UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission File Number: 000-53646

GROWN ROGUE INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

Ontario, Canada
(Jurisdiction of incorporation or organization)

550 Airport Road, Medford, Oregon, United States,
97504
(Address of principal executive offices)

Obie Strickler, Telephone (458) 226-2100
550 Airport Road, Medford, Oregon, United States 97504
(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to section 12(b) of the Act: **None**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **Common Stock, no par value**
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**
(Title of Class)

The number of outstanding shares of the issuer's common stock as of October 31, 2023, was 182,005,886 shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or a transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If the securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐ Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Table of Contents

GENERAL

In this Annual Report, references to "we", "us", "our", the "Company", and "Grown Rogue" means Grown Rogue International Inc., and its subsidiaries, unless the context requires otherwise.

We use the United States dollar as our reporting and presentation currency and our consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All monetary references in this document are to U.S. dollars, unless otherwise indicated. All references in this document to "dollars" or "$" or "U.S.$" mean United States dollars, unless otherwise indicated, and references to "CAD$" mean Canadian dollars.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Much of the information included in this Form 20-F ("Report") is based upon estimates, projections or other "forward-looking statements". Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. These statements relate to future events or our future financial performance. In some cases you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of those terms or other comparable terminology. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Such estimates, projections or other forward-looking statements involve various risks and uncertainties and other factors, including the risks in the section titled "Risk Factors" below, which may cause our actual results, levels of activities, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States ("U.S"), we do not intend to update any of the forward-looking statements to conform those statements to actual results.

Please see *Item 3 –. "Key Information — Risk Factors*" for a further discussion of certain factors that may cause actual results to differ materially from those indicated by our forward-looking statements. The statements contained in *Item 4 – "Information on the Company"*, *Item 5 – "Operating and Financial Review and Prospects"* and *Item 11 – "Quantitative and Qualitative Disclosures about Market Risk"* are inherently subject to a variety of risks and uncertainties that could cause actual results, performance or achievements to differ significantly. "Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended.

PART I

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. DIRECTORS AND SENIOR MANAGEMENT

Not applicable.

B. ADVISERS

Not applicable.

C. AUDITORS

The independent registered public accounting firm conducting the audit of the Company is Turner, Stone & Company, L.L.P., located at 12700 Park Central Drive, Suite 1400, Dallas, Texas 75251, United States of America.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

A. OFFER STATISTICS

Not applicable.

B. METHOD AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 KEY INFORMATION

A. [RESERVED]

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

In addition to the other information presented in this Report, the following risk factors should be given special consideration when evaluating an investment in our securities.

THERE ARE NUMEROUS AND VARIED RISKS, KNOWN AND UNKNOWN, THAT MAY PREVENT US FROM ACHIEVING OUR GOALS. THE RISKS DESCRIBED BELOW ARE NOT THE ONLY ONES WE WILL FACE. IF ANY OF THESE RISKS ACTUALLY OCCURS, OUR BUSINESS, FINANCIAL CONDITION OR RESULTS OF OPERATION MAY BE MATERIALLY ADVERSELY AFFECTED. IN SUCH CASE, THE TRADING PRICE OF OUR SECURITIES COULD DECLINE AND INVESTORS IN OUR SECURITIES COULD LOSE ALL OR PART OF THEIR INVESTMENT. THE INFORMATION IN THIS REPORT IS COMPLETE AND ACCURATE AS OF THE DATES REFERENCED HEREIN, BUT THE INFORMATION MAY CHANGE AFTER SUCH DATE. SHOULD ONE OR MORE OF THE FOLLOWING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS OF OUR BUSINESS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED.

Risks Factors Relating to Our Business

Business is Illegal under U.S. Federal Law. The Company, through its subsidiaries, engages in the medical and adult-use marijuana industry in the United States where local state law permits such activities. Producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a federal crime in the United States. The United States federal government regulates drugs through the Controlled Substances Act (the "Federal CSA"), which places controlled substances, including cannabis, on one of five schedules. Cannabis is currently classified as a Schedule I controlled substance, which is viewed as having a high potential for abuse and having no currently accepted medical use in treatment in the United States. No prescriptions may be written for Schedule I substances, and such substances are subject to production quotas imposed by the United States Drug Enforcement Administration (the "DEA"). Schedule I drugs are the most tightly restricted category of drugs under the Federal CSA. State and territorial laws that allow the use of medical cannabis or legalize cannabis for adult recreational use are in conflict with the Federal CSA, which makes cannabis use and possession illegal at the federal level. Because cannabis is a Schedule I controlled substance, the development of a legal cannabis industry under the laws of these states is in conflict with the Federal CSA, which makes cannabis use and possession illegal on a national level. Additionally, the Supremacy Clause of the United States Constitution establishes that the Constitution, federal laws made pursuant to the Constitution, and treaties made under the Constitution's authority constitute the supreme law of the land. The Supremacy Clause provides that state courts are bound by the supreme law; in case of conflict between federal and state law, including Oregon, Michigan, and other state law legalizing certain cannabis uses, the federal law must be applied.

