholder who otherwise would have received a fractional share as a result of the Reverse Stock Split.

Stockholders who hold their shares of Common Stock in electronic form at brokerage firms do not have to take any action as the effect of the Reverse Stock Split will automatically be reflected in their brokerage accounts. Stockholders who hold paper certificates may (but are not required to) send the certificates to the Company's transfer agent. The transfer agent will issue a new share certificate for the correct number of shares of Common Stock after the effect of the Reverse Stock Split to each requesting stockholder. Contact information for the Company's transfer agent may be obtained by contacting the Company by telephone.

The Reverse Stock Split was effected pursuant to resolutions of the Board of Directors of the Company dated August 31, 2022 and September 14, 2022. Pursuant to Nevada Revised Statutes, Section 78.209, the Company filed a Certificate of Change with the Secretary of State of the State of Nevada on September 19, 2022, effective September 21, 2022, with respect to the Reverse Stock Split.

Immediately after the Reverse Stock Split, each stockholder's percentage ownership interest in the Company and proportional voting power remained virtually unchanged except for minor changes and adjustments that resulted from rounding fractional shares into whole shares. The rights and privileges of the holders of shares of Common Stock are substantially unaffected by the Reverse Stock Split.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The information set forth in Item 3.03 is hereby incorporated by reference into this Section 5.03. A copy of the Certificate is filed as Exhibit 3.1 to this Current Report on Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 3.1 | Certificate of Change filed September 19, 2022 effective September 21, 2022 |
| 4.1 | Supplemental Indenture dated September 15, 2022 to Debenture Indenture dated December 12, 2018, as supplemented on March 31, 2021, by and between the Company and Odyssey Trust Company |
| 4.2 | Supplemental Indenture dated September 15, 2022 to Warrant Indenture dated December 12, 2018, as supplemented on March 31, 2021, by and between the Company and Odyssey Trust Company |
| 10.1 | Second Amendment to Subscription Agreement, dated September 15, 2022, by CLS Holdings USA, Inc., in favor Navy Capital Green Fund, LP |
| 10.2 | Second Amendment to Subscription Agreement, dated September 15, 2022, by CLS Holdings USA, Inc., in favor Navy Capital Green Co-Invest Fund, LLC |
| 10.3 | Second Amended and Restated Convertible Debenture, dated September 15, 2022, issued to Navy Capital Green Fund, LP |
| 10.4 | Second Amended and Restated Convertible Debenture, dated September 15, 2022, issued to Navy Capital Green Co-Invest Fund, LLC |
| 10.5 | Form of Warrant |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL) |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CLS HOLDINGS USA, INC.**

Date: September 21, 2022

By: /s/ Andrew Glashow
Andrew Glashow
President and Chief Executive Officer

**STATE OF NEVADA**

***BARBARA K. CEGAVSKE***
*Secretary of State*

***KIMBERLEY PERONDI***
*Deputy Secretary for*
*Commercial Recordings*

**OFFICE OF THE**
**SECRETARY OF STATE**

*Commercial Recordings Division*
*202 N. Carson Street*
*Carson City, NV 89701*
*Telephone (775) 684-5708*
*Fax (775) 684-7138*
*North Las Vegas City Hall*
*2250 Las Vegas Blvd North, Suite 400*
*North Las Vegas, NV 89030*
*Telephone (702) 486-2880*
*Fax (702) 486-2888*

# Business Entity - Filing Acknowledgement

09/19/2022

| | |
|---|---|
| **Work Order Item Number:** | W2022091901758-2388532 |
| **Filing Number:** | 20222623480 |
| **Filing Type:** | Certificate Pursuant to NRS 78.209 |
| **Filing Date/Time:** | 9/19/2022 14:40 |
| **Filing Page(s):** | 1 |

**Indexed Entity Information:**

**Entity ID:** E0182752011-5 **Entity Name:** CLS HOLDINGS USA, INC.

**Entity Status:** Active **Expiration Date:** None

Commercial Registered Agent
PARACORP INCORPORATED
318 N CARSON ST #208, Carson City, NV 89701, USA

The attached document(s) were filed with the Nevada Secretary of State, Commercial Recording Division. The filing date and time have been affixed to each document, indicating the date and time of filing. A filing number is also affixed and can be used to reference this document in the future.

Respectfully,

Barbara K. Cegavske

;

BARBARA K. CEGAVSKE
Secretary of State

Filed in the Office of

Barbara K. Cegavske

Secretary of State
State Of Nevada

Business Number
**E0182752011-5**

Filing Number
**20222623480**

Filed On
**9/19/2022 2:40:00 PM**

Number of Pages
**1**

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

# Certificate of Change Pursuant to NRS 78.209

**TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT**

**INSTRUCTIONS:**

**1.** Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).
**2.** Indicate the current number of authorized shares and par value, if any, and each class or series before the change.
**3.** Indicate the number of authorized shares and par value, if any of each class or series after the change.
**4.** Indicate the change of the affected class or series of issued, if any, shares after the change in exchange for each issued share of the same class or series.
**5.** Indicate provisions, if any, regarding fractional shares that are affected by the change.
**6.** NRS required statement.
**7.** This section is optional. If an effective date and time is indicated the date must not be more than 90 days after the date on which the certificate is filed.
**8.** Must be signed by an Officer. Form will be returned if unsigned.

| | |
|---|---|
| **1. Entity Information:** | Name of entity as on file with the Nevada Secretary of State:<br><br>CLS Holdings USA, Inc.<br><br>Entity or Nevada Business Identification Number (NVID): **E0182752011-5** |
| **2. Current Authorized Shares:** | The current number of authorized shares and the par value, if any, of each class or series, if any, of shares before the change:<br><br>750,000,000 shares of common stock, par value $0.0001 per share. 20,000,000 shares of preferred stock, par value $0.001 per share. |
| **3. Authorized Shares After Change:** | The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change:<br><br>187,500,000 shares of common stock, par value $0.0001 per share. 5,000,000 shares of preferred stock, par value $0.001 per share. |
| **4. Issuance:** | The number of shares of each affected class or series. if any, to be issued after the change in exchange for each issued share of the same class or series:<br><br>One (1) share of common stock will be issued in exchange for every four (4) shares of issued and outstanding common stock. |
| **5. Provisions:** | The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby:<br><br>All fractional shares of common stock will be rounded up to the nearest whole share. |
| **6. Provisions:** | The required approval of the stockholders has been obtained. |
| **7. Effective date and time:** (Optional) | Date: 09/21/2022 Time: 8:00 a.m. ET<br>(must not be later than 90 days after the certificate is filed) |
| **8. Signature:** (Required) | **X** _____ President and CEO 09/19/2022<br>Signature of Officer Andrew Glashow Title Date |

This form must be accompanied by appropriate fees.
If necessary, additional pages may be attached to this form.

**Exhibit 4.1**

**THIS SUPPLEMENTAL INDENTURE** dated as of September 15, 2022

**BY AND AMONG:** **CLS HOLDINGS USA, INC.**, a corporation governed by the laws of the State of Nevada
(the "**Corporation**")

**AND:** **ODYSSEY TRUST COMPANY**, a trust company existing under the laws of the Province of Alberta
(the "**Trustee**")

**WHEREAS:**

A. The Corporation and the Trustee executed a debenture indenture (the "**Indenture**") dated as of December 12, 2018, as amended on March 31, 2021, providing for the issue of convertible debentures (the "**Debentures**").

B. At a meeting held on September 15, 2022, the holders of the Debentures approved an Extraordinary Resolution to effect changes to the Indenture to add a mandatory conversion provision, to amend the Conversion Price (as such term is defined in the Indenture), to reduce the mandatory conversion VWAP threshold, to permit holders of Debentures to elect to convert an additional principal amount of their Debentures at the same price as under the mandatory conversion provision, to amend the maturity date of the Debentures, and to amend the dates of interest payments payable on the Debentures (the "**Extraordinary Resolution**")

C. Section 12.2 of the Indenture provides for the creation of indentures supplemental to the Indenture, including to give effect to the Extraordinary Resolution.

D. The foregoing recitals are made as representations of the Corporation and not by the Trustee.

E. The Trustee has agreed to enter into this Supplemental Indenture and to hold all rights, interests and benefits contained herein for and on behalf of those persons who are holders of Debentures issued pursuant to the Indenture as modified by this Supplemental Indenture from time to time.

**NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES** that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed and declared as follows:

1. This Supplemental Indenture is supplemental to the Indenture and the Indenture shall henceforth be read in conjunction with this Supplemental Indenture and all the provisions of the Indenture, except only insofar as the same may be inconsistent with the express provisions hereof, shall apply and have the same effect as if all the provisions of the Indenture and of this Supplemental Indenture were contained in one instrument and the

terms and expressions used herein shall have the same meaning as is ascribed to the corresponding terms and expressions in the Indenture.

2. On and after the date hereof, each reference to the Indenture, as amended by this Supplemental Indenture, "this Indenture", "this indenture", "herein", "hereby", "hereunder", "hereof" and similar references, and each reference to the Indenture in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Indenture as amended hereby. Except as specifically amended by this Supplemental Indenture, all other terms and conditions of the Indenture shall remain in full force and unchanged.

