

**NOTICE OF MEETING**

**OF 8.0% UNSECURED CONVERTIBLE DEBENTURES DUE DECEMBER 12, 2021**

**OF**

**CLS HOLDINGS USA, INC.**

**TO BE HELD ON MARCH 31, 2021**

**CLS HOLDINGS USA, INC.**

**NOTICE OF MEETING OF DEBENTUREHOLDERS**

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

<https://us02web.zoom.us/j/2462622474?pwd=R2VZKzRaTExreHlwS2prMmxDc2YvUT09>

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: (i) reduce the Conversion Price (as such term is defined in the Indenture) from US\$0.80 per Unit (as such term is defined in the Indenture) to US\$0.30 per Unit; (ii) extend the Maturity Date (as such term is defined in the Indenture) of the Debentures from December 12, 2021 to December 12, 2022; (iii) reduce the mandatory conversion VWAP threshold from US\$1.20 to US\$0.60; and (iv) amend the definitions of “Warrant” and “Warrant Indenture” (as such terms are defined in the Indenture) (the “**Amendments**”), which include a reduction of the exercise price of each Warrant to US\$0.40 per common share of CLS Holdings; and
2. To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

**Your vote is important.**

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

Debentureholders are invited to attend the Meeting virtually through the platform of Zoom by going to <https://us02web.zoom.us/j/2462622474?pwd=R2VZKzRaTExreHlwS2prMmxDc2YvUT09> or may be represented by proxy. Registered Debentureholders who are unable to attend the Meeting virtually are requested to complete, date and sign the form of proxy and send it to the Corporation, c/o the trustee under the Indenture, Odyssey Trust Company, Stock Exchange Tower 1230 – 300 5th Ave SW Calgary, Alberta, T2P 3C4. Non-registered Debentureholders who receive the Meeting Materials either directly from the Corporation or 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 March 5, 2021 as the record date for the determination of the registered holders of Debentures entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof. The board of directors of the Corporation has, by resolution, fixed at 2:00 p.m. (Toronto time) on March 29, 2021, 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 favorable votes of the Debentureholders of not less than 66⅔% of the aggregate principal amount of the Debentures present or represented by proxy at the meeting and voted upon on a poll on such resolution will be required in order to effect such Extraordinary Resolution. The Extraordinary Resolution will be binding upon all Debentureholders, whether present at or absent from the Meeting.**

**DATED** at Toronto, Ontario, this 5th day of March, 2021.

**BY ORDER OF THE BOARD**

*“Jeffrey Binder”*

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Jeffrey Binder  
Chief Executive Officer and Director

## GENERAL MATTERS

### General

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

In light of the ongoing public health crisis related to the COVID-19 outbreak, and in order to comply with the measures imposed by the federal and provincial governments, the Meeting will be conducted in a virtual format. In light of COVID-19, Debentureholders are urged to vote on the matters in advance of the Meeting by proxy and to participate in the Meeting by way of the live webcast that will be available at <https://us02web.zoom.us/j/2462622474?pwd=R2VZKzRaTExreHlwS2prMmxDc2YvUT09>.

Except as otherwise stated, the information contained in this Notice is given as of March 5, 2021.

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

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

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

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

## THE MEETING

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

This document has been prepared in connection with the solicitation of proxies by or on behalf of the management of CLS Holdings USA, Inc. (“**CLS Holdings**” or the “**Corporation**”) for use at the meeting (the “**Meeting**”) of holders of Debentures (the “**Debentureholders**”) to be held on Wednesday, March 31, 2021, at the time and place and for the purposes set forth above and any adjournment or postponement thereof.

### Solicitation of Proxies

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

The board of directors of the Corporation (the “**Board**”) has, by resolution, fixed the close of business on March 5, 2021 (the “**Record Date**”) as the record date for the determination of the registered holders of Debentures entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof. Debentureholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or at any adjournment or postponement thereof (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated proxy with the Trustee as specified herein).