Until Congress amends the Federal CSA with respect to marijuana production, processing, distribution, and use, there is a risk that federal authorities may enforce current federal law against companies such as the Company for violation of federal law or they may seek to bring an action or actions against the Company and/or its investors for violation of federal law or otherwise, including, but not limited to, a claim against investors for aiding and abetting another's criminal activities. The US federal aiding and abetting statute provides that anyone who commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal. Additionally, even if the U.S. federal government does not prove a violation of the Federal CSA, the U.S. federal government may seize, through civil asset forfeiture proceedings, certain assets such as equipment, real estate, moneys and proceeds, or your assets as an investor in the Company, if the U.S. federal government can prove a substantial connection between these assets or your investment and marijuana distribution or cultivation.

Because many states in the United States have approved certain medical or recreational uses of cannabis, the U.S. Department of Justice, through a memorandum dated August 29, 2013 and titled "Guidance Regarding Marijuana Enforcement" (the "Cole Memorandum"), had previously described a set of priorities for federal prosecutors operating in states that had legalized the medical or other adult use of cannabis. The Cole Memorandum represented a significant shift in U.S. federal government priorities away from strict enforcement of federal cannabis prohibition. However, the Cole Memorandum was merely a directive regarding enforcement and did not overturn or invalidate the Federal CSA or any other federal law or regulation.

The Cole Memorandum was rescinded by Jeff Sessions, the U.S. Attorney General, in January 2018. The rescission of the Cole Memorandum, and comments made publicly by Mr. Sessions and other members of the Trump Administration, signal a significant shift by the U.S. federal government back to more strict enforcement of federal law, which is expected to have a material adverse effect, financially, operational and otherwise, on state-approved cannabis businesses, including Grown Rogue Unlimited, LLC ("GR Unlimited"), our wholly owned subsidiary.

In Oregon, Billy J. Williams was the United States Attorney for the District of Oregon until Scott Erik Asphaug's appointment on December 25, 2021.

In an editorial published on January 12, 2018, Mr. Williams wrote: "In sum, I have significant concerns about the state's current regulatory framework and the resources allocated to policing marijuana in Oregon."

At a meeting on February 2, 2018, Mr. Williams told Oregon's top politicians and law enforcement officials that there's more cannabis being produced in the state than can legally be consumed. "And make no mistake about it, we're going to do something," Williams told dozens of politicians, tribal leaders, sheriffs as well as representatives of the FBI and the U.S. Drug Enforcement Administration. "Here's what I know, in terms of the landscape here in Oregon: We have an identifiable and formidable marijuana over-production and diversion problem," Williams said. "That's the fact. My responsibly is to work with our state partners to do something about it."

Because marijuana is illegal under U.S. federal law, investing in a cannabis business could be found to violate the Federal CSA. As a result, individuals involved with cannabis businesses, including but not limited to, investors and lenders, may be indicted under U.S. federal law. Your investment in the Company may: (a) expose you personally to criminal liability under U.S. federal law, resulting in monetary fines and jail time; and (b) expose any real and personal property used in connection with the Company's business to seizure and forfeiture to the U.S. federal government.

Active enforcement of the current federal law on cannabis may thus directly and adversely affect revenues and profits of the Company. The risk of strict enforcement of the Federal CSA remains uncertain.

***Other Laws and Regulations*.** The industry in which GR Unlimited operates could require the Company and/or GR Unlimited to comply with a myriad of other federal, state and local laws and regulations, which could include, among others, laws and regulations relating to cannabis, personally identifiable information, wage and hour restrictions, health and safety matters, consumer protection and environmental matters. Compliance with such laws and regulations may be costly and a failure to comply with such laws and regulations could result in fines, penalties, litigation and other liability that could materially adversely affect the Company.

The Company's business and products are and will continue to be regulated by the Oregon Liquor Control Commission (the "OLCC"), the Cannabis Regulatory Agency (the "CRA") of Michigan, and other regulatory bodies as applicable laws continue to change and develop. Regulatory compliance with the OLCC, CRA, and other regulatory bodies, and the process of obtaining regulatory approvals, can be costly and time-consuming. Further, the Company cannot predict what kind of regulatory requirements its business will be subject to in the future. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company.