3. Section 1.1 of the Indenture is 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;"

4. Section 1.1 of the Indenture is 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)."

5. Section 1.1 of the Indenture is 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."

6. Section 1.1 of the Indenture is 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;"

7. 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."

8. 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."

9. Section 4.5 of the Indenture is 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**")."

10. The first paragraph of Schedule 2.2 of the Indenture is 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."

11. The following provision in Schedule 2.2 – *Form of Debenture* of the Indenture is 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**")."

12. The reference to "December 12, 2022" in the Trustee's Certificate appended to Schedule 2.2 of the Indenture is replaced with "December 31, 2023 and December 31, 2024".

13. References to "December 12, 2022" in Schedule Section 2.26 of the Indenture are replaced with "December 31, 2023 and December 31, 2024".

14. Section 2.3 of the Indenture is 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; and all interest accruing on Debentures from September 15, 2022 after the mandatory conversion, shall be calculated based on the principal amount of Debentures outstanding notwithstanding the payment of principal on the December 31, 2023 Maturity 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."

15. Section 4.1 of the Indenture is 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."

16. The Indenture shall be and continue to be in full force and effect, unamended, except as provided herein, and the Corporation hereby confirms the Indenture in all other respects.

17. This Supplemental Indenture shall be governed by and be construed in accordance with the laws of the Province of Alberta and shall be binding upon the parties hereto and their respective successors and assigns.

18. This Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date set out at the top of the first page of this Supplement Indenture.

*[Remainder of page left intentionally blank]*

**IN WITNESS WHEREOF** the parties hereto have executed this Supplemental Indenture under the hands of their proper officers in that behalf.

**CLS HOLDINGS USA, INC.**

By: /s/ Andrew Glashow
Name: Andrew Glashow
Title: President, Chief Executive Officer and Director

**ODYSSEY TRUST COMPANY**, as Trustee

By: /s/ Dan Sander
Name: Dan Sander
Title: Authorized Signatory

By: /s/ Amy Douglas
Name: Amy Douglas
Title: Authorized Signatory

**Exhibit 4.2**

**THIS SUPPLEMENTAL INDENTURE** dated as of September 15, 2022

**BY AND AMONG:** **CLS HOLDINGS, USA INC.**, a corporation existing under the laws of the State of Nevada
(the "**Corporation**")

**AND:** **ODYSSEY TRUST COMPANY**, a trust company existing under the laws of the Province of Alberta
(the "**Warrant Agent**")

**WHEREAS:**

A. The Corporation and the Warrant Agent executed a warrant indenture dated as of December 12, 2018, as amended on March 31, 2021 (the "**Indenture**"), providing for the issue of common share purchase warrants (the "**Warrants**").

B. Section 8.1 of the Indenture provides for the creation of indentures supplemental to the Indenture.

C. The foregoing recitals are made as representations of the Corporation and not by the Warrant Agent.

D. The Warrant Agent has agreed to enter into this Supplemental Indenture and to hold all rights, interests and benefits contained herein for and on behalf of those persons who are holders of Warrants issued pursuant to the Indenture as modified by this Supplemental Indenture from time to time.

**NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES** that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed and declared as follows:

1. This Supplemental Indenture is supplemental to the Indenture and the Indenture shall henceforth be read in conjunction with this Supplemental Indenture and all the provisions of the Indenture, except only insofar as the same may be inconsistent with the express provisions hereof, shall apply and have the same effect as if all the provisions of the Indenture and of this Supplemental Indenture were contained in one instrument and the terms and expressions used herein shall have the same meaning as is ascribed to the corresponding terms and expressions in the Indenture.

2. On and after the date hereof, each reference to the Indenture, as amended by this Supplemental Indenture, "this Indenture", "this indenture", "herein", "hereby",

"hereunder", "hereof" and similar references, and each reference to the Indenture in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Indenture as amended hereby. Except as specifically amended by this Supplemental Indenture, all other terms and conditions of the Indenture shall remain in full force and unchanged.

3. Section 1.1 of the Indenture is amended to replace the definition of "Exercise Price" with the following:

> ""**Exercise Price**" at any time means the price at which a whole Common Share may be purchased by the exercise of a whole Warrant, which is initially US$0.10 per Common Share, payable in immediately available United States funds, subject to adjustment in accordance with the provisions of Article 4;"

4. Section 1.1 of the Indenture is amended to replace the definition of "Expiry Date" with the following:

> **"Expiry Date**" means September 15, 2025;"

5. References to US$0.40 in the Form of Warrant and Warrant Exercise Form attached as Schedule "A" to the Indenture shall be replaced with US$0.10.

6. The Indenture shall be and continue to be in full force and effect, unamended, except as provided herein, and the Corporation hereby confirms the Indenture in all other respects.

7. This Supplemental Indenture shall be governed by and be construed in accordance with the laws of the Province of Alberta and shall be binding upon the parties hereto and their respective successors and assigns.

8. This Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date set out at the top of the first page of this Supplement Indenture.

*[Remainder of page left intentionally blank]*

**IN WITNESS WHEREOF** the parties hereto have executed this Supplemental Indenture under the hands of their proper officers in that behalf.

**CLS HOLDINGS USA, INC.**

By: /s/ Andrew Glashow
Name: Andrew Glashow
Title: President, Chief Executive Officer and Director

**ODYSSEY TRUST COMPANY**, as Warrant Agent

By: /s/ Dan Sander
Name: Dan Sander
Title: Authorized Signatory

By: /s/ Amy Douglas
Name: Amy Douglas
Title: Authorized Signatory

**Exhibit 10.1**

**SECOND AMENDMENT TO SUBSCRIPTION AGREEMENT**

**THIS SECOND AMENDMENT TO SUBSCRIPTION AGREEMENT** (the "Amendment") is made effective this 15th day of September, 2022 by CLS HOLDINGS USA, INC., a Nevada corporation ("Maker") in favor of NAVY CAPITAL GREEN FUND, LP ("Purchaser").

WHEREAS, on October 22, 2018, Maker and Purchaser executed a Subscription Agreement (the "Subscription Agreement") whereby Purchaser agreed to purchase a Convertible Debenture (the "Debenture") in the principal amount of $1,000,000 from Maker;

WHEREAS, the Subscription Agreement and Debenture provided that upon conversion of the Debenture the Purchaser would receive Units, where each Unit comprised one share of Common Stock and a warrant to purchase one-half of a share of Common Stock;

WHEREAS, the form of warrant was attached to the Subscription Agreement;

WHEREAS, on October 31, 2018, Maker executed the Debenture in favor of the Purchaser;

WHEREAS, on July 26, 2019, Maker and Purchaser executed a First Amendment to Debenture and form of warrant;

WHEREAS, on April 15, 2021, Maker and Purchaser executed an Amended and Restated Debenture with a revised form of warrant and a First Amendment to Subscription Agreement (the First Amendment to the Subscription Agreement and the Subscription Agreement are together referred to as the "Amended Subscription Agreement") to memorialize certain changes they had agreed upon to the Debenture, including a reduction in the conversion price and an extension in the Maturity Date;

WHEREAS, the Maker and the Purchaser wish to further amend the Amended and Restated Debenture and form of warrant, and to amend the Subscription Agreement, as provided for in this Amendment.

NOW THEREFOR, it is hereby agreed as follows:

1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Subscription Agreement.

2. Reduction in Conversion Price; Extension of Maturity Date. The conversion price of the Debentures shall be reduced from $0.30 per Share to $0.10 per Share. The exercise price of the warrant received upon conversion of the Debentures shall be reduced to $0.10 per Share also. The "Maturity Date" of the Debenture, as defined in the Second Amended and Restated Debenture attached as Exhibit A to this Amendment (the "Second Amended and Restated Debenture"), shall be (i) December 31, 2023 for 50% of the principal amount of the Debentures outstanding after the mandatory conversion, and (ii) December 31, 2024 for the remainder of the principal amount then outstanding.

3. Mandatory Conversion; Voluntary Conversion. Maker is permitted, in its sole discretion, to convert, without any action on the part of Purchaser, $686,930 due under the Debenture, which includes $675,668 in the principal amount of the Debenture and interest accrued between July 1, 2022 and September 15, 2022 (the effective date of conversion), into Units of the Maker at a conversion price of $0.07125 per Unit (the "Mandatory Conversion Price") effective on September 15, 2022 (the "Mandatory Conversion Date"). In addition, Purchaser is electing to voluntarily convert $0 due under the Debenture, which includes $0 in the principal amount of the Debenture and interest accrued between July 1, 2022 and September 15, 2022 (the effective date of conversion), into Units of the Maker at the Mandatory Conversion Price effective on the Mandatory Conversion Date.

4. Interest Payment Dates. Interest on the remaining principal balance of the Debentures (the outstanding principal balance after the mandatory conversion) accruing from July 1, 2022 until December 31, 2024 shall be calculated and 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, (iii) no interest will accrue or be payable on Debentures converted on the Mandatory Conversion Date; and (iv) interest shall be calculated based on the outstanding principal balance immediately after the Mandatory Conversion Date, which balance, solely for purposes of the interest computation, shall not be reduced by the principal payment to be made on December 31, 2023.