The Board has, by resolution, fixed at 2:00 p.m. (Toronto time) on March 29, 2021, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment or postponement of the Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment or postponement thereof must be deposited with the Trustee at Stock Exchange Tower 1230 – 300 5th Ave SW Calgary, Alberta, T2P 3C4 Attention: Dan Sander. The Chairman of the Meeting may extend or waive the proxy deadline without notice.

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

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

### Appointment and Revocation of Proxies

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

In addition to revocation in any other manner permitted by law, a Debentureholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Debentureholder or by an attorney authorized in writing to the Trustee at Stock Exchange Tower 1230 – 300 5th Ave SW Calgary, Alberta, T2P 3C4 Attention: Dan Sander at any time up to and including two business days preceding the day of the Meeting.

### Meeting Procedures

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

The Meeting will be conducted as a virtual meeting of Debentureholders by way of a virtual meeting webcast through Zoom. The virtual meeting webcast can be accessed at: <https://us02web.zoom.us/j/2462622474?pwd=R2VZKzRaTEhreHlwS2prMmxDc2YvUT09>. As a registered Debentureholder, you will be able to participate in the voting portion of the meeting by following the directions on the provided website. You will need to use the Control Number provided to you in your form of proxy to vote. Debentureholders are encouraged to register in advance and, at the least, 15 minutes prior to the start of the Meeting.

## Quorum

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

## Voting of Proxies

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

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

## Non-Registered Holders

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

In accordance with procedures used for communicating with beneficial securityholders used by public companies, the Corporation will distribute copies of this Notice and a Voting Instruction Form (as defined below) (collectively, the "**Mailed Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Debentureholders. Objecting Non-Registered Debentureholders have objected to their Intermediary disclosing ownership information about themselves to the Corporation.

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

Non-Registered Debentureholders will be given, in substitution for the proxy otherwise contained in the proxy-related materials, a request for voting instructions (the "**Voting Instruction Form**") which, when properly completed and, if applicable, signed by the Non-Registered Debentureholder and returned to the Intermediary or the Corporation, as applicable, will constitute voting instructions which the Intermediary or the Corporation, as applicable, must follow. The purpose of this procedure is to permit Non-Registered Debentureholders to direct the voting of the Debentures they beneficially own. Should a Non-Registered Debentureholder who receives the

Voting Instruction Form wish to vote at the Meeting in person (or have another person attend the vote on behalf of the Non-Registered Debentureholder), the Non-Registered Debentureholder should so indicate in the place provided for that purpose in the Voting Instruction Form and a form of legal proxy will be sent to the Non-Registered Debentureholder. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Debentureholders in order to ensure that their Debentures are voted at the Meeting. If you have any questions respecting the voting of Debentures held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

## THE AMENDMENTS

### Background to the Amendments

Management and the Board regularly review and evaluate the Corporation's capital structure and strategic alternatives relating to the Debentures and other obligations with a view to enhancing securityholder value. Management has approached certain Debentureholders to consider alternatives prior to maturity intended to further strengthen the Corporation's balance sheet and the capital overhang. As noted, the maturity date for the Debentures is December 12, 2021.

### Effective Date of the Amendments

The Amendments will become effective on the date the Corporation and the Trustee enter into a supplemental indenture providing for the Amendments (the "**Supplemental Indenture**"). Although the Corporation anticipates entering into the Supplemental Indenture on or about March 31, 2021 following receipt of approval of the Debentureholders as contemplated hereunder, it is not possible to state with certainty when the effective date of the Amendments will occur. The effective date of the Amendments could be delayed for a number of reasons.

