

CLS HOLDINGS USA, INC.

NOTICE OF MEETING OF DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN THAT a meeting (the “**Meeting**”) of holders (the “**Debentureholders**”) of the 8.0% unsecured convertible debentures due December 31, 2023 and December 31, 2024 (the “**Debentures**”) of CLS Holdings USA, Inc. (“**CLS Holdings**” or the “**Corporation**”) issued pursuant to an indenture dated as of December 12, 2018, as amended pursuant to a supplemental indenture dated as of March 31, 2021 and a supplemental indenture dated as of 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**”) will be held on Friday, December 29, 2023 at 9:00 a.m. (Toronto time) through Zoom and can be accessed through the following link:

<https://us02web.zoom.us/j/9164908479?pwd=dVV5UU5qV29pb2hDQitaTUIOVk9lZz09&omn=85957883156&from=addon>

for the following purposes:

1. To consider, and if deemed advisable, approve an Extraordinary Resolution (as such term is defined in the Indenture) of the Debentureholders to, among other things as described herein, implement the following amendments to the Indenture (collectively, the “**Amendments**”), to amend:
 - (i) to include a definition of “**CAFDS**”, meaning for any period ending on a “**Measurement Date**” (being the last day of each fiscal quarter of the Corporation commencing May 31, 2024) and for which financial statements are available, the excess of the Corporation’s gross revenues for such period, as determined in accordance with GAAP, minus the sum of the Corporation’s expenses for such period;
 - (ii) to reduce the Conversion Price from US\$0.10 to US\$0.07;
 - (iii) to amend the definition of the “**Interest Payment Date**” to mean the last day of each calendar month, and such other dates to which interest accrues and is payable pursuant to the Indenture, and to clarify, among other things, that (a) for a period (i) of 18 months from the Issue Date, and (ii) commencing on July 1, 2022 and continuing until February 28, 2025, any Interest Obligation payable under the Indenture will automatically accrue to the principal amount of the Debentures, and will thereafter be deemed to be part of the principal amount of the Debentures, and (b) with respect to interest accruing for that period commencing July 1, 2022 and continuing to December 31, 2023, the relevant Interest Payment Date shall be December 31, 2023;
 - (iv) to amend the Maturity Date to January 31, 2028;
 - (v) to include a definition of “**Measurement Date**”, meaning the last day of each fiscal quarter of the Corporation;
 - (vi) to include a provision of the Indenture regarding interest payments to provide that interest accrued from July 1, 2022 through February 28, 2025 will be capitalized on each Interest Payment Date, and will thereafter be deemed to be part of the principal amount of the Debentures, and to clarify that with respect to interest accruing for that period commencing July 1, 2022 and continuing to December 31, 2023, the relevant Interest Payment Date shall be December 31, 2023;
 - (vii) to include a provision providing for a put right (the “**Put Right**”), exercisable by the Debentureholders during the period commencing from the date on which the supplemental indenture (the “**Supplemental Indenture**”), substantially in the form attached as Schedule “A” to this Notice is entered into to and ending on December 29, 2023, which grants each Debentureholder the right to require the Corporation to redeem all or any part of such Debentureholder’s outstanding Debentures in cash, at a

redemption price equal to US\$600 per US\$1000 principal amount of Debentures elected to be redeemed. Any accrued but unpaid interest through to and including the redemption date will not be paid and will be cancelled;

(viii) to include a provision providing for a second put right (the “**CAFDS Put Right**”), exercisable by the Debentureholders during the period commencing on May 31, 2024 and ending on the Maturity Date, which grants each Debentureholder the right to require the Corporation to redeem all or any part of such Debentureholder’s outstanding Debentures in cash, at a redemption price equal to the aggregate principal amount of the Debentures being so redeemed (which aggregate amount must be in denominations of US\$1,000 or an integral multiple thereof), plus any accrued and unpaid interest thereon, if any, up to, but excluding, the applicable redemption date, if the Corporation’s CAFDS for any fiscal quarter exceeds US\$750,000 (such amount being the “**Excess Capital Amount**”), in an amount not to exceed the Excess Capital Amount with such redemption being on a *pro rata* basis in respect of all Holders who have elected to exercise such CAFDS Put Right;

(ix) to include a scheduled redemption provision, providing that the Corporation will redeem, on each Interest Payment Date (for the purposes of this paragraph, a “**Scheduled Redemption Date**”), outstanding Debentures in an aggregate amount equal to US\$108,799.73 less (i) the amount of interest paid on such Interest Payment Date, and (ii) an amount equal to amount delivered by the Corporation to the Trustee in respect of Debentureholders exercising CAFDS Put Rights in accordance with the Debenture since the immediately preceding Scheduled Redemption Date (as adjusted, the “**Scheduled Redemption Amount**”). Any redemption by the Corporation of Debentures pursuant to the said scheduled redemption provision will be on a *pro rata* basis, to the extent necessary, taking into account the Scheduled Redemption Amount;

(x) to update certain schedules and certificates appended to the Indenture in order to update references therein in order to better reflect and give due effect to the foregoing amendments; and,

(xi) to make such other conforming changes to the Indenture as are necessary or desirable to give effect to any of the foregoing Amendments,

all as more particularly described in the Supplemental Indenture, substantially in the form attached as Schedule “A” to this Notice.

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

Your vote is important.

This Notice is accompanied by a form of consent and proxy for registered Debentureholders (the “**Consent and Proxy**”) and a voting instruction form for non-registered Debentureholders (collectively, the “**Meeting Materials**”).

Debentureholders are invited to attend the Meeting virtually through Zoom using the following link:

<https://us02web.zoom.us/j/9164908479?pwd=dVV5UU5qV29pb2hDQitaTUIOVk9lZz09&omn=85957883156&from=addon>

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

The Board of Directors of the Corporation has, by resolution, fixed the close of business on December 6, 2023 as the record date for the determination of holders of Debentures entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof. The Board of Directors of the Corporation has, by resolution, fixed 9:00 a.m. (Toronto time) on December 27, 2023, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment(s) or postponement(s) of the Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment or postponement thereof must be deposited with the trustee for the Debentures.

Pursuant to the provisions of the Indenture, Debentureholders are to vote on any Extraordinary Resolution at a meeting of Debentureholders and as such, the favourable votes of the Debentureholders of not less than 66²/₃% of the aggregate principal amount of the Debentures present or represented by proxy at a meeting at which a quorum is present (or represented by proxy) and voted upon on a poll on such resolution will be required in order to effect such Extraordinary Resolution, unless, the holders of, collectively, not less than 66²/₃% in principal amount of the outstanding Debentures, consent to the proposed amendments to the Indenture by an instrument duly executed in writing prior to December 29, 2023, pursuant to this solicitation, in which case, the Corporation intends to promptly cancel the Meeting. The Extraordinary Resolution will be binding upon all Debentureholders, whether present at, or absent from, the Meeting.

If the Amendments are approved by the Debentureholders in the manner described above, the Corporation and Odyssey Trust Company, the Trustee, intend to execute a supplemental indenture to the Indenture (the "Amending Agreement") containing and implementing the proposed Amendments, substantially in the form contained in Schedule "A" hereto. If the Amendments are not approved by the Debentureholders in the manner described above, or this solicitation is terminated or withdrawn for any reason, the proposed Amendments will not become effective.

DATED at Toronto, Ontario, this 7th day of December, 2023.

BY ORDER OF THE BOARD

"Andrew Glashow"

Andrew Glashow
CEO and Chairman