5. Replacement of Exhibits C and D (Form of Debenture and Form of Warrant). Exhibit C to the Subscription Agreement, the form of Amended and Restated Debenture, shall be replaced with Exhibit A attached hereto, which is the Second Amended and Restated Debenture. Exhibit D to the Subscription Agreement, which is the form of warrant, shall be replaced with Exhibit B hereto. The exercise price of the warrant shall be reduced to $0.10 per Share.

6. Mandatory Conversion Threshold for Remaining Debenture. The mandatory conversion threshold for the remaining principal amount of the Debenture shall be reduced from $0.60 to $0.20.

7. Registration of Shares.

   a. Within thirty (30) days after the date hereof, Maker shall prepare and file with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (or S-3, if Maker is eligible) registering for resale all of the shares of common stock of Maker issued or issuable to Purchaser upon (i) conversion of the Debenture and (ii) exercise of the warrants issued or issuable upon conversion of the Debenture (all of such shares of common stock, collectively, the "Registrable Securities").

   b. Maker shall (i) use its reasonable best efforts to cause such registration statement to be declared effective as soon as possible, (ii) use it reasonable best efforts to

keep such registration effective from the date on which such registration statement became effective until the date on which Purchaser has completed the sales or distribution described in such registration statement relating to the Registrable Securities registered for resale thereunder, (iii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the United States Securities Act of 1933, as amended, with respect to the disposition of all of the Registrable Securities, (iv) permit counsel to Purchaser to review such registration statement and all amendments and supplements thereto within a reasonable period of time prior to each filing and shall not request acceleration of such registration statement without prior notice to such counsel, and (v) if required by the principal securities exchange and/or market on which Maker's common shares are then listed, qualify the Registrable Securities for listing on such principal securities exchange and/or market.

c. All expenses incurred or to be incurred by Maker in connection with Purchaser's registration rights under this Amendment shall be borne solely by Maker, provided that all underwriting discounts, selling commissions and transfer taxes applicable to the sale of any Registrable Securities and all fees and disbursements of counsel to Purchaser shall be borne solely by Purchaser.

8. Security for Debentures. Promptly following the Mandatory Conversion Date, Maker shall notify its applicable regulators that it wishes to grant a security interest (the "Security Interest") in certain of its select assets (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 debentures of Maker, which debts are currently secured or may be secured in the future, and shall use its reasonable best effort to obtain the approval of such regulators to the grant of such Security Interest. Promptly following approval of such regulators, Maker shall prepare and execute a security agreement granting the Security Interest to the holders of the Debentures and the other debentures of Maker.

9. Reverse Stock Split. Maker shall effect a reverse stock split effective on approximately September 21, 2022 or as promptly thereafter as is reasonably practicable, where every 4 shares of its common stock will be exchanged for 1 share of common stock.

10. Ratification. Except as set forth herein, the terms of the Amended Subscription Agreement, as amended by this Amendment (which together shall be referred to as the "Second Amended Subscription Agreement"), shall remain in full force and effect after the date hereof, the term "Unit" shall refer to the Units received upon conversion of the Second Amended and Restated Debentures at the revised conversion prices set forth herein, and shall consist of one Share of Maker's Common Stock and one-half of one Warrant, with each warrant exercisable for the period

provided in such warrant to purchase one Share of Common Stock for $0.10 per Share.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, Maker has caused this Amendment to be signed in its name by its duly authorized officer on September 15, 2022.

**CLS HOLDINGS USA, INC.**

By: /s/ Andrew Glashow
Name: Andrew Glashow
Title: President and CEO

**ACCEPTED AND AGREED**:

NAVY CAPITAL GREEN FUND, LP

/s/ Sean Stiefel
(Signature of Purchaser)

CEO, Navy Capital Green Management, LLC its Investment Manager
(Title, if Applicable)

**EXHIBIT A**

**SECOND AMENDED AND RESTATED DEBENTURE**

**EXHIBIT B**

**WARRANT**

**Exhibit 10.2**

**SECOND AMENDMENT TO SUBSCRIPTION AGREEMENT**

**THIS SECOND AMENDMENT TO SUBSCRIPTION AGREEMENT** (the "Amendment") is made effective this 15th day of September, 2022 by CLS HOLDINGS USA, INC., a Nevada corporation ("Maker") in favor of NAVY CAPITAL GREEN CO-INVEST FUND, LLC ("Purchaser").

WHEREAS, on October 22, 2018, Maker and Purchaser executed a Subscription Agreement (the "Subscription Agreement") whereby Purchaser agreed to purchase a Convertible Debenture (the "Debenture") in the principal amount of $4,000,000 from Maker;

WHEREAS, the Subscription Agreement and Debenture provided that upon conversion of the Debenture the Purchaser would receive Units, where each Unit comprised one share of Common Stock and a warrant to purchase one-half of a share of Common Stock;

WHEREAS, the form of warrant was attached to the Subscription Agreement;

WHEREAS, on October 31, 2018, Maker executed the Debenture in favor of the Purchaser;

WHEREAS, on July 26, 2019, Maker and Purchaser executed a First Amendment to Debenture and form of warrant;

WHEREAS, on April 15, 2021, Maker and Purchaser executed an Amended and Restated Debenture with a revised form of warrant and a First Amendment to Subscription Agreement (the First Amendment to the Subscription Agreement and the Subscription Agreement are together referred to as the "Amended Subscription Agreement") to memorialize certain changes they had agreed upon to the Debenture, including a reduction in the conversion price and an extension in the Maturity Date;

WHEREAS, the Maker and the Purchaser wish to further amend the Amended and Restated Debenture and form of warrant, and to amend the Subscription Agreement, as provided for in this Amendment.

NOW THEREFOR, it is hereby agreed as follows:

1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Subscription Agreement.

2. Reduction in Conversion Price; Extension of Maturity Date. The conversion price of the Debentures shall be reduced from $0.30 per Share to $0.10 per Share. The exercise price of the warrant received upon conversion of the Debentures shall be reduced to $0.10 per Share also. The "Maturity Date" of the Debenture, as defined in the Second Amended and Restated Debenture attached as Exhibit A to this Amendment (the "Second Amended and Restated Debenture"), shall be (i) December 31, 2023 for 50% of the principal amount of the Debentures outstanding after the mandatory conversion, and (ii) December 31, 2024 for the remainder of the principal amount then outstanding.

3. Mandatory Conversion; Voluntary Conversion. Maker is permitted, in its sole discretion, to convert, without any action on the part of Purchaser, $2,747,719 due under the Debenture, which includes $2,702,674 in the principal amount of the Debenture and interest accrued between July 1, 2022 and September 15, 2022 (the effective date of conversion), into Units of the Maker at a conversion price of $0.07125 per Unit (the "Mandatory Conversion Price") effective on September 15, 2022 (the "Mandatory Conversion Date"). In addition, Purchaser is electing to voluntarily convert $0 due under the Debenture, which includes $0 in the principal amount of the Debenture and interest accrued between July 1, 2022 and September 15, 2022 (the effective date of conversion), into Units of the Maker at the Mandatory Conversion Price effective on the Mandatory Conversion Date.

4. Interest Payment Dates. Interest on the remaining principal balance of the Debentures (the outstanding principal balance after the mandatory conversion) accruing from July 1, 2022 until December 31, 2024 shall be calculated and 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, (iii) no interest will accrue or be payable on Debentures converted on the Mandatory Conversion Date; and (iv) interest shall be calculated based on the outstanding principal balance immediately after the Mandatory Conversion Date, which balance, solely for purposes of the interest computation, shall not be reduced by the principal payment to be made on December 31, 2023.

5. Replacement of Exhibits C and D (Form of Debenture and Form of Warrant). Exhibit C to the Subscription Agreement, the form of Amended and Restated Debenture, shall be replaced with Exhibit A attached hereto, which is the Second Amended and Restated Debenture. Exhibit D to the Subscription Agreement, which is the form of warrant, shall be replaced with Exhibit B hereto. The exercise price of the warrant shall be reduced to $0.10 per Share.

6. Mandatory Conversion Threshold for Remaining Debenture. The mandatory conversion threshold for the remaining principal amount of the Debenture shall be reduced from $0.60 to $0.20.

7. Registration of Shares.

   a. Within thirty (30) days after the date hereof, Maker shall prepare and file with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (or S-3, if Maker is eligible) registering for resale all of the shares of common stock of Maker issued or issuable to Purchaser upon (i) conversion of the Debenture and (ii) exercise of the warrants issued or issuable upon conversion of the Debenture (all of such shares of common stock, collectively, the "Registrable Securities").

   b. Maker shall (i) use its reasonable best efforts to cause such registration statement to be declared effective as soon as possible, (ii) use it reasonable best efforts to

keep such registration effective from the date on which such registration statement became effective until the date on which Purchaser has completed the sales or distribution described in such registration statement relating to the Registrable Securities registered for resale thereunder, (iii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the United States Securities Act of 1933, as amended, with respect to the disposition of all of the Registrable Securities, (iv) permit counsel to Purchaser to review such registration statement and all amendments and supplements thereto within a reasonable period of time prior to each filing and shall not request acceleration of such registration statement without prior notice to such counsel, and (v) if required by the principal securities exchange and/or market on which Maker's common shares are then listed, qualify the Registrable Securities for listing on such principal securities exchange and/or market.

c. All expenses incurred or to be incurred by Maker in connection with Purchaser's registration rights under this Amendment shall be borne solely by Maker, provided that all underwriting discounts, selling commissions and transfer taxes applicable to the sale of any Registrable Securities and all fees and disbursements of counsel to Purchaser shall be borne solely by Purchaser.

