IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

NOTICE TO SECURITIES CLAIMANTS

On April 16, 2021, CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (the "**CannTrust Plan Companies**") filed a plan of compromise, arrangement and reorganization (the "**CCAA Plan**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and obtained an order (the "**Meeting Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") directing them to conduct meetings of their creditors to vote on the CCAA Plan (the "**Meetings**"). All capitalized terms used in this Notice that are not defined herein have the meaning given to them in the CCAA Plan and the Meeting Order (available at http://www.ey.com/ca/canntrust).

You are receiving this Notice because you have been identified as a person that holds or may hold a Securities Claim that is an Affected Claim under the CCAA Plan. This Notice provides an overview of the settlement that has been reached between the CannTrust Plan Companies and Court-appointed representatives of Securities Claimants. The CCAA Plan, among other things, will implement this settlement framework. This Notice also describes certain options that you may have under the Meeting Order with respect to voting on the CCAA Plan.

Commencement of CCAA Proceedings

On March 31, 2020, the CannTrust Plan Companies and an affiliate, CTI Holdings (Osoyoos) Inc. (collectively, the "**CannTrust Group**") commenced proceedings (the "**CCAA Proceedings**") under the CCAA. Ernst & Young Inc. has been appointed as the monitor of the CannTrust Group (the "**Monitor**") by the Court.

The CannTrust Group commenced the CCAA Proceedings to, among other things, explore a global resolution of the multiple putative securities class actions that were commenced against CannTrust Holdings Inc. ("**CannTrust Holdings**") and others in several provinces in Canada and at the federal and state level in the United States (the "**Actions**") and address the other claims and contingent claims against the CannTrust Group in a single forum.

The Actions and Class Counsel

Carriage of the five putative class actions commenced in Ontario (the "**Ontario Class Action**") was awarded to a consortium comprised of Henein Hutchison LLP, Strosberg Sasso Sutts LLP, A Dimitri Lascaris Law Professional Corporation, and Kalloghlian Professional Corporation (now Kalloghlian Myers LLP) ("**Ontario Class Action Counsel**").

Four federal putative class actions commenced in the Southern District of New York have been consolidated and Labaton Sucharow LLP was appointed as lead counsel ("**U.S. Class Action Counsel**") in the consolidated action (the "**U.S. Class Action**").

The Ontario Class Action and U.S. Class Action together assert claims against CannTrust Holdings and others on behalf of a global class of persons that acquired shares of CannTrust Holdings between June 1, 2018 and September 17, 2019.

The Settlement of Securities Claims

Shortly after obtaining CCAA protection, and consistent with its desire to pursue a global resolution of the claims against it in the Actions, the CannTrust Group sought and obtained an order on May 8, 2020 appointing the Honourable Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") to conduct a mediation between CannTrust Holdings, plaintiffs and representative plaintiffs, co-defendants and insurers with a view to reaching a resolution of some or all of the claims related to the Actions.

As a result of the extensive efforts that occurred in the mediation, on January 19, 2021, the CannTrust Group reached an agreement with the representative plaintiffs in the Ontario Class Action, the representative plaintiffs in the U.S. Class Action, Ontario Class Action Counsel and U.S. Class Action Counsel (the "**RSA**") regarding a framework for the settlement of all Securities Claims against CannTrust Holdings and various related claims. The RSA provides that the settlement will be implemented pursuant to a CCAA plan and related settlement documents.

Appointment of the CCAA Representatives and CCAA Representative Counsel

On January 29, 2021, the Court issued an order (the "**CCAA Representation Order**") appointing, subject to certain limited exceptions set out therein:

1. the representative plaintiffs in the Ontario Class Action (the "**CCAA Canadian Representatives**") to represent the interests of all Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

2. the representative plaintiffs in the U.S. Class Action (the "**CCAA U.S. Representatives**" and collectively with the CCAA Canadian Representatives, the "**CCAA Representatives**") to represent the interests of the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims;

3. Ontario Class Action Counsel ("**CCAA Canadian Representative Counsel**") as counsel for the Canadian and Non-U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims; and

4. Weisz Fell Kour LLP in association with U.S. Class Action Counsel ("**CCAA U.S. Representative Counsel**" and collectively with CCAA Canadian Representative Counsel, "**CCAA Representative Counsel**") as counsel for the U.S. Securities Claimants in the CCAA Proceedings in relation to their Securities Claims and any related claims.

