

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Grown Rogue International Inc. (the “**Corporation**” or “**Company**”)
340 Richmond Street West
Toronto, Ontario
M5V 1X2

Item 2 Date of Material Change

November 15 and November 26, 2018.

Item 3 News Release

A news release was issued by the Corporation on November 16, 2018 through the facilities of Cision and was subsequently filed on SEDAR.

A news release was issued by the Corporation on November 26, 2018 through the facilities of Cision and was subsequently filed on SEDAR.

Item 4 Summary of Material Change

On November 15, 2018, the Corporation closed its previously announced reverse takeover transition with Grown Rogue Unlimited, LLC. On November 26, 2018, the Corporation announced the resumption of trading of its common shares (the “**Common Shares**”) on the Canadian Securities Exchange (the “**CSE**”).

Item 5.1 Full Description of Material Change

On November 15, 2018, the Corporation closed its previously announced reverse takeover transaction with Grown Rogue Unlimited, LLC (the “**Transaction**”).

Prior to the completion of the Transaction, and in addition to the financings announced by the Corporation on November 5, 2018, Grown Rogue Unlimited, LLC (“**Grown Rogue US**”) completed a non-brokered private placement of subscription receipts (the “**Subscription Receipts**”) for aggregate gross proceeds of C\$1,646,050 with each Subscription Receipt being sold for C\$0.44. Pursuant to the terms of the Subscription Receipts, upon completion of the Transaction, each one Subscription Receipt was automatically exchanged for one Common Share and one Common Share purchase warrant exercisable until November 15, 2020 to acquire one Common Share at an exercise price of C\$0.55 per Common Share.

In addition to the offering of Subscription Receipts, prior to the completion of the Transaction, Grown Rogue US completed an offering of common units and purchase warrants of Grown Rogue US for gross proceeds of C\$649,079. Pursuant to the Transaction, each common unit and purchase warrant sold under the offering was each exchanged into the same number of Common Shares and Common Share purchase warrants exercisable until November 15, 2020 to acquire one Common Share at an exercise price of C\$0.55 per Common Share.

On November 26, 2018, the Corporation announced the resumption of trading of its Common Shares on the CSE.

The listing follows the successful completion of the Transaction. In connection with this reverse takeover and the listing on the CSE, the Corporation raised approximately CAD \$6.5 million through brokered and non-brokered private placements.

As a state licensee in Oregon, the Corporation is recognized for its consistently high-quality products and pioneering “seed-to-experience” cannabis branding. The Corporation is the first vertically-integrated cannabis company that crowdsources consumer experiences to determine cannabis strain classification by effect, ensuring the Right Experience, Every Time.™ The Corporation also expects to enter the California market by the end of 2018.

Business Highlights

- Revenues have doubled from the second to the third quarter of 2018, and significant revenue growth is expected to continue as the Corporation proceeds with its business plan of acquisitions and expansion.
- The Corporation’s brands are in over 220 dispensaries in Oregon.
- Cultivating 90,000 sq. ft. of canopy in Oregon including two outdoor farms and a state of the art indoor facility.
- Planned expansion into California will include a 14,000 sq. ft. micro-business facility in Eureka, CA and a distribution partnership spanning San Francisco to Los Angeles.

“Grown Rogue is a trusted brand with a proven track record for delivering reliable and consistent experiences for cannabis consumers” said Obie Strickler, CEO and co-founder of the Corporation. “With average consecutive monthly revenue growth of 28% for 2018, we have begun the process to expand operations and jurisdictions to meet increased demand. The public listing of the Corporation’s common shares on the CSE is an important milestone in the development of the Corporation, as we continue to accelerate our expansion as a national cannabis brand.”

Headquartered in Oregon’s Rogue Valley, known for its premier cannabis growing microclimates, the Corporation operates approximately 90,000 SQ FT of cultivation through both outdoor and best in class indoor facilities. The Corporation’s diverse product suite includes premium flower, patent-pending nitrogen sealed pre-rolls, oil and concentrates. The Corporation also plans to launch dark chocolate edibles featuring a partnership with a world-renowned chocolatier.

The Corporation has an experienced management team, state of the art manufacturing facilities, and a proprietary distribution platform through an exclusive partnership with Microsoft 365. The Corporation’s products are available in more than 220 retail locations today. Multiple licences are held in Oregon, with plans for retail, distribution, and cultivation projects in California, among other legal states.

A Listing Statement with information about Grown Rogue and the Transaction prepared in accordance with the policies of the CSE is available on SEDAR at www.sedar.com and is incorporated by reference in this report.

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

J. Obie Strickler
President and Chief Executive Officer
Tel: (503) 765-8108

Item 9 Date of Report

November 26, 2018.

Cautionary Note Regarding Forward Looking Information

This report contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward- looking information is often identified by the words “may,” “would,” “could,” “should,” “will,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “expect” or similar expressions and include information regarding: (i) statements regarding the future direction of the Company (ii) the ability of the Company to successfully achieve its business and financial objectives, (iii) plans for expansion of the Company, and (iv) expectations for other economic, business, and/or competitive factors. Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company’s management’s expectations, estimates or projections concerning the business of the Company’s future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the potential impact of the announcement of the going public transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and cannabis products in the markets that the Company operates in; adverse changes in applicable laws; or adverse changes in the application or enforcement of current laws; and increasing costs of compliance with extensive government regulation, and other risks described in the Company’s Listing Statement available on www.sedar.com.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.