

C21 INVESTMENTS INC.
(the “Company”)

DISCLOSURE POLICY

Objective and Scope

The objective of this disclosure policy is to ensure that communications to the investing public about the Company are:

- timely, factual and accurate; and
- broadly disseminated in accordance with all applicable legal and regulatory requirements, including, without limitation, Canadian and U.S. securities laws, including the rules of any stock exchange on which the Company’s securities are listed.

This disclosure policy confirms in writing our existing disclosure policies and practices. The goal is to raise awareness of the Company’s approach to disclosure among the board of directors, senior management and employees.

This disclosure policy extends to all employees of the Company, its board of directors and officers and those authorized to speak on its behalf. It covers disclosures in documents filed with securities regulators and written statements made in the Company’s annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company’s website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

Disclosure Policy Committee

The board of directors has established a Disclosure Policy Committee (the “Committee”) responsible for all regulatory disclosure requirements and for overseeing the Company’s disclosure practices. The Committee consists of the Chief Executive Officer and the Chief Financial Officer.

It is essential that the Committee be kept fully apprised of all pending material Company developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information. If it is deemed that material information should remain confidential, the Committee will determine how that information will be controlled and, if required, disclosed to the regulators on a confidential basis.

The Committee will set benchmarks for a preliminary assessment of materiality. Guided by these benchmarks, the Committee will use experience and judgment to determine the timing for public release of material information. The Committee is responsible for ensuring appropriate systems, processes and controls for disclosure and will review all news releases and core disclosure documents prior to their release or filing, including the Company’s Annual Information Form, Management’s Discussion and Analysis (“MD&A”) and the Management Information Circular. The Committee will meet as conditions dictate and will report to the board of directors as required.

The Committee will review and update, if necessary, this disclosure policy annually or as needed to ensure compliance with changing regulatory requirements. The Committee is also responsible for

ensuring that Company spokespersons receive adequate training.

Principles of Disclosure of Material Information

Material information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. In complying with the requirement to promptly disclose material information under applicable laws and stock exchange rules, the Company will adhere to the following basic disclosure principles:

- Material information will be publicly disclosed immediately via a broadly disseminated news release.
- In certain circumstances, the Committee may determine that such disclosure would be unduly detrimental to the Company (for example, if release of the information would prejudice the ability of the Company to achieve a valid corporate objective or when the facts are in a state of flux and a more appropriate moment for disclosure is imminent), in which case the information will be kept confidential until the Committee determines, pursuant to Canadian and U.S. securities laws and the rules of any stock exchange on which the Company is listed, that it is appropriate to publicly disclose. In these circumstances, the Committee will cause a confidential material change report or current report to be filed with the applicable securities regulators, and will periodically (at least every 10 days) review its decision to keep the information confidential. Further, while disclosure is temporarily withheld, the Committee will monitor the market activity of the Company's securities for unusual market activity, which may signify that a leak has occurred.
- Disclosure must include any information the omission of which would make the rest of the disclosure misleading (half truths are misleading).
- Unfavourable material information must be disclosed as promptly and completely as favourable information.
- There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an investor meeting or during a telephone conversation with an analyst). If previously undisclosed material information is inadvertently disclosed, this information must be broadly disclosed immediately via a broadly disseminated news release.
- Disclosure should be consistent among all audiences, including the investment community, the media, customers and employees.
- Disclosure on the Company's website alone does not constitute adequate disclosure of material information.
- Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure contained a material error at the time it was given.

Maintaining Confidentiality

Any employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business of the Company. Efforts will be made to limit access to confidential information to only those who need to know the information and those persons will be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company will be told that they

must not divulge this information to anyone else, other than in the necessary course of business and that they may not trade in the Company's securities until the information is publicly disclosed. Such outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

To prevent the misuse or inadvertent disclosure of material information, the following procedures should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place, with access restricted to individuals who "need to know" that information in the necessary course of business. Code names should be used if necessary.
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- Discussion of confidential matters on cell phones or other wireless devices should be limited or avoided, where possible.
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means, such as by fax, email or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of confidential document should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- Access to confidential electronic data should be restricted through the use of passwords.

Designated Spokespersons

The Company designates a limited number of spokespersons with authority for communication with the investment community, regulators and media. The Chief Executive Officer and the Chief Financial Officer shall be the official spokespersons for the Company. Individuals holding these offices may, from time to time, designate others within the Company with authority to speak on behalf of the Company as backups or to respond to specific inquiries.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries are to be referred to the Chief Executive Officer or the Chief Financial Officer.

News Releases

Once the Committee determines that a development is material, it will authorize the issuance of a news release unless the Committee determines that such developments must remain confidential for the time being. If developments are to remain confidential, appropriate confidential filings must be made and control of the inside information must be instituted. Should a material statement inadvertently be made in a selective forum, the Company will immediately and fully disclose that information via a broadly disseminated news release.