CCAA Plan

The CCAA Plan, which reflects the settlement framework agreed in the RSA, contains the following features, among others:

1. a trust will be established for the benefit of Securities Claimants (the "**Securities Claimant Trust**");

2. CannTrust Holdings will contribute $50 million to the Securities Claimant Trust;

3. the CannTrust Plan Companies will work with the CCAA Representatives and CCAA Representative Counsel (the "**Supporting Stakeholders**") to seek settlements with, and contributions to the Securities Claimant Trust from, Co-Defendants and Insurers that are Non-Settlement Parties;

4. any claims that CannTrust Holdings and CannTrust Inc. have against any Co-Defendant that is a Non-Settlement Party and, if applicable, the claims of CannTrust Holdings and the other Settlement Parties against any Insurer that is a Non-Settlement Party, in each case to the extent such claims arise from or relate to the Securities-Related Matters, will be assigned to the Securities Claimant Trust;

5. the contributions made to the Securities Claimant Trust by CannTrust Holdings and any other settlement parties, together with any proceeds from the prosecution or settlement of any claims assigned to the Securities Claimant Trust, will be distributed pursuant to an allocation and distribution scheme to be developed by the Supporting Stakeholders and reflected in the CCAA Plan, and approved by the court; and

6. the CannTrust Plan Companies and all other parties to the settlement will be released from all Securities Claims and related claims against them, with very limited exceptions.

The CannTrust Plan Companies and the Supporting Stakeholders believe that the settlement framework set out in the RSA and the CCAA Plan represents a fair and reasonable compromise of Securities Claims against CannTrust Holdings and the other parties to the settlement. The settlement framework is the product of extensive negotiations facilitated by the Court-Appointed Mediator over many months, not only between CannTrust Holdings and the Supporting Stakeholders, but also taking into account the negotiations with other participants and feedback and directions provided by the Court-Appointed Mediator and the Monitor.

The CannTrust Plan Companies believe that the CCAA Plan fairly balances the interests of their stakeholders and is the only realistic route available that will allow the CannTrust Plan Companies to emerge from the CCAA Proceedings as a going concern.

The Meetings

The Meeting Order provides that the Claims of Affected Creditors are separated into four classes for the purpose of voting on the CCAA Plan. Three classes are comprised of Creditors holding General Unsecured Claims. The fourth class is comprised of Creditors holding Securities Claims (the "**Securities Claimant Class**").

The Meeting of the Securities Claimant Class (the "**Securities Claimant Meeting**") will be held by videoconference on May 28, 2021 at 2:00 p.m. EST. The Monitor will provide videoconference details in advance of the Securities Claimant Meeting to the CCAA Representatives, CCAA Representative Counsel and the Opt Out Securities Claimants, if any.

As set out above, the CCAA Representatives and CCAA Representative Counsel have been appointed by the Court to represent the interests of all Securities Claimants in relation to their Securities Claims. The Meeting Order provides that the CCAA Representatives and CCAA Representative Counsel will file a proof of claim and vote on behalf of all Securities Claimants other than Zola Finance Holdings Ltd., Igor Gimelshtein, 1604070 Alberta Ltd., Jeff Dyck, Diran Avedian and Shmuel Farhi (collectively, the "**Excluded Securities Claimants**"). The CCAA Representatives and CCAA Representative Counsel will vote in favour of the CCAA Plan.

Unless you want to vote against the CCAA Plan, or vote yourself, you do not have to do anything. If you want to vote against the CCAA Plan or otherwise attend and vote at the Securities Claimant Meeting, please see the instructions below.

Securities Claimant Meeting Materials

Enclosed with this Notice you will find a copy of a Securities Claimant Opt Out Election, Proof of Opt Out Securities Voting Claim and Opt Out Securities Claimant Proxy. In addition to these materials, you may also want to review the Information Statement prepared by the CannTrust Plan Companies (which attached the CCAA Plan as an exhibit) and the Meeting Order. The Information Statement, CCAA Plan, Meeting Order and other information is available on the Monitor's Website at http://www.ey.com/ca/canntrust.