8. Security for Debentures. Promptly following the Mandatory Conversion Date, Maker shall notify its applicable regulators that it wishes to grant a security interest (the "Security Interest") in certain of its select assets (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 debentures of Maker, which debts are currently secured or may be secured in the future, and shall use its reasonable best effort to obtain the approval of such regulators to the grant of such Security Interest. Promptly following approval of such regulators, Maker shall prepare and execute a security agreement granting the Security Interest to the holders of the Debentures and the other debentures of Maker.

9. Reverse Stock Split. Maker shall effect a reverse stock split effective on approximately September 21, 2022 or as promptly thereafter as is reasonably practicable, where every 4 shares of its common stock will be exchanged for 1 share of common stock.

10. Ratification. Except as set forth herein, the terms of the Amended Subscription Agreement, as amended by this Amendment (which together shall be referred to as the "Second Amended Subscription Agreement"), shall remain in full force and effect after the date hereof, the term "Unit" shall refer to the Units received upon conversion of the Second Amended and Restated Debentures at the revised conversion prices set forth herein, and shall consist of one Share of Maker's Common Stock and one-half of one Warrant, with each warrant exercisable for the period

provided in such warrant to purchase one Share of Common Stock for $0.10 per Share.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, Maker has caused this Amendment to be signed in its name by its duly authorized officer on September 15, 2022.

**CLS HOLDINGS USA, INC.**

By: /s/ Andrew Glashow
Name: Andrew Glashow
Title: President and CEO

**ACCEPTED AND AGREED**:

NAVY CAPITAL GREEN CO-INVEST FUND, LLC

/s/ Sean Stiefel
(Signature of Purchaser)

CEO, Navy Capital Green Management, LLC its Investment Manager
(Title, if Applicable)

**EXHIBIT A**

**SECOND AMENDED AND RESTATED DEBENTURE**

**EXHIBIT B**

**WARRANT**

**Exhibit 10.3**

**SECOND AMENDED AND RESTATED CONVERTIBLE DEBENTURE**

**AS DESCRIBED IN THE AMENDED SUBSCRIPTION AGREEMENT, THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ANY TRANSFER OF SUCH SECURITIES WILL BE INVALID UNLESS A REGISTRATION STATEMENT UNDER THE ACT AND AS REQUIRED BY BLUE SKY LAWS IS IN EFFECT AS TO SUCH TRANSFER OR IN THE OPINION OF COUNSEL SATISFACTORY TO THE BORROWER SUCH REGISTRATION IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND BLUE SKY LAWS.**

$450,446 September 15, 2022
(includes capitalized interest)

WHEREAS, on October 22, 2018, CLS Holdings USA, Inc, a Nevada corporation (the "Maker" or the "Company") and Navy Capital Green Fund, LP (the "Purchaser") executed a Subscription Agreement (the "Subscription Agreement") whereby Purchaser agreed to purchase a Convertible Debenture in the principal amount of $1,000,000 from Maker (the "Original Debenture");

WHEREAS, on October 31, 2018, Maker executed the Original Debenture in favor of the Purchaser, which was amended on July 26, 2019 pursuant to a First Amendment to Convertible Debenture and form of warrant between Maker and Purchaser;

WHEREAS, on April 15, 2021, the Maker and the Purchaser executed the First Amendment to Subscription Agreement (the "First Amendment to Subscription Agreement and the Subscription Agreement are together referred to as the "Amended Subscription Agreement");

WHEREAS, pursuant to the Amended Subscription Agreement, the Maker executed an Amended and Restated Debenture on April 15, 2021 (the "Amended and Restated Debenture"), which replaced the Original Debenture, and which, among other things, corrected a typographical error with respect to the name of the Purchaser in the Original Debenture, such that all references to Navy Capital Green International, Ltd. were replaced with Navy Capital Green Fund, L.P.;

WHEREAS, effective on September 15, 2022, the Maker and the Purchaser executed the Second Amendment to Subscription Agreement (the "Second Amendment to Subscription Agreement, and together with the First Amendment to Subscription Agreement and the Subscription Agreement, the "Second Amended Subscription Agreement") and a portion of the amounts due under the Amended and Restated Debenture were converted into the Maker's Units;

WHEREAS, pursuant to the Second Amended Subscription Agreement, the Maker and the Purchaser now wish to amend and restate the Amended and Restated Debenture, which Second Amended and Restated Debenture shall replace the Amended and Restated Debenture in all respects, as follows:

FOR VALUE RECEIVED, Maker, under the terms of this Second Amended and Restated Convertible Debenture (the "Debenture") promises to pay to the order of Navy Capital Green Fund, L.P. ("Purchaser"), by check, in lawful money of the United States of America and in immediately available funds, the principal amount of $450,446 (the "Remaining Principal Amount"), together with such interest on the Remaining Principal Amount as provided for below on the following dates: (i) December 31, 2023 for 50% of the principal amount of the Debenture outstanding hereunder; and (ii) December 31, 2024 for the remainder of the amounts outstanding hereunder (the "Maturity Date"), if not sooner indefeasibly paid in full.

Interest payable on the Remaining Principal Amount (including all PIK Amounts (as defined below) added thereto, the "Principal Amount") shall accrue at a rate per annum equal to eight percent (8%) (the "Contract Rate"). Interest accruing from July 1, 2022 until December 31, 2024 shall be (i) calculated on the basis of a 360 day year, and (ii) payable as follows: (a) one-third of the total scheduled accrued interest shall be paid on December 31, 2023, and (b) the balance of the accrued interest accruing on or prior to the Maturity Date shall be paid on December 31, 2024 (each, an Interest Payment Date"). The Purchaser acknowledges that except as set forth in the preceding sentence, all interest accrued prior to the date hereof has been paid in full. For certainty, interest shall be calculated based on the outstanding Principal Amount on the date hereof, which balance, solely for purposes of the interest computation, shall not be reduced by the principal payment to be made on December 31, 2023. On any Interest Payment Date on or prior to June 30, 2020, interest on the Principal Amount of this Debenture at the Contract Rate that shall have accrued and shall remain unpaid as of such Interest Payment Date (for any Interest Payment Date, a "PIK Amount") may, at the option of the Maker, be paid on such Interest Payment Date by addition of such PIK Amount to the then outstanding Principal Amount. At the option of the Maker, the PIK Amounts added to the then-outstanding Principal Amount during such quarter may be evidenced by a note (a "PIK Note") in form and substance determined by the Maker; provided, however, that such PIK Note shall not be necessary to evidence such portion of the Principal Amount nor shall the absence of such PIK Note relieve the Maker of its obligation to pay such portion of the Principal Amount to the Payee. Notwithstanding any other provision of this Debenture and the addition of any PIK Amount to the principal amount outstanding under this Debenture, the Maker may, in its sole discretion, pay any PIK Amount in cash on any Interest Payment Date without any premium or penalty. All cash payments by the Companies of any PIK Amount that has been added to the principal amount of this Debenture shall be deducted from the Principal Amount.

Capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Second Amended Subscription Agreement.

1. Conversion. At Purchaser's option, at any time prior to the close of business on the earlier of (i) the last business day immediately prior to the Maturity Date; or (ii) the Redemption Date (as defined in the section 3 below), the Purchaser may choose to have all or part of the outstanding principal and accrued interest owing to Purchaser repaid in Units at a conversion rate equal to ten cents ($0.10) per Unit, as adjusted pursuant to Section 2 (the "Conversion Price"). In the event Purchaser chooses to convert all or part of the outstanding principal and accrued interest into Units, Purchaser shall give written notice to Company of such conversion

no less than fifteen (15) business days prior to such conversion, and shall surrender the original of this Debenture to the Company, after which Purchaser will have no further rights under this Debenture as to the converted principal and interest, except the right to receive certificates representing the components of the Units. Notwithstanding anything to the contrary in either the Second Amended Subscription Agreement or this Debenture, if at any time after six (6) months and one (1) day after the date of issuance of the Debenture (the "Closing Date") the price of a Share on the exchange or trading platform on which the Shares are traded exceeds $0.20 (U.S.) for ten consecutive trading days (the "Mandatory Conversion Threshold"), the Company, on not less than thirty (30) days-notice (the end of such notice period, the "Forced Conversion Date") to the Purchaser, may require conversion of this Debenture, in which case, following the Forced Conversion Date, interest shall cease to accrue on this Debenture and the Purchaser will have no further rights under this Debenture as to the converted principal and interest, except the right to receive certificates representing the components of the Units.