Local, state and U.S. federal laws and enforcement policies concerning marijuana-related conduct are changing rapidly and will continue to do so for the foreseeable future. Changes in applicable law are unpredictable and could have a material adverse effect on the Company. Changes in applicable laws or regulations could significantly diminish the Company's prospects. The Company has little or no control over potential changes to laws or regulations that may affect its business, including the business of GR Unlimited.

Additionally, governmental regulations affect taxes and levies, healthcare costs, energy usage and labor issues, all of which may have a direct or indirect effect on the Company's business and its customers or suppliers. Changes in these laws or regulations, or the introduction of new laws or regulations, could increase the costs of doing business for the Company, or its customers or suppliers, or restrict the Company's actions, causing the Company to be materially adversely affected.

Current and Future Consumer Protection Regulatory Requirements. The Company may manufacture and sell food and other products for human consumption which involves the risk of injury to consumers. Such injuries may result from tampering by unauthorized third parties, product contamination or spoilage, including the presence of foreign objects, substances, chemicals, other agents, or residues introduced during the growing, storage, handling or transportation phases. Even though the Company intends to grow and sell products that are safe, it has potential product liability risk from the consuming public. The Company could be party to litigation based on consumer claims, product liability or otherwise that could result in significant liability for the Company and adversely affect its financial condition and operations. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that the Company's products caused illness or injury could adversely affect its reputation with existing and potential customers and its corporate and brand image.

The U.S. Food and Drug Administration (the "FDA") may now or in the future regulate the material content of the Company's products pursuant to the Federal Food, Drug and Cosmetic Act and the Consumer Product Safety Commission (the "CPSC"), which regulates certain aspects of certain products intended for human consumption pursuant to various U.S. federal laws, including the Consumer Product Safety Act and the Poison Prevention Packaging Act. The FDA and the CPSC can require the manufacturer of defective products to repurchase or recall these products and may also impose fines or penalties on the manufacturer. Similar laws exist in some states, cities and other countries in which the Company sells or intends to sell its products. In addition, certain state laws restrict the sale of packaging with certain levels of heavy metals and impose fines and penalties for noncompliance. A recall of any of the Company's products or any fines and penalties imposed in connection with noncompliance could have a materially adverse effect on its business.

Operational Risks. The Company will be affected by a number of operational risks and it may not be adequately insured for certain risks, including: labor disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's properties, grow facilities and extraction facilities, personal injury or death, environmental damage, adverse impacts on the Company's operations, potential legal liability, and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Company cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have a material adverse effect on the Company.

Limited Operating History. GR Unlimited has a limited operating history and had no record of prior performance as a separate enterprise prior to the reverse take-over of the Company by GR Unlimited. (*See Item 4.A History and Development of the Company*). GR Unlimited faces the general risks associated with any new business operating in a competitive industry, including the ability to fund operations from unpredictable cash flow and capital-raising transactions. There can be no assurance that GR Unlimited or the Company will achieve its anticipated investment objectives or operate profitably. The Company's business must be considered in light of the risks, expenses, and problems frequently encountered by companies in their early stages of development. Specifically, such risks may include, among others:

- inability to fund operations from unpredictable cash flows;
- failure to anticipate and adapt to developing markets;
- inability to attract, retain and motivate qualified personnel; and
- failure to operate profitably in a competitive industry.

There can be no assurance that the Company will be successful in addressing these risks. To the extent it is unsuccessful in addressing these risks, the Company may be materially and adversely affected. There can be no assurance that the Company will sustain profitability.

The Company will not be able to deduct many normal business expenses. Under Section 280E of the U.S. Internal Revenue Code (the "IRC"), many normal business expenses incurred in the trafficking of marijuana are not deductible in calculating its U.S. federal income tax liability. A result of IRC Section 280E is that an otherwise profitable business may in fact operate at a loss, after taking into account its U.S. federal income tax expenses. Although the Company has accounted for IRC Section 280E in its financial projections and models, the application of IRC Section 280E may have a material adverse effect on the Company.

External Factors. The Company's business strategy includes commercial scale production and sales of cannabis. The success of this strategy is subject to numerous external factors, such as the availability of suitable land packages, the Company's ability to attract, train and retain qualified personnel, the ability to access capital, the ability to obtain required state and local permits and licenses, the prevailing laws and regulatory environment of each jurisdiction in which the Company may operate, which are subject to change at any time, the degree of competition within the industries and markets in which the Company operates and its effect on the Company's ability to retain existing and attract new customers. Some of these factors are beyond the Company's control.

Failure to Manage Growth Effectively. The rapid execution necessary for the Company to successfully implement its business strategy requires an effective planning and management process. The Company will be required to continually improve its financial and management controls, reporting systems and procedures on a timely basis, and to expand, train and manage its personnel. There can be no assurance that the Company's procedures or controls will be adequate to support operations. If the Company is unable to manage growth effectively, it could suffer a material adverse effect.