**Although the Corporation intends to enter into the Supplemental Indenture as soon as possible following approval of the Extraordinary Resolution, the Board has retained the discretion, without further notice to or approval of the Debentureholders, to revoke the Extraordinary Resolution at any time prior to the Corporation entering into the Supplemental Indenture.**

### Interests of Certain Persons in the Amendments

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Text of Extraordinary Resolution

#### Debentureholder Extraordinary Resolution

#### WHEREAS:

- A. By a trust indenture (hereinafter referred to as the "**Indenture**") made as of the 12<sup>th</sup> day of December, 2018 between CLS Holdings USA, Inc. (the "**Corporation**") and Odyssey Trust Company (the "**Trustee**"), provision was made for the various powers that may be exercised at a meeting of Debentureholders by way of "Extraordinary Resolution" or by an instrument in writing signed by the holders of 66 2/3% of the principal amount of all outstanding Debentures, including the capacity "to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;".
- B. The Corporation desires to amend the Indenture to: (i) extend the Maturity Date of the Debentures from December 12, 2021 to December 12, 2022; (ii) reduce the Conversion Price from US\$0.80 per Unit to US\$0.30 per Unit; (iii) reduce the mandatory conversion VWAP threshold from US\$1.20 to US\$0.60; and (iv) amend the definitions of "Warrant" and "Warrant Indenture" (as such terms are defined in the Indenture), which include a reduction of the exercise price of each Warrant to US\$0.40 per common share of CLS Holdings.
- C. Changes to the terms of the Debentures and the amendments to the Indenture of this nature must be approved by way of an Extraordinary Resolution of the Debentureholders pursuant to Article 12 of the Indenture.
- D. Terms defined in the Indenture and used herein are used with the same defined meaning herein.

**BE IT RESOLVED THAT:**

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

**“Conversion Price”** means US\$0.30 per Unit, subject to adjustment in accordance with the provisions of Section 4.6;”
2. Section 1.1 of the Indenture is amended to replace the definition of “Maturity Date” with the following:

**“Maturity Date”** means December 12, 2022;”
3. References to “December 12, 2021” in Schedule 2.2 of the Indenture are replaced with “December 12, 2022”.
4. Section 1.1 of the Indenture is amended to replace the definition of “Warrant” with the following:

**“Warrant”** has the meaning ascribed thereto in the Warrant Indenture”
5. Section 1.1 of the Indenture is amended to replace the definition of “Warrant Indenture” with the following:

**“Warrant Indenture”** means the indenture between the Corporation and Odyssey Trust Company, as warrant agent, with respect to the Warrants, as such indenture may be amended from time to time;”
6. Subsection 4.5 (1) of the Indenture is deleted in its entirety and replaced with the following:

“(1) 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\$0.60 for any 10 consecutive trading days.”
7. 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\$1.20 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\$0.60 for any 10 consecutive trading days.”
8. The Corporation and the Trustee are hereby authorized and directed to enter into, execute, deliver and perform all of their respective obligations under a supplemental debenture indenture to the Indenture (the **“Supplemental Indenture”**), amending the provisions as set out above and such other consequential amendments, including to the form of Debenture certificate, as required to give effect to the foregoing amendments to the Indenture, such Supplemental Indenture being subject to such changes and Amendments as may be approved by the Corporation pursuant to paragraph 10 hereof, such approval to be conclusively evidenced by the execution and delivery of such Supplemental Indenture (as changed or amended, if applicable) by the Corporation and the Trustee, and the Supplemental Indenture so executed shall be conclusively deemed to be the Supplemental Indenture approved and authorized by, and referred to in, these resolutions.
9. All additional Amendments to the Indenture reasonably necessary or desirable to give effect to the foregoing be and they are hereby approved. The Trustee and the Corporation are authorized and directed to enter into any supplemental indenture as may be deemed necessary or advisable in connection with the foregoing.

10. Notwithstanding that this extraordinary resolution has been passed by the Debentureholders, the Corporation is authorized without further notice to or approval of the Debentureholders, to (i) change or amend the Supplemental Indenture as referred to in paragraph 8, or (ii) not proceed with the Amendments.

**APPROVAL**

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

**ON BEHALF OF THE BOARD**

*“Jeffrey Binder”*

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Jeffrey Binder  
Chief Executive Officer and Director  
March 5, 2021