2. Adjustment of Conversion Price and/or Mandatory Conversion Threshold. The Conversion Price shall be subject to adjustment from time to time as follows:

(a) If at any time after the date of this Debenture, the Company shall subdivide its outstanding Shares, the Conversion Price and Mandatory Conversion Threshold in effect immediately prior to such issuance or subdivision shall be proportionately reduced. If the outstanding Shares shall be combined into a smaller number of shares, the Conversion Price and Mandatory Conversion Threshold in effect immediately prior to such combination shall be proportionately increased. The Conversion Price and Mandatory Conversion Threshold also shall be appropriately adjusted in the event of the subsequent issuance of Shares or securities convertible into Shares, by way of security dividend or distribution, the issuance of rights, options or warrants to all or substantially all the holders of Shares or the distribution of shares of any other class of shares, rights, options, warrants, evidences of indebtedness or assets.

(b) Except as set forth herein, if at any time after the date of this Debenture, the Maker shall issue or sell Common Stock, or warrants or options exercisable for Common Stock, preferred stock convertible into Common Stock, or any other securities convertible into Common Stock, in a capital raising transaction, at a consideration per share, or exercise or conversion price per share, as applicable, less than the Conversion Price in effect immediately prior to such issuance, the Conversion Price shall be reduced to such issuance price. For purposes of determining the issuance price, the amount of consideration paid upon issuance of the security and any additional consideration to be paid upon conversion or exercise of the same security shall be combined to determine the total issuance price. The following securities shall be excluded from the foregoing and shall not result in any change to the Conversion Price: (i) capital stock, options or convertible securities issued to directors, officers, employees or consultants of the Maker in connection with their service as directors of the Maker, their employment by the Maker or their retention as consultants by the Maker, (ii) shares of Common Stock issued upon the conversion or exercise of options or convertible securities that were issued and outstanding on the date immediately preceding the date of this Debenture, provided such securities are not amended after the date of this Debenture to increase the number of shares of Common Stock issuable thereunder or to lower the exercise or conversion price thereof (iii) securities issued pursuant to the Debenture and securities issued upon the exercise or conversion

of those securities, (iv) shares of Common Stock issued or issuable by reason of a dividend, stock split or other distribution on shares of Common Stock (but only to the extent that such a dividend, split or distribution results in an adjustment in the Conversion Price pursuant to the other provisions of this Debenture), and (v) capital stock, options or convertible securities issued as consideration for an acquisition or strategic transaction approved by a majority of the disinterested directors of the Maker, provided that any such issuance shall only be a person or entity (or to the equityholders of an entity) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Maker and shall provide to the Maker additional benefits in addition to the investment of funds, but shall not, for the purposes of this clause (v), include a transaction in which the Maker is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

(c) No adjustment in the Conversion Price and/or the number of shares of Common Stock subject to the Debenture need be made if such adjustment would result in a change in the Conversion Price of less than one cent ($0.01) or a change in the number of subject shares of less than one-tenth (1/10th) of a share.

(d) Upon any adjustment of the Conversion Price hereunder, the Company will compute the adjustment and prepare and furnish to Purchaser a certificate setting forth such adjustment and showing in detail the facts upon which the adjustment is based.

3. Redemption/Change in Control.

(a) The Purchaser may, upon not less than thirty (30) days-notice (the end of such notice period, the "Redemption Date") to the Company following a "Change in Control" (as defined below), require the Company to repurchase the Debenture, in whole or in part, at a price (the "Redemption Price") equal to 105% of the principal amount of the Debenture outstanding (including any accrued and unpaid interest) on the Redemption Date.

(b) If holders of ninety percent (90%) or more of the series of debentures of which this Debenture is a part have demanded to require the Company to repurchase their debentures following a Change in Control, the Purchaser agrees to allow the Company to repurchase this Debenture for the Redemption Price on the Redemption Date notwithstanding the fact that the Purchaser has not provided the notice described in section 3(a).

(c) Following the Redemption Date, interest shall cease to accrue on this Debenture and the Purchaser will have no further rights under this Debenture as to the converted principal and interest, except the right to receive the Redemption Price.

(d) A "Change in Control," for purposes of this Debenture, means (i) any event as a result of or following which any person, or group of persons acting jointly or in concert within the meaning of applicable United States securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A "Change in Control" does not include a (i) sale, merger, reorganization or other similar transaction if the

previous holders of the Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity, or (ii) the amendment of the Company's convertible debentures occurring on the date hereof pursuant to which there will be a mandatory conversion of convertible debentures into Units by both Purchaser and its affiliates and by holders of other outstanding convertible debentures of the Company,

4. Authorized Shares. Until the Maturity Date, the Company shall maintain sufficient numbers of authorized and unissued Shares to permit the full exercise of the conversion of this Debenture and the exercise of any Warrant.

5. Default.

5.1 Events of Default. With respect to the Debenture, the following events are "Events of Default":

(a) Default by Company in the payment of principal on or any interest payable under the Debenture after fifteen (15) business days' written notice from Purchaser following the date when the same is due and payable; or

(b) Default in the due performance or observance of any other material covenant, agreement or provision in the Second Amended Subscription Agreement, or in this Debenture, to be performed or observed by Company, and such default shall have continued for a period of thirty (30) business days after written notice thereof to Company from Purchaser; or

(c) the occurrence of any of the following:

(i) the Company files a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the United States Bankruptcy Code (as now or in the future amended, the "Bankruptcy Code");

(ii) the Company makes a general assignment for the benefit of its creditors;

(iii) the Company consents to the appointment of a receiver or trustee for all or a substantial part of the property of Company or approves as filed in good faith a petition filed against Company under the Bankruptcy Code; or

(iv) the commencement of a proceeding or case, without the application or consent of Company, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Company or of all or any substantial part of its assets, or (iii) similar relief in respect of Company under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case set forth in (i), (ii), or (iii) above continues undismissed or uncontroverted, or an order, judgement or decree approving or ordering any of the

foregoing is entered and continues unstayed and in effect, for a period of sixty (60) business days.

5.2 Acceleration. If any one or more Events of Default described in Section 5.1 shall occur and be continuing, then Purchaser may, at Purchaser's option and by written notice to Company, declare the unpaid balance of the Debenture owing to Purchaser to be forthwith due and payable.

6. This Debenture is an unsecured obligation of the Company and will rank *pari passu* in right of payment of principal and interest with all other unsecured obligations of the Company.

7. Governing Law. This Debenture shall be governed by, and construed and enforced in accordance with, the laws of the state of Nevada, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

8. Successors. The provisions of this Debenture shall inure to the benefit of and be binding on any successor of Purchaser. This Debenture cannot be assigned by any party hereto except as described in the Amended Subscription Agreement.

CLS Holdings, USA, Inc.,
a Nevada corporation

By: /s/ Andrew Glashow
Name: Andrew Glashow
Title: President and CEO

**Exhibit 10.4**

**SECOND AMENDED AND RESTATED CONVERTIBLE DEBENTURE**

**AS DESCRIBED IN THE AMENDED SUBSCRIPTION AGREEMENT, THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ANY TRANSFER OF SUCH SECURITIES WILL BE INVALID UNLESS A REGISTRATION STATEMENT UNDER THE ACT AND AS REQUIRED BY BLUE SKY LAWS IS IN EFFECT AS TO SUCH TRANSFER OR IN THE OPINION OF COUNSEL SATISFACTORY TO THE BORROWER SUCH REGISTRATION IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND BLUE SKY LAWS.**

$1,801,783
(includes capitalized interest)

September 15, 2022

WHEREAS, on October 22, 2018, CLS Holdings USA, Inc, a Nevada corporation (the "Maker" or the "Company") and Navy Capital Green Co-Invest Fund, LLC (the "Purchaser") executed a Subscription Agreement (the "Subscription Agreement") whereby Purchaser agreed to purchase a Convertible Debenture in the principal amount of $4,000,000 from Maker (the "Original Debenture");

WHEREAS, on October 31, 2018, Maker executed the Original Debenture in favor of the Purchaser, which was amended on July 26, 2019 pursuant to a First Amendment to Convertible Debenture and form of warrant between Maker and Purchaser;

WHEREAS, on April 15, 2021, the Maker and the Purchaser executed the First Amendment to Subscription Agreement (the "First Amendment to Subscription Agreement and the Subscription Agreement are together referred to as the "Amended Subscription Agreement");

WHEREAS, pursuant to the Amended Subscription Agreement, the Maker executed an Amended and Restated Debenture on April 15, 2021 (the "Amended and Restated Debenture"), which replaced the Original Debenture, and which, among other things, corrected a typographical error with respect to the name of the Purchaser in the Original Debenture, such that all references to Navy Capital Green International, Ltd. were replaced with Navy Capital Green Fund, L.P.;

WHEREAS, effective on September 15, 2022, the Maker and the Purchaser executed the Second Amendment to Subscription Agreement (the "Second Amendment to Subscription Agreement, and together with the First Amendment to Subscription Agreement and the Subscription Agreement, the "Second Amended Subscription Agreement") and a portion of the amounts due under the Amended and Restated Debenture were converted into the Maker's Units;

WHEREAS, pursuant to the Second Amended Subscription Agreement, the Maker and the Purchaser now wish to amend and restate the Amended and Restated Debenture, which Second Amended and Restated Debenture shall replace the Amended and Restated Debenture in all respects, as follows:

FOR VALUE RECEIVED, Maker, under the terms of this Second Amended and Restated Convertible Debenture (the "Debenture") promises to pay to the order of Navy Capital Green Fund, L.P. ("Purchaser"), by check, in lawful money of the United States of America and in immediately available funds, the principal amount of $1,801,783 (the "Remaining Principal Amount"), together with such interest on the Remaining Principal Amount as provided for below on the following dates: (i) December 31, 2023 for 50% of the principal amount of the Debenture outstanding hereunder; and (ii) December 31, 2024 for the remainder of the amounts outstanding hereunder (the "Maturity Date"), if not sooner indefeasibly paid in full.