News releases containing earnings guidance and financial results will be reviewed by the audit committee

or board of directors prior to issuance. Financial results will be publicly released immediately following audit committee or board approval of the MD&A, financial statements and notes.

If required by the stock exchange on which shares of the Company are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to its market surveillance division to enable a trading halt, if deemed necessary by the stock exchange. If a news release announcing material information is used outside of trading hours, the exchange must be notified promptly and in any event before the market reopens.

News releases will be broadly disseminated through an approved news wire service or other news disseminators approved by the stock exchange on which the Company's shares are listed. Full-text news releases will be transmitted to the stock exchange, relevant regulatory bodies and, where considered advisable, major business wires, national financial media, and the local media in areas where the Company has its headquarters and operations.

News releases will be posted on the Company's website immediately after confirmation of dissemination over the news wire. The website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures.

Conference calls

Conference calls, if held for quarterly earnings and major corporate developments, will be accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the internet. Such calls will be preceded by a broadly disseminated news release containing all relevant material information. At the beginning of the call, a Company spokesperson will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and full discussion of the risk and uncertainties applicable to the news.

The Company will provide advance notice of the conference call and webcast by issuing a broadly disseminated news release announcing the date, time and topic and providing information on how interested parties may access the call and webcast. These details will be provided on the Company's website. In addition, the Company may send invitations to analysts, institutional investors, the media and others. Any non-material supplemental information provided to participants will also be posted to the website for others to view.

A tape replay of any such conference calls will be made available for a minimum of seven days and an archived audio webcast and/or text transcript will be made available on the Company's website for a minimum of 30 days.

The Company will hold a debriefing meeting immediately after the conference call and if it is determined that selective disclosure of previously undisclosed material information has occurred, the Company will immediately disclose the information broadly via news release.

Rumours

The Company does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the internet. The Company's spokespersons will respond consistently to any rumours, saying, "It is our policy not to comment on market rumours or speculation."

However, if the Company becomes aware of a rumour or report, true or false, that contains information

that is likely to have, or has had, an effect on the trading in its securities, or would be likely to have a bearing on investment decisions, the Company is required to publicly clarify the rumour or report as promptly as possible.

Whenever unusual market action takes place, the Company will make inquiry to determine whether rumours or other conditions requiring corrective action exist, and, if so, take whatever action is appropriate. If, after this review, the unusual market action remains unexplained, the Company will issue a "no news" release (i.e., announce that there has been no material development in its business and affairs not previously disclosed or, to its knowledge, any other reason to account for the unusual market action.) If the rumour is true in whole or in part, this may be evidence of a leak, and the Company will immediately issue a broadly disseminated news release disclosing the relevant material information.

Unwarranted Promotional Disclosure

The Company will refrain from promotional disclosure activity which exceeds that necessary to enable the public to make informed investment decisions. Such activity includes inappropriately worded news releases, public announcements not justified by actual developments in a company's affairs, exaggerated reports or predictions, flamboyant wording and other forms of overstated or over-zealous disclosure activity which may mislead investors and cause unwarranted price movements and activity in a company's securities.

Contact with Analysts, Investors and Media

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of its investor relations program. The Company will meet with analysts and investors individually or in small groups as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy. All analysts will receive fair treatment regardless of whether they are recommending buying or selling the Company's securities.

The Company will provide only non-material information through individual and group meetings, in addition to publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Company cannot alter the materiality of information by breaking down the information into smaller, non-material components.

The Company will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors and may post this information on its website.

Spokespersons will keep notes of telephone conversations with analysts and investors and where practicable more than one Company representative will be present at all individual and group meetings. A debriefing will be held after these meetings and, if it is determined that selective disclosure of previously undisclosed material information has occurred, the Company will immediately disclose the information broadly via news release.

Reviewing Analyst Reports and Financial Models

Upon request, the Company may review analysts' draft research reports or financial models for factual accuracy based on publicly-disclosed information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's financial model and earnings estimates.

To avoid appearing to endorse an analyst's report or model, the Company will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

Limits on Distributing Analyst Reports

Analyst reports are proprietary products of the analyst's firm. Distributing or referring to analyst reports, or providing links to them, may be viewed as an endorsement by the Company of the reports. For these reasons, the Company will not provide analyst reports through any means to persons outside of the Company or generally to employees of the Company, including posting such reports on its website. Notwithstanding the foregoing, the Company may distribute analyst reports to its directors and senior officers to monitor the communications of the Company and to assist them in understanding how the marketplace values the Company and how corporate developments affect the analysis. Analyst reports may also be provided to the Company's financial and professional advisors in the necessary course of business. The Company may post on its website a complete listing, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. If provided, this list will not include links to the analysts' or any other third party websites or publications without an appropriate disclaimer.

