June 6, 2019

ALEAFIA HEALTH INC.

MARKETED OFFERING OF CONVERTIBLE DEBENTURE UNITS

TERM SHEET

An amended and restated preliminary short form prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada (except Québec).

The amended and restated preliminary short form prospectus is still subject to completion. Copies of the amended and restated preliminary short form prospectus may be obtained from Mackie Research Capital Corporation at ecm@mackieresearch.com. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the amended and restated preliminary short form prospectus, the final short form prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "United States"), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except as permitted by the Underwriting Agreement (as defined herein) and in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons.

Issuer:	Aleafia Health Inc. ("**Aleafia**" or, the "**Company**").
Offered Securities:	Best-efforts marketed offering (the "**Offering**") of convertible debenture units (the "**Convertible Debenture Units**").
Amount:	$35,000,000.
Offering Price:	$1,000 per Convertible Debenture Unit.
Convertible Debenture Unit:	Each Convertible Debenture Unit shall consist of one 8.5% unsecured convertible debenture (each a "**Convertible Debenture**") of the Company and warrants to purchase 680 common shares (each, a "**Common Share**") in the capital of the Company (each, a "**Warrant**").
Warrants:	Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of $1.55 (the "**Exercise Price**") at any time up to 36 months following the Closing Date (subject to adjustment in certain customary events). Provided that if, at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the Common Shares on the TSX is greater than $3.10 for 20 consecutive trading days, the Company may, within 15 days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice (the "**Accelerated Exercise Period**"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.
Maturity:	3 years from the date the Convertible Debenture Units are issued (the "**Maturity Date**").
Interest:	The Convertible Debentures shall bear interest at a rate of 8.5% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing June 30, 2019. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The June 30, 2019 interest payment will represent accrued interest for the period from the Closing Date (as hereinafter defined) to June 30, 2019.
Payment of Principal:	The Convertible Debentures will be repaid in cash at maturity.
Over-Allotment Option:	Up to 15% of the number of Convertible Debenture Units (and/or the components thereof) issued pursuant to the Offering to cover any over-allotments and for market stabilization purposes, exercisable at any time up to 30 days after the closing of the Offering.
Conversion Privilege:	The principal amount of each Convertible Debenture (the "**Principal Amount**") shall be convertible, for no additional consideration, into Common Shares at the option of the holder at any time prior to the earlier of: (i) the close of business on the Maturity Date, and (ii) the business day immediately preceding the date specified by the Company for redemption of

	the Convertible Debentures upon a Change of Control (as further defined below) at a conversion price equal to $1.47 (the "**Conversion Price**").
Change of Control:	Upon a Change of Control (as hereinafter defined) of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 104% of the Principal Amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the Principal Amount of the Convertible Debentures outstanding on the date of the notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price. For the purposes hereof, a "**Change of Control**" 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 Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.
Anti-Dilution Adjustments:	The Conversion Price will be subject to adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or distribution, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets.
Offering Basis:	The Convertible Debenture Units are to be issued on a marketed basis by way of short form prospectus to be filed in each of the provinces of Canada other than Québec, and in the United States in accordance with applicable securities laws, and in such other jurisdictions on a prospectus exempt basis.
Listing:	The Company will use commercial reasonable efforts to obtain the necessary approvals to list the Convertible Debentures, the Warrants, the Common Shares issuable upon conversion of the Convertible Debentures, upon exercise of the Warrants and upon exercise of the broker warrants.
Eligibility:	The Convertible Debenture Units shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, and TFSAs.
Use of Proceeds:	For working capital requirements and other general corporate purposes.
Commission:	Cash fee equal to 6.0% of the gross proceeds of the Offering and non-transferable broker warrants equal to 3.5% of the aggregate of (i) the number of Common Shares issuable upon conversion of the Convertible Debentures issued under the Offering; and (ii) the number of Common Shares issuable upon exercise of the Warrants issued under the Offering.
Agents:	Mackie Research Capital Corporation ("**MRCC**"), BMO Nesbitt Burns Inc. and Canaccord Genuity Corp.
Closing Date:	On or about June 26, 2019 or such other date as MRCC and the Company may agree, acting reasonably (the "**Closing Date**").