Interest payable on the Remaining Principal Amount (including all PIK Amounts (as defined below) added thereto, the "Principal Amount") shall accrue at a rate per annum equal to eight percent (8%) (the "Contract Rate"). Interest accruing from July 1, 2022 until December 31, 2024 shall be (i) calculated on the basis of a 360 day year, and (ii) payable as follows: (a) one-third of the total scheduled accrued interest shall be paid on December 31, 2023, and (b) the balance of the accrued interest accruing on or prior to the Maturity Date shall be paid on December 31, 2024 (each, an Interest Payment Date"). The Purchaser acknowledges that except as set forth in the preceding sentence, all interest accrued prior to the date hereof has been paid in full. For certainty, interest shall be calculated based on the outstanding Principal Amount on the date hereof, which balance, solely for purposes of the interest computation, shall not be reduced by the principal payment to be made on December 31, 2023. On any Interest Payment Date on or prior to June 30, 2020, interest on the Principal Amount of this Debenture at the Contract Rate that shall have accrued and shall remain unpaid as of such Interest Payment Date (for any Interest Payment Date, a "PIK Amount") may, at the option of the Maker, be paid on such Interest Payment Date by addition of such PIK Amount to the then outstanding Principal Amount. At the option of the Maker, the PIK Amounts added to the then-outstanding Principal Amount during such quarter may be evidenced by a note (a "PIK Note") in form and substance determined by the Maker; provided, however, that such PIK Note shall not be necessary to evidence such portion of the Principal Amount nor shall the absence of such PIK Note relieve the Maker of its obligation to pay such portion of the Principal Amount to the Payee. Notwithstanding any other provision of this Debenture and the addition of any PIK Amount to the principal amount outstanding under this Debenture, the Maker may, in its sole discretion, pay any PIK Amount in cash on any Interest Payment Date without any premium or penalty. All cash payments by the Companies of any PIK Amount that has been added to the principal amount of this Debenture shall be deducted from the Principal Amount.

Capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Second Amended Subscription Agreement.

1. Conversion. At Purchaser's option, at any time prior to the close of business on the earlier of (i) the last business day immediately prior to the Maturity Date; or (ii) the Redemption Date (as defined in the section 3 below), the Purchaser may choose to have all or part of the outstanding principal and accrued interest owing to Purchaser repaid in Units at a conversion rate equal to ten cents ($0.10) per Unit, as adjusted pursuant to Section 2 (the "Conversion Price"). In the event Purchaser chooses to convert all or part of the outstanding principal and accrued interest into Units, Purchaser shall give written notice to Company of such conversion

no less than fifteen (15) business days prior to such conversion, and shall surrender the original of this Debenture to the Company, after which Purchaser will have no further rights under this Debenture as to the converted principal and interest, except the right to receive certificates representing the components of the Units. Notwithstanding anything to the contrary in either the Second Amended Subscription Agreement or this Debenture, if at any time after six (6) months and one (1) day after the date of issuance of the Debenture (the "Closing Date") the price of a Share on the exchange or trading platform on which the Shares are traded exceeds $0.20 (U.S.) for ten consecutive trading days (the "Mandatory Conversion Threshold"), the Company, on not less than thirty (30) days-notice (the end of such notice period, the "Forced Conversion Date") to the Purchaser, may require conversion of this Debenture, in which case, following the Forced Conversion Date, interest shall cease to accrue on this Debenture and the Purchaser will have no further rights under this Debenture as to the converted principal and interest, except the right to receive certificates representing the components of the Units.

2. Adjustment of Conversion Price and/or Mandatory Conversion Threshold. The Conversion Price shall be subject to adjustment from time to time as follows:

(a) If at any time after the date of this Debenture, the Company shall subdivide its outstanding Shares, the Conversion Price and Mandatory Conversion Threshold in effect immediately prior to such issuance or subdivision shall be proportionately reduced. If the outstanding Shares shall be combined into a smaller number of shares, the Conversion Price and Mandatory Conversion Threshold in effect immediately prior to such combination shall be proportionately increased. The Conversion Price and Mandatory Conversion Threshold also shall be appropriately adjusted in the event of the subsequent issuance of Shares or securities convertible into Shares, by way of security dividend or distribution, the issuance of rights, options or warrants to all or substantially all the holders of Shares or the distribution of shares of any other class of shares, rights, options, warrants, evidences of indebtedness or assets.

(b) Except as set forth herein, if at any time after the date of this Debenture, the Maker shall issue or sell Common Stock, or warrants or options exercisable for Common Stock, preferred stock convertible into Common Stock, or any other securities convertible into Common Stock, in a capital raising transaction, at a consideration per share, or exercise or conversion price per share, as applicable, less than the Conversion Price in effect immediately prior to such issuance, the Conversion Price shall be reduced to such issuance price. For purposes of determining the issuance price, the amount of consideration paid upon issuance of the security and any additional consideration to be paid upon conversion or exercise of the same security shall be combined to determine the total issuance price. The following securities shall be excluded from the foregoing and shall not result in any change to the Conversion Price: (i) capital stock, options or convertible securities issued to directors, officers, employees or consultants of the Maker in connection with their service as directors of the Maker, their employment by the Maker or their retention as consultants by the Maker, (ii) shares of Common Stock issued upon the conversion or exercise of options or convertible securities that were issued and outstanding on the date immediately preceding the date of this Debenture, provided such securities are not amended after the date of this Debenture to increase the number of shares of Common Stock issuable thereunder or to lower the exercise or conversion price thereof (iii) securities issued pursuant to the Debenture and securities issued upon the exercise or conversion

of those securities, (iv) shares of Common Stock issued or issuable by reason of a dividend, stock split or other distribution on shares of Common Stock (but only to the extent that such a dividend, split or distribution results in an adjustment in the Conversion Price pursuant to the other provisions of this Debenture), and (v) capital stock, options or convertible securities issued as consideration for an acquisition or strategic transaction approved by a majority of the disinterested directors of the Maker, provided that any such issuance shall only be a person or entity (or to the equityholders of an entity) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Maker and shall provide to the Maker additional benefits in addition to the investment of funds, but shall not, for the purposes of this clause (v), include a transaction in which the Maker is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

(c) No adjustment in the Conversion Price and/or the number of shares of Common Stock subject to the Debenture need be made if such adjustment would result in a change in the Conversion Price of less than one cent ($0.01) or a change in the number of subject shares of less than one-tenth (1/10th) of a share.

(d) Upon any adjustment of the Conversion Price hereunder, the Company will compute the adjustment and prepare and furnish to Purchaser a certificate setting forth such adjustment and showing in detail the facts upon which the adjustment is based.

3. Redemption/Change in Control.

(a) The Purchaser may, upon not less than thirty (30) days-notice (the end of such notice period, the "Redemption Date") to the Company following a "Change in Control" (as defined below), require the Company to repurchase the Debenture, in whole or in part, at a price (the "Redemption Price") equal to 105% of the principal amount of the Debenture outstanding (including any accrued and unpaid interest) on the Redemption Date.

(b) If holders of ninety percent (90%) or more of the series of debentures of which this Debenture is a part have demanded to require the Company to repurchase their debentures following a Change in Control, the Purchaser agrees to allow the Company to repurchase this Debenture for the Redemption Price on the Redemption Date notwithstanding the fact that the Purchaser has not provided the notice described in section 3(a).

(c) Following the Redemption Date, interest shall cease to accrue on this Debenture and the Purchaser will have no further rights under this Debenture as to the converted principal and interest, except the right to receive the Redemption Price.

(d) A "Change in Control," for purposes of this Debenture, means (i) any event as a result of or following which any person, or group of persons acting jointly or in concert within the meaning of applicable United States securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A "Change in Control" does not include a (i) sale, merger, reorganization or other similar transaction if the

previous holders of the Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity, or (ii) the amendment of the Company's convertible debentures occurring on the date hereof pursuant to which there will be a mandatory conversion of convertible debentures into Units by both Purchaser and its affiliates and by holders of other outstanding convertible debentures of the Company,

4. Authorized Shares. Until the Maturity Date, the Company shall maintain sufficient numbers of authorized and unissued Shares to permit the full exercise of the conversion of this Debenture and the exercise of any Warrant.

