



PRESS RELEASE

Grown Rogue Announces Proposed Acquisition of Decibel Farms, Inc.

MEDFORD, OREGON – April 24, 2019 -- Grown Rogue International Inc. (CSE:GRIN | OTC: NVSIF) (“Grown Rogue” or the “Company”), a vertically-integrated, multi-state cannabis company, and Decibel Farms, Inc. (“Decibel”), a fully organic and sustainable producer and processor of fine cannabis products in southern Oregon, have executed a binding letter of intent (the “LOI”) which sets out the general terms and conditions pursuant to which Grown Rogue will acquire the assets, including real estate, intellectual property and other assets of Decibel for aggregate consideration of USD\$3,000,000, subject to adjustment as described below (the “Transaction”).

Decibel is a family owned and operated, 5-acre sungrown and greenhouse farm located in the Applegate Valley in the heart of Southern Oregon with a 2,500 square foot processing center in Medford, Oregon. Decibel owners Shawn Bishop and Buddy Wilson are veterans of cannabis cultivation. Over the past 3 years, Decibel has built a truly sustainable cultivation facility that utilizes biological cultivation practices and has garnered several prestigious quality awards including:

- 1st place sungrown flower Oregon Growers Cup 2017
- 2nd place Infused Pre-roll Dope Cup 2018
- 3rd Place Sungrown Flower 2018 Oregon Growers Cup
- 2nd Place Solventless Extract 2018 Oregon Growers Cup

In addition to award winning flower, Decibel also distributes award winning infused pre-rolls called “Decibel Louds” and award winning solventless extracts called “Decibel Dabs”. All Decibel products are inline with the company’s primary ethos of clean and responsible cannabis which is in alignment with Grown Rogue’s high standards for sustainable cultivation and environmentally responsible packaging.

Obie Strickler, CEO of Grown Rogue, explained the value of the acquisition stating, “Grown Rogue is continuing to see significant month over month sales growth, such that demand for our award winning products is surpassing our current capacity to deliver in Oregon. This acquisition addresses this demand by immediately adding Decibel’s inventory valued at more than US\$1 million wholesale to Grown Rogue’s supply. The acquisition also adds another well respected brand into the Grown Rogue portfolio of brands, enabling us to continue growing our market share. Decibel will expedite our ability to ramp up product supply by adding Decibel’s 40,000 sq ft cultivation and manufacturing capacity, as well as a very experienced management to the Grown Rogue leadership team.”

Upon closing of the Transaction Shawn Bishop will be appointed Vice President of Manufacturing for Grown Rogue and Buddy Wilson will lead Grown Rogue’s sales team as Vice President of Sales.

“Merging operations with Grown Rogue is an incredible opportunity for both companies,” said Shawn Bishop, founder and CEO of Decibel. “We’re very excited to be joining such a skillful and like-minded team with the



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ability to scale our collective efforts into many other states and markets. The thoughtful approach to strategic expansion demonstrated by Obie and his team inspires great confidence.”

Mr. Strickler added, “There are very good synergies between our teams. Together we are much more capable to extend the proven, vertically integrated platform into additional regions.”

Terms of the Transaction

The Transaction will be structured as a tax-free merger, pursuant to which Decibel will merge with and into Grown Rogue Gardens, LLC, a wholly-owned indirect subsidiary of the Company pending final due diligence and a definitive merger agreement (the “**Definitive Agreement**”). The real estate property of Decibel will be acquired by GRU Properties, LLC, a wholly-owned indirect subsidiary of the Company, pursuant to a customary commercial real estate acquisition agreement.

The consideration to be paid to the shareholders of Decibel shall consist of: (i) USD\$2,000,000 of common shares of the Company, to be issued twelve months from the signing of the Definitive Agreement with respect to the Transaction, with the number of shares to be issued to be determined based on the volume weighted average price of the Company’s common shares as reported by the Canadian Securities Exchange (the “**CSE**”) for the ten trading days immediately prior to the date that is twelve months from the closing date, up to a maximum of C\$1.25 per share; and (ii) up to an additional USD\$1,000,000 of common shares on the same terms based on the completion of certain business and operational milestones achieved by the Company. The issuance of the Company’s common shares under the Transaction is subject to compliance with applicable securities laws and the policies of the CSE.

“The terms of this all stock purchase, with share price to be set 12 months out, limits current dilution to our existing shareholders while increasing capacity for product growth and revenue generation. These mandates have been fundamental to our company’s vision to develop strong investor relationships that provide measurable returns,” added Mr. Strickler.

The closing of the Transaction will be subject to, among other things, satisfactory completion of due diligence by the Company, regulatory approvals, and delivery of a definitive merger agreement and other related transaction documents by June 30, 2019.

About Grown Rogue

[Grown Rogue International](#) (CSE: GRIN | OTC: NVSIF) is a vertically-integrated, multi-state cannabis company curating innovative products to provide consumers with the right cannabis experience. Each of Grown Rogue’s products and strains are categorized and marketed based on unique effects and designed for the full range of a consumer’s lifestyle. Grown Rogue is scaling the vertically integrated model into multiple states by incorporating best-in-class manufacturing facilities and a proprietary distribution platform based on Microsoft technology. Grown Rogue’s diverse cannabis product suite includes premium flower, patent-pending nitrogen sealed pre-rolls, oil and concentrates, and edibles featuring a partnership with world-renowned chocolatier, Jeff Shepherd.



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This press release 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 into new jurisdictions and securing applicable regulatory approvals, 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: 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; compliance with extensive government regulation and related costs, and other risks described in the Company’s public disclosure 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.

Safe Harbor Statement:

This press release may contain forward-looking information within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including all statements that are not statements of historical fact regarding the intent, belief or current expectations of the Company, its directors or its officers with



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respect to, among other things: (i) the Company's financing plans; (ii) trends affecting the Company's financial condition or results of operations; (iii) the Company's growth strategy and operating strategy; and (iv) the declaration and payment of dividends. The words "may," "would," "will," "expect," "estimate," "anticipate," "believe," "intend" and similar expressions and variations thereof are intended to identify forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date hereof. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond the Company's ability to control, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors including the risk disclosed in the Company's Form 20-F and 6-K filings with the Securities and Exchange Commission.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational cannabis marketplace in the United States through its indirect operating subsidiaries. Local state laws where its subsidiaries operate permit such activities however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are disclosed in the Company's public disclosure available on its issuer profile on SEDAR at www.sedar.com. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

For further information on Grown Rogue International please visit www.grownrogue.com or contact:

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