Forward-Looking Information and Forward-Looking Statements

A consistent approach to disclosure is important. Should the Company elect to disclose forward-looking information and forward-looking statements, as defined under Canadian and U.S. securities laws, respectively, in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed:

- All material forward-looking information and forward-looking statements will be broadly disseminated via newsrelease.
- The information and statements will be clearly identified as forward-looking.
- The Company will identify the material factors on assumptions used in the preparation of the forward-looking information and forward-looking statements.
- The information and statements will be accompanied by a statement that identifies, in specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement.
- The information and statements may be accompanied by supplementary information such as a range of reasonably possible outcomes or a sensitivity analysis to indicate the extent to which different business conditions may affect the actual outcome.
- The information will be accompanied by a statement that the information is stated as of the current date and subject to change after that date, and the information shall be updated in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligation* ("NI 51-102").
- Once disclosed, the Company's practice for updating forward-looking information will be to regularly assess whether previous statements of forward-looking information should be replaced by new financial outlooks, and ensure that past disclosure of forward-looking information is accurately

reflected in current MD&A.

If the Company has issued a forecast or projection in connection with a disclosure document covered by NI 51-102, the Company will update that forecast or projection periodically as required by NI 51-102.

Providing Guidance

The Company will try to ensure, through its regular public dissemination of quantitative and qualitative information, that analysts' estimates are in line with the Company's expectations. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' financial models and earnings estimates.

If the Company has determined that it will be reporting results materially below or above publicly held expectations, it may decide to disclose this information in a news release to enable discussion without risk of selective disclosure.

Quiet Periods

To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company will observe quiet periods when material changes are pending.

During a quiet period, the Company will not initiate any meetings or telephone contacts with analysts and investors, but will respond to unsolicited inquiries concerning factual matters. If the Company is invited to participate, during a quiet period, in investment meetings or conferences organized by others, the Company will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, extreme caution will be exercised to avoid selective disclosure of any material, non-public information.

Trading Restrictions and Blackout Periods

It is illegal for anyone in a "special relationship" with the Company to purchase or sell securities of the Company with knowledge of material information affecting the Company that has not been publicly disclosed. It is also illegal for anyone in a "special relationship" with the Company to inform any other person of material non-public information, except in the necessary course of business. Persons in a "special relationship" with the Company include insiders and employees with knowledge of confidential or material information about the Company or counter-parties in negotiations of potentially material transactions. These persons are prohibited from trading securities of the Company or any counter-party until the information has been fully disclosed and a reasonable period has passed for the information to be widely disseminated.

Insiders are personally responsible for filing accurate and timely insider trading reports. Insiders may be requested to provide a copy of all insider reports to the Committee or other designated person concurrent with their filing to regulatory authorities.

Blackout periods may be prescribed from time to time by the Committee as a result of special circumstances relating to the Company when insiders would be precluded from trading in its securities. All parties with knowledge of such special circumstance should be covered by the blackout. These parties may include external advisors such as legal counsel, investment bankers, investor relations consultants and other professional advisors, and counter-parties in negotiations of material potential transactions. In certain special circumstances, the blackout period shall be in effect even after material information has been released to the press and other media, for a period sufficient to permit thorough public dissemination and evaluation of the information.

Disclosure Record

The Company will maintain a five-year record of all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles.

Responsibility for Electronic Communications

This disclosure policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures are also responsible for electronic communications.

The Chief Executive Officer and the Chief Financial Officer are responsible for updating the investor relations section of the Company's website and for monitoring all Company information placed on the website to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

Disclosure on the Company's website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the website will be preceded by the issuance of a broadly disseminated news release.

All continuous disclosure documents will be provided by the Investor Relations section of the Company's website. All information posted, including text and audiovisual material, will show the date the material was issued. Any material changes in information must be updated immediately, following issuance of a news release. The website will include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures.

The Chief Executive Officer and the Chief Financial Officer must approve all links from the Company's website to third party websites. The website will include a notice that advises readers they are leaving the Company's website and that the Company is not responsible for the contents of the other site.

The Chief Executive Officer and the Chief Financial Officer are also responsible for responses to electronic inquiries. Only public information or information that could otherwise be disclosed in accordance with this disclosure policy shall be used to respond to electronic inquiries.

In accordance with this disclosure policy, employees (including designated spokespersons) are prohibited from participating in internet chat rooms or newsgroup discussion on matters pertaining the Company's activities or its securities.

Communication, Education and Enforcement

This disclosure policy extends to all employees of the Company, its board of directors and officers and its authorized spokespersons. New directors, officers and employees will be provided with a copy of this disclosure policy and educated about its importance. This disclosure policy will be posted on the Company's website and changes will be communicated to all employees.

Any employee who violates this disclosure policy may face disciplinary action up to and including termination of employment with the Company without notice. The violation of this disclosure policy may also violate certain securities laws, which could expose directors, officers or employees to personal liability. If it appears that an employee may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.