5. Default.

5.1 Events of Default. With respect to the Debenture, the following events are "Events of Default":

(a) Default by Company in the payment of principal on or any interest payable under the Debenture after fifteen (15) business days' written notice from Purchaser following the date when the same is due and payable; or

(b) Default in the due performance or observance of any other material covenant, agreement or provision in the Second Amended Subscription Agreement, or in this Debenture, to be performed or observed by Company, and such default shall have continued for a period of thirty (30) business days after written notice thereof to Company from Purchaser; or

(c) the occurrence of any of the following:

(i) the Company files a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the United States Bankruptcy Code (as now or in the future amended, the "Bankruptcy Code");

(ii) the Company makes a general assignment for the benefit of its creditors;

(iii) the Company consents to the appointment of a receiver or trustee for all or a substantial part of the property of Company or approves as filed in good faith a petition filed against Company under the Bankruptcy Code; or

(iv) the commencement of a proceeding or case, without the application or consent of Company, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Company or of all or any substantial part of its assets, or (iii) similar relief in respect of Company under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case set forth in (i), (ii), or (iii) above continues undismissed or uncontroverted, or an order, judgement or decree approving or ordering any of the

foregoing is entered and continues unstayed and in effect, for a period of sixty (60) business days.

5.2 Acceleration. If any one or more Events of Default described in Section 5.1 shall occur and be continuing, then Purchaser may, at Purchaser's option and by written notice to Company, declare the unpaid balance of the Debenture owing to Purchaser to be forthwith due and payable.

6. This Debenture is an unsecured obligation of the Company and will rank *pari passu* in right of payment of principal and interest with all other unsecured obligations of the Company.

7. Governing Law. This Debenture shall be governed by, and construed and enforced in accordance with, the laws of the state of Nevada, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

8. Successors. The provisions of this Debenture shall inure to the benefit of and be binding on any successor of Purchaser. This Debenture cannot be assigned by any party hereto except as described in the Amended Subscription Agreement.

CLS Holdings, USA, Inc.,
a Nevada corporation

By: /s/ Andrew Glashow
Name: Andrew Glashow
Title: President and CEO

**THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY IN ITS REASONABLE JUDGMENT THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS.**

CLS HOLDINGS USA, INC.

Warrant for the Purchase of Common Stock,
par value $0.001 per share

No. _____ _____ Shares
Date: _____

THIS CERTIFIES that, for good and valuable consideration, _____ (together with its successors and permitted assigns, the "Holder"), with an address at _____ is entitled to subscribe for and purchase from CLS HOLDINGS USA,INC. (the "Company"), upon the terms and conditions set forth herein, in whole or in part, at any time, or from time to time, after the date hereof and before 5:00 p.m. on a date that is not later than thirty-six (36) months after the earlier of: (i) the date this Warrant is issued according to the date set forth above; or (ii) the effectiveness of a registration statement under the Securities Act of 1933, as amended, relating to the Warrant Shares (as defined below) (the "Exercise Period"), that number of shares of the Company's common stock set forth above, par value $0.001 per share ("Common Stock"), at a price of $0.10 per share (the "Exercise Price"), as same may be adjusted as provided for herein (the "Warrant Shares").

1. To the extent otherwise exercisable, this Warrant may be exercised during the Exercise Period as to the whole or any portion of the number of Warrant Shares, by (i) delivery of a written notice, in the form of the exercise notice attached hereto as Exhibit A (the "Exercise Notice"), of such Holder's election to exercise this Warrant, which notice shall specify the number of Warrant Shares to be purchased, (ii) delivery of this Warrant to the Company, and (iii) either (a) payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares to be exercised (plus any applicable issue or transfer taxes) (the "Aggregate Exercise Price") in cash, or by means of bank check or wire transfer of immediately available funds, or (b) if at the time the Company delivers a Mandatory Exercise Notice to the Holder, the Warrant Shares are not subject to an effective registration statement, delivery of an election to receive upon such exercise the "Net Number" of shares of Common Stock determined according to the following formula (the "Cashless Exercise"):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

A = the total number of Warrant Shares with respect to which this Warrant is then being exercised.

B = the closing bid price of the Common Stock on the date of exercise of the Warrant.

C = the Warrant Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

In the event that the exercise of this Warrant is for less than all of the Warrant Shares purchasable under this Warrant, the Company shall cause to be issued in the name of and delivered to the Holder hereof or as the Holder may direct, as soon as practicable, a new Warrant or Warrants of like tenor, for the balance of the Warrant Shares purchasable hereunder.

2. Upon the exercise of the Holder's right to purchase Warrant Shares granted pursuant to this Warrant, the Holder shall be deemed to be the holder of record of the number of Warrant Shares issuable upon such exercise, notwithstanding that the transfer books of the Company shall then be closed or certificates representing such Warrant Shares shall not then have been actually delivered to the Holder. As soon as practicable after the exercise of this Warrant, the Company shall issue and deliver to the Holder a certificate or certificates for the applicable number of Warrant Shares, registered in the name of the Holder. No fractional shares of Common Stock are to be issued upon exercise of this Warrant, but rather the number of shares of Common Stock issued upon exercise of this Warrant shall be rounded up or down to the nearest whole number.

3. (a) The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holder hereof), a register for this Warrant, in which the Company shall record the name and address of the person in whose name this Warrant has been issued, as well as the name and address of each transferee upon receipt of a duly executed warrant power in the form of Exhibit B hereto. The Company may treat the person in whose name any Warrant is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary

(b) The Company shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of providing for the exercise of the rights to purchase all Warrant Shares granted pursuant to this Warrant, such number of shares of Common Stock as shall be sufficient therefor. The Company covenants that all shares of Common Stock issuable upon exercise of this Warrant, upon receipt by the Company of the purchase price therefor, shall be validly issued, fully paid and nonassessable.

(c) The Company, upon ten (10) days prior notice to the Holder (a "Mandatory Exercise Notice"), at any time prior to expiration of the Exercise Period, may demand that the Investor exercise this Warrant, in its entirety, if the closing bid price of the Shares equals or exceeds $0.20 (subject to adjustments as set forth in Section 4 of this Warrant) for twenty (20) consecutive business days. Should the Investor fail to exercise the Warrant in its entirety within thirty (30) days after receiving the Company's demand, the Warrant shall expire and be of no further force or effect.

4. (a) In the event that the outstanding shares of Common Stock are changed into a different number of shares of Common Stock by reason of any recapitalization, reclassification, stock split-up, combination of shares or dividend payable in shares of the Company or an otherwise similar event, appropriate adjustment shall be made in the number and kind of securities as to which this Warrant shall be exercisable, to the end that the proportionate interest of the Holder immediately after the occurrence of such event shall equal the proportionate interest of the Holder immediately before the occurrence of such event. Such adjustment shall be made without change in the total Exercise Price applicable to this Warrant but with corresponding adjustments in the number of shares of Common Stock underlying the Warrant and Exercise Price per share evidenced by this Warrant. To illustrate: In the event of a reverse split in the ratio of 1:4, if this Warrant was for 75,000 Shares, the Exercise Price would become $0.40 and the number of underlying shares of Common Stock would be reduced to 18,750.

(b) In case of any consolidation with or merger of the Company with or into another corporation or entity (other than a merger or consolidation in which the Company is the surviving or continuing corporation), or in case of any sale, conveyance or lease to another person or entity of the property of the Company as an entirety or substantially as an entirety, such successor or purchasing person or entity, as the case may be, shall (i) execute in favor of the Holder an agreement or instrument providing that the Holder shall have the right thereafter to receive upon exercise of this Warrant solely the kind and amount of shares of stock or other securities, property, cash or any combination thereof receivable upon such consolidation, merger, sale, lease or conveyance by a holder of the number of shares of Common Stock for which this Warrant might have been exercised immediately prior to such event, (ii) make effective provision in its certificate of incorporation or otherwise, if necessary, in order to effect such agreement and (iii) set aside or reserve, for the benefit of the Holder, the stock, securities, property and/or cash to which the Holder would be entitled upon exercise of this Warrant; provided, that, nothing contained in this paragraph 4(b) shall be interpreted so as to preclude the Holder from exercising this Warrant, in whole or in part, at any time prior to the consummation of any such consolidation, merger, sale, lease or conveyance.

(c) The above provisions of this paragraph 4 shall similarly apply to successive consolidations, mergers, sales, leases, issuances or conveyances.

5. (a) In case at any time the Company shall propose:

(i) to pay any dividend or make any distribution on shares of Common Stock in shares of common stock, or make any other distribution (other than regularly scheduled cash dividends) to all holders of common stock; or

(ii) to issue any rights, warrants or other securities to all holders of the Company's common stock entitling them to purchase any additional shares of common stock or any other rights, warrants or other securities; or

(iii) to effect any reclassification or recapitalization of the Company's common stock, or any consolidation or merger; or

(iv) to effect any liquidation, dissolution or winding-up of the Company; or

(v) to issue any shares of its Common Stock, or securities convertible or exercisable into its Common Stock, at a price per share lower than the Exercise Price, if such price is also lower than the market price for its Common Stock on such date;

then, and in any one or more of such cases, the Company shall give written notice thereof, by registered mail, postage prepaid, to the Holder at the Holder's address as it shall appear in the Warrant Register, mailed at least ten (10) days prior to the date on which any such event is expected to occur.

