Early Warning Report

Form 62-103F1

Item 1 – Security and Reporting Issuer

1.1 ***State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.***

This report relates to the common shares (the "**Common Shares**") of CannaRoyalty Corp. d/b/a Origin House ("**Origin House**"). The head office of Origin House is located at 333 Preston Street, Preston Square Tower 1, Suite 610, Ottawa, Ontario, K1S 5N4.

1.2 ***State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.***

Not applicable. The requirement to file this report was triggered as a result of the Arrangement (as defined below).

Item 2 – Identity of the Acquiror

2.1 ***State the name and address of the acquiror.***

Cresco Labs Inc. ("**Cresco**")
1055 West Hastings Street, Suite 2200
Vancouver, British Columbia
V6E 2E9, Canada

2.2 ***State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.***

On January 8, 2020, Cresco acquired all of the 94,558,120 issued and outstanding Common Shares of Origin House, by way of statutory plan of arrangement (the "**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario).

2.3 ***State the names of any joint actors.***

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 ***State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.***

Immediately prior to the Arrangement, Cresco did not beneficially own or control any securities of Origin House. As a result of the Arrangement, Cresco acquired beneficial ownership and control and direction of 94,558,120 Common Shares, representing 100% of the issued and outstanding Common Shares of Origin House.

3.2 ***State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.***

See Item 3.1 above.

3.3 ***If the transaction involved a securities lending arrangement, state that fact.***

Not applicable.

3.4 ***State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.***

See Item 3.1 above.

3.5 ***State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which***

(a) ***the acquiror, either alone or together with any joint actors, has ownership and control,***

See Item 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 ***If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.***

Not applicable.

3.7 ***If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right***

to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 ***If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.***

Not applicable.

Item 4 – Consideration Paid

4.1 ***State the value, in Canadian dollars, of any consideration paid or received per security and in total.***

Pursuant to the terms of the Arrangement, holders of Common Shares received 0.7031 of a subordinate voting share of Cresco (each, a "**Cresco Share**") for each Common Share held or an aggregate of 66,483,798 Cresco Shares in total.

4.2 ***In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.***

See Item 4.1 above.

4.3 ***If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.***

See Item 2.2 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

(d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;

(e) a material change in the present capitalization or dividend policy of the reporting issuer;

(f) a material change in the reporting issuer's business or corporate structure;

(g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;

(h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;

(i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;

(j) a solicitation of proxies from securityholders;

(k) an action similar to any of those enumerated above.

The purpose of the Arrangement was to enable Cresco to acquire 100% of the issued and outstanding securities of Origin House. Following completion of the Arrangement, Origin House intends to apply to cease to be a reporting issuer in all provinces and territories of Canada. The Common Shares will be de-listed from the Canadian Stock Exchange at the close of business on January 9, 2020 and from the OTCQX on January 10, 2020.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

In connection with the Arrangement, Cresco and Origin House entered into an arrangement agreement dated April 1, 2019, as amended on May 12, 2019, June 5, 2019, September 16, 2019 and November 12, 2019 (as amended, the "**Arrangement Agreement**"). The Arrangement Agreement contains customary representations, warranties, covenants and conditions of closing.

Also, in connection with the Arrangement, Cresco entered into voting support agreements (the "**Voting Support Agreements**") and lock-up agreements (the "**Lock-Up Agreements**") with certain directors, officers and significant shareholders of Origin House, pursuant to which each agreed to vote in favour of the Arrangement, subject to the terms and conditions of their respective agreements, and also agreed for their resulting Cresco Shares to be deposited into escrow and released over a period of nine months following closing of the Arrangement.

Copies of the Arrangement Agreement, Voting Support Agreements and Lock-up Agreements are available on SEDAR under Origin House's profile at www.sedar.com.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED as of the 9th day of January, 2020.

CRESCO LABS INC.

Per: (*signed*) "*John Schetz*"
John Schetz
General Counsel