

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Cresco Labs Inc. (formerly Randsburg International Gold Corp., the "**Company**")
1055 West Hastings Street, Suite 2200
Vancouver, British Columbia
V6E 2E9 Canada

Item 2. Date of Material Change

November 30, 2018

Item 3. News Release

A news release with respect to the material change referred to in this report was issued by the Company and disseminated on November 30, 2018 through Marketwired and filed under the Company's profile on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

On November 30, 2018, the Company completed its previously announced business combination (the "**Business Combination**") with Cresco Labs, LLC ("**Cresco**") that resulted in the reverse take-over of the Company by Cresco and its securityholders. The Business Combination was structured as a series of transactions, including Canadian three-cornered amalgamation transactions and a series of U.S. reorganization steps, which resulted in the Company indirectly acquiring substantially all of the voting securities of Cresco.

Item 5. Full Description of Material Change

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Pre-Closing Reorganization

At the Company's meeting of shareholders on November 14, 2018, the shareholders approved certain matters which were implemented in connection with Business Combination, including, among others: (i) the amendment of the Company's notice of articles and articles to (a) amend the rights and restrictions of the then-existing class of common shares and redesignate such class as subordinate voting shares (the

"**Subordinate Voting Shares**"), (b) create a class of super voting shares (the "**Super Voting Shares**"), and, (c) create a class of proportionate voting shares (the "**Proportionate Voting Shares**"); (ii) the change of the Company's name to Cresco Labs Inc.; and (iii) the appointment of MNP LLP as the auditors of the Company.

Each Subordinate Voting Share carries the right to one vote per share on all matters voted on by shareholders of the Company, each Proportionate Voting Share carries 200 votes per Proportionate Voting Share on all matters voted on by shareholders of the Company, and each Super Voting Share carries with it 2,000 votes per Super Voting Share on all matters voted on by the shareholders of the Company.

Release of Escrowed Funds and Conversion of Subscription Receipts

Prior to the completion of the Business Combination, Cresco completed, through a special purpose corporation, a brokered subscription receipt financing at a price of C\$8.50 per subscription receipt (each a "**Subscription Receipt**") for aggregate gross proceeds of approximately C\$107,304,459 million (the "**Financing**"). On closing of the Business Combination, the investors in the Financing received one (1) Subordinate Voting Share of the Company for each Subscription Receipt held, and the Company received C\$100,820,424.40, representing the net proceeds of the Financing.

The Financing was co-led by Canaccord Genuity Corp. and GMP Securities L.P., with a syndicate that included Cormark Securities Inc. and Beacon Securities Limited (collectively, the "**Agents**").

In connection with the closing of the Financing, the Agents received a cash commission of \$5,931,786.60 (less certain expenses of the Agents) and 343,745 broker warrants ("**Broker Warrants**") that entitle the Agents to acquire one Subordinate Voting Share at a price of \$8.50.

Board of Directors

In connection with the closing of the Business Combination, the following individuals were appointed to the board of directors of the Company:

- Charles Bachtell;
- Joe Caltabiano;
- Dominic Sergi;
- Brian McCormack;
- Robert M. Sampson;
- John R. Walter;
- Gerald Corcoran;
- Thomas Manning; and,
- Randy Podolsky.

The Company also announced the appointment of the following officers:

- Charles Bachtell – Chief Executive Officer;
- Joe Caltabiano – President;
- Ken Amann – Chief Financial Officer;
- Zach Marburger – Chief Information Officer;
- David Ellis – Chief Operating Officer;
- Jason Erkes – Chief Communications Officer; and,
- John Schetz – General Counsel.

Post-Business Combination Capitalization

In connection with the Business Combination and pursuant to the Financing, a total of 21,873,969 Subordinate Voting Shares were issued and outstanding after completion of the Business Combination, including Subordinate Voting Shares issued to former holders of Subscription Receipts issued in the Financing.

At the time of closing of the Business Combination, there were also:

- 436,307.73 Proportionate Voting Shares (which are convertible into 87,261,546 Subordinate Voting Shares); and,
- 500,000 Super Voting Shares.

In connection with the Business Combination, the following individuals acquired the following Super Voting Shares, together representing 100% of the outstanding shares of such class:

- Charles Bachtell, Director and Chief Executive Officer – 100,000 Super Voting Shares;
- Joe Caltabiano, Director and President – 100,000 Super Voting Shares;
- Robert M. Sampson, Director – 100,000 Super Voting Shares;
- Brian McCormack, Director – 100,000 Super Voting Shares; and,
- Dominic Sergi, Director – 100,000 Super Voting Shares;

Listing

The Subordinate Voting Shares began trading on the Canadian Securities Exchange on December 3, 2018 under the symbol “CL”. The Proportionate Voting Shares and Super Voting Shares are not listed on the CSE. The conversion of Proportionate Voting Shares into Subordinate Voting Shares is governed by the Company's Articles. The Super Voting Shares are not convertible into Subordinate Voting Shares.

Item 5.2 Disclosure of Restructuring Transactions

Not applicable.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

For further information, please contact:

John Schetz, General Counsel
Phone: (312) 410-8226
Email: john.schetz@crescolabs.com

Item 9. Date of Report

December 10, 2018

FORWARD LOOKING STATEMENTS

This material change report contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward- looking information. Generally, forward-looking information may be identified by the use of forward- looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ

materially from those anticipated in such forward-looking information. This forward-looking information reflects the current beliefs of the Company and is based on information currently available to the Company and on assumptions that the Company believes are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of future operations; competition; changes in legislation affecting the Company; the timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals and the other factors identified in the Company’s Listing Statement filed with the Canadian Securities Exchange and available under the Company’s profile on www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this material change report is expressly qualified by this cautionary statement. The forward-looking information contained in this material change report represents the expectations of the Company as of the date of this material change report and, accordingly, is subject to change after such date. However, the

Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.