(b) If and whenever on or after the date of this Warrant, the Company issues or sells any shares of Common Stock (including the issuance or sale of shares of Common Stock owned or held by or for the account of the Company, but excluding shares of Common Stock deemed to have been issued by the Company in connection with any Excluded Securities (as defined below) for a consideration per share (the "New Issuance Price") less than the Exercise Price in effect immediately prior to such issue or sale or deemed issuance or sale (the foregoing a "Dilutive Issuance"), then immediately after such Dilutive Issuance, the Exercise Price then in effect shall be reduced to the New Issue Price. "Excluded Securities" means: (i) capital stock, options or convertible Securities issued to directors, officers, employees or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, (ii) shares of Common Stock issued upon the conversion or exercise of options or convertible securities that were issued and outstanding on the date immediately preceding the date of this Warrant, provided such securities are not amended after the Subscription Date to increase the number of shares of Common Stock issuable thereunder or to lower the exercise or conversion price thereof (iii) securities issued pursuant to the Subscription Agreement and securities issued upon the exercise or conversion of those securities, (iv) shares of Common Stock issued or issuable by reason of a dividend, stock split or other distribution on shares of Common Stock (but only to the extent that such a dividend, split or distribution results in an adjustment in the Exercise Price pursuant to the other provisions of this Warrant), and (v) capital stock, options or convertible Securities issued as consideration for an acquisition or strategic transaction approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be a Person (or to the equityholders of a

Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not, for the purposes of this clause (v), include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

6. The issuance of any Warrant Shares or other securities upon the exercise of this Warrant, and the delivery of certificates or other instruments representing such Warrant Shares or other securities, shall be made without charge to the Holder for any tax or other charge in respect of such issuance. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate representing Warrant Shares in a name other than that of the Holder and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax, to the extent required to be so paid, or, if reasonably required by the Company, shall have established to the satisfaction of the Company that such tax has been paid.

7. Unless registered, or freely saleable under Rule 144, the Warrant Shares issued upon exercise of the Warrants shall be subject to a stop transfer order and the certificate or certificates evidencing such Warrant Shares shall bear the following legend or a similar legend to the following effect:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF SUCH REGISTRATION OR EVIDENCE OF AN EXEMPTION THEREFROM (INCLUDING AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT)."

8. The Holder of this Warrant, by the acceptance hereof, represents that he is acquiring this Warrant and the Warrant Shares for his own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution of this Warrant or the Warrant Shares, except pursuant to sales registered or exempt under the Securities Act of 1933, as amended (the "Securities Act"); provided, however, that by making the representations herein, the Holder does not agree to hold this Warrant or any of the Warrant Shares for any minimum or other specific term and reserves the right to dispose of this Warrant and the Warrant Shares at any time in accordance with, or pursuant to an exemption under, the Securities Act. The Holder of this Warrant further represents, by acceptance hereof, that, as of this date, such Holder is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated by the Securities

and Exchange Commission under the Securities Act (an "Accredited Investor"). Upon the exercise of this Warrant, the Holder shall, if requested by the Company, confirm in writing, in a form satisfactory to the Company, that the Warrant Shares so purchased are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment and not with a view toward distribution or resale and that such Holder is an Accredited Investor. If such Holder cannot make such representations because they would be factually incorrect, it shall be a condition precedent to such Holder's exercise of this Warrant that the Company receive such other representations as the Company considers reasonably necessary to assure the Company that the issuance of its securities upon exercise of this Warrant shall not violate any United States or state securities laws.

9. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (and upon surrender of this Warrant if mutilated), and upon reimbursement of the Company's reasonable incidental expenses (including without limitation any insurance), the Company shall execute and deliver to the Holder a new Warrant of like date, tenor and denomination.

10. The Holder shall not have, solely on account of such status, any rights of a stockholder of the Company, either at law or in equity, or to any notice of meetings of stockholders or of any other proceedings of the Company, except as provided in this Warrant.

11. This Warrant and the rights granted hereunder shall be assignable by the Holder hereof without the consent of the Company (i) to members of his or her immediate family (which shall include any spouse, lineal ancestor or descendant, adopted child or sibling, or the spouse of any of them) or (ii) to a trust or any other estate planning vehicle for the benefit of such Holder or members of his or her immediate family; provided, however, that the assignee shall, within ten (10) days prior to such assignment, furnish to the Company written notice of the name, address and relationship with such assignee and such transferee shall agree to be bound by the terms and conditions of the Investor Rights Agreement upon exercise, provided it involves no more than a de minimis expense.

12. Each of the Company and the Holder shall do and perform all such further acts and things and execute and deliver all such other certificates, instruments and documents as the Company or the Holder may, at any time and from time to time, reasonably request in connection with the performance of any of the provisions of this Warrant.

13. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Warrant must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile or e-mail (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one business day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

CLS Holdings USA, Inc.
11767 South Dixie Highway, Suite 115
Miami, FL 33156
Tel: _____

E-Mail: aglashow63@gmail.com
Attention: CEO

If to the Holder, at the address set forth above (if such Holder is the initial Holder of this Warrant), or to such other address for such Holder or its assignees as shall appear, from time to time, on the records maintained by the Company.

Each party shall provide five (5) days' prior written notice to the other party of any change in address or facsimile number. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of transmission or (C) provided by nationally recognized overnight delivery service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

14. Any term or provision of this Warrant which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the terms and provisions of this Warrant or affecting the validity or enforceability of any of the terms or provisions of this Warrant in any other jurisdiction.

15. This Warrant shall be construed in accordance with the laws of the State of Nevada applicable to contracts made and to be performed within such State, without regard to principles of conflicts of law. **THE COMPANY AND THE HOLDER (BY THE ACCEPTANCE HEREOF) HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN NEW YORK COUNTY, NEW YORK, OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY AND THE HOLDER EACH AGREE THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, PROPERLY ADDRESSED TO IT AT ITS ADDRESS LISTED IN PARAGRAPH 13 ABOVE SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT. THE COMPANY AND THE HOLDER IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN ANY ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT SUCH COURT REPRESENTS AN**

**INCONVENIENT FORUM. THE COMPANY AND THE HOLDER AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT WHICH IS NO LONGER SUBJECT TO FURTHER REVIEW SHALL BE CONCLUSIVE AND BINDING UPON THE COMPANY AND THE HOLDER AND MAY BE ENFORCED AGAINST THE COMPANY OR THE HOLDER IN ANY OTHER COURTS TO WHOSE JURISDICTION THE COMPANY OR THE HOLDER, RESPECTIVELY, IS OR MAY BE SUBJECT BY SUIT UPON SUCH JUDGMENT. THE COMPANY AND THE HOLDER IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHTS TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM ARISING UNDER OR WITH RESPECT TO THIS WARRANT.**

IN WITNESS WHEREOF, this Warrant was executed by the Company as of the _____ day of _____, 20__.

CLS HOLDINGS USA, INC.

By:_____
Name: Andrew Glashow
Title: CEO

**EXHIBIT A**
**To Warrant**

ELECTION TO EXERCISE

TO BE EXERCISED BY THE REGISTERED HOLDER

CLS HOLDINGS USA, INC.

The undersigned holder hereby exercises the right to purchase _____ (_____) of the shares of Common Stock (the "Warrant Shares") of CLS Holdings USA, Inc., a Nevada corporation (the "Company"), evidenced by the attached Warrant. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Warrant Exercise Price. The Holder intends that payment of the Aggregate Exercise Price shall be made with respect to _____ Warrant Shares.

2. Payment of Warrant Exercise Price. The Holder shall pay the Aggregate Exercise Price of $_____ to the Company in accordance with the terms of the Warrant as follows (check applicable option):

(a) Cash Exercise. The Holder shall pay the Aggregate Exercise Price to the Company in cash or by bank check or wire transfer. _____

(b) Cashless Exercise. If permitted by the terms of the Warrant, the Holder elects to receive upon such exercise the Net Number of shares of Common Stock determined in accordance with the terms of the Warrant. _____

3. Delivery of Warrant Shares. The Holder requests that certificates for such Warrant Shares be issued in the name of, and delivered to:

_____

_____

_____

(Print Name, Address and Social Security
or Tax Identification Number)

Dated: _____

_____
Signature

**EXHIBIT B**
**To**
**Warrant**

FORM OF WARRANT POWER

FOR VALUE RECEIVED, the undersigned does hereby assign and transfer to _____, with an address at _____, a warrant to purchase _____ shares of common stock of CLS Holdings USA, Inc., a Nevada corporation, represented by warrant certificate no. _____, standing in the name of the undersigned on the books of said corporation. The undersigned does hereby irrevocably constitute and appoint _____, attorney to transfer the warrants of said corporation, with full power of substitution in the premises.

Dated: _____

_____
[HOLDER]