1. Securities Claimant Opt Out Election

If you do not want the CCAA Representatives and/or CCAA Representative Counsel to file a proof of claim on your behalf and act as your proxy for voting purposes, you must complete the Securities Claimant Opt Out Election and deliver it to the Monitor **by no later than 5:00 p.m. on May 12, 2021.**

A Securities Claimant that delivers a Securities Claimant Opt Out Election in accordance with the Meeting Order will be an "Opt Out Securities Claimant" for the purposes of the CCAA Plan and the Meeting.

Please note that this process is only with respect to voting on the CCAA Plan. **Whether you file this election, or not, will not affect any distributions that you may be entitled to pursuant to the CCAA Plan.**

If you are an Excluded Securities Claimant, you are deemed to be an Opt Out Securities Claimant and do not have to file a Securities Claimant Opt Out Election.

2. Proof of Opt Out Securities Voting Claim

In order to attend the Securities Claimant Meeting or vote on the CCAA Plan, an Opt Out Securities Claimant must deliver a Proof of Opt Out Securities Voting Claim, including all relevant supporting documentation in respect of the validity and value of their Securities Claims, to the Monitor **by no later than 5:00 p.m. on May 17, 2021**. The Proof of Opt Out Securities Voting Claim will be reviewed by the Monitor and the CannTrust Plan Companies and may be accepted, revised or disallowed (in whole or in part) for the purposes of voting at the Securities Claimant Meeting only.

If you did not file a Securities Claimant Opt Out Election and are not an Excluded Securities Claimant, you do not have to file a Proof of Opt Securities Voting Claim. The Court has authorized and directed the CCAA Representatives and CCAA Representative Counsel to file a proof of claim on your behalf.

3. Opt Out Securities Claimant Proxy

An Opt Out Securities Claimant with Securities Claims that have been accepted in accordance with the Meeting Order for purposes of voting on the CCAA Plan may deliver a proxy appointing a person to attend and act on their behalf at the Securities Claimant Meeting. If the Opt Out Securities Claimant is not an individual (i.e. the Securities Claimant is a corporation or other legal entity), it may only attend and vote at the Securities Claimant Meeting if a proxyholder has been appointed to act on its behalf at such meeting.

Any Opt Out Securities Claimant Proxy must be sent by e-mail, or only if it cannot be sent by e-mail, delivered to the Monitor in each case so that it is received by **no later than 5:00 p.m. (Toronto Time) on May 25, 2021 or three (3) Business Days prior to any adjournment** of the Securities Claimant Meeting.

If you did not file a Securities Claimant Opt Out Election and are not an Excluded Securities Claimant, you do not have to file an Opt Out Securities Claimant Proxy. The Court has appointed the CCAA Representatives and CCAA Representative Counsel as your proxy and they will be authorized to vote all Securities Claims that you hold at the Securities Claimant Meeting.

4. Delivery of Election, Proof of Claim and Proxy

The email address and mailing address for delivering the Securities Claimant Opt Out Election, Proof of Opt Out Securities Voting Claim and/or Opt Out Securities Claimant Proxy to the Monitor are as follows:

Ernst & Young Inc.
Court-appointed Monitor of the CannTrust Group
100 Adelaide Street West
Toronto ON M5H 0B3
Attention: Alex Morrison and Karen Fung
Email: canntrust.monitor@ca.ey.com

Obtaining Further Information

If you have any questions with respect to the foregoing, you may contact:

(i) CCAA Canadian Representative Counsel by e-mail at canntrust@strosbergco.com or by phone at 519-561-6296;

(ii) CCAA U.S. Representative Counsel by e-mail at sweisz@wfklaw.ca / jjohnson@labaton.com or by phone at 416-613-8281 / 212-907-0859; or

(iii) the Monitor by e-mail at canntrust.monitor@ca.ey.com or by phone at 1-855-224-0800 or 416-943-2091.