Changes in Industry Standards. The industry in which the Company operates could be subject to rapid changes, including, among others, changes in consumer requirements and preferences. There can be no assurance that the demand for any products or services offered by the Company will continue, or that the mix of the Company's future product and service offerings will satisfy evolving consumer preferences. The success of the Company will be dependent upon its ability to develop, introduce and market products and services that respond to such changes in a timely fashion. Consumer preferences change from time to time and can be affected by a number of different and unexpected trends. The Company's failure to anticipate, identify or react quickly to these changes and trends, and to introduce new and improved products on a timely basis, could result in reduced demand for the Company's products, which in turn cause a material adverse impact to the Company.

Dependence on Technology. The Company relies on information technology systems. All of these systems are dependent upon computer and telecommunications equipment, software systems and Internet access. The temporary or permanent loss of any component of these systems through hardware failures, software errors, the vulnerability of the Internet, operating malfunctions or otherwise could interrupt the Company's business operations and materially adversely affect the Company.

Failure to Protect Intellectual Property. Because producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a crime under the Federal CSA, the U.S. Patent and Trademark Office will not permit the registration of any trademark that identifies marijuana products. As a result, the Company likely will be unable to protect the marijuana product trademarks beyond the geographic areas in which the Company conducts business. The use of GR Unlimited trademarks by one or more other persons could have a material adverse effect on the Company.

Even if the Company obtains federal, state or international trademark or copyright registrations for any products or services it develops, such registrations may not provide adequate protection. The Company may also rely on federal, state and international trade secret, trademark and copyright laws, as well as contractual obligations with employees and third parties, to protect intellectual property. Such laws and contracts may not provide adequate protection. Despite the efforts to protect its intellectual property, unauthorized parties may attempt to copy aspects of the Company's products or services, or obtain and use information that the Company regards as proprietary. The Company's efforts to protect its intellectual property from third-party discovery and infringement may be insufficient and third parties may independently develop products or services similar to the Company or duplicate their products or services. In addition, third parties may assert that the Company's products or services infringe their intellectual property.

Vulnerability to Rising Energy Costs. The Company's marijuana growing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably. Increased energy costs would result in higher transportation, freight and other operating costs, including increases in the cost of ingredients and supplies. The Company's future operating expenses and margins could be dependent on its ability to manage the impact of such cost increases. If energy costs increase, there is no guarantee that such costs can be fully passed along to consumers through increased prices.

Agricultural Operations. Since the Company's business revolves mainly around the cultivation of cannabis, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include plant and other diseases, insect pests, adverse weather (including but not limited to drought, high winds, earthquakes and/or wildfire) and growing conditions, and new government regulations regarding farming and the marketing of agricultural products, among others. There is a risk that these and other natural elements will have a material adverse effect on the production of the Company's products, which in turn could have a material adverse effect on its results of operations.

Security Risks. The business premises of GR Unlimited are a target for theft. While the Company has implemented security measures and continues to monitor and improve its security measures, its cultivation and processing facilities could be subject to break-ins, robberies and other breaches in security. If there was a breach in security and the Company fell victim to a robbery or theft, the loss of cash, cannabis plants, cannabis oils, cannabis flowers and cultivation and processing equipment could have a material adverse impact on the business, financial condition and results of operation of the Company.

Liability, Enforcement, Complaints, etc. The Company's participation in the marijuana industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities. Litigation, complaints, and enforcement actions could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Licenses. The Company's success depends on its ability to obtain and maintain marijuana licenses from state and local authorities including the OLCC and CRA. If the Company fails to obtain or maintain one or more marijuana production licenses from the OLCC, CRA, or other applicable state or local government authorities, its business will be limited to Oregon's medical marijuana market only, which may not be a viable long-term business model. The Company's failure to obtain and maintain a marijuana license from the OLCC, CRA, or other applicable state or local governmental authorities will have a material adverse effect on the Company and possibly require it to cease operations.

Limited Customer Base; Retail Price Volatility. The customers of the Company's cannabis production business will be limited to other state-licensed marijuana businesses that the Company operates in, which currently includes Oregon and Michigan. The Company currently may not sell its products to any business or person located outside Oregon and Michigan. Generally, the Company will not be able to sell any of its products outside of the state of production. Consequently, the Company's customer base is limited to the jurisdictions it operates in for any cannabis based products, which currently includes Oregon and Michigan. The retail and wholesale prices in Oregon and Michigan have demonstrated significant volatility over time. Price declines, if sustained, will have a material adverse effect on the Company.

Local Laws and Ordinances. Although legal under Oregon and Michigan state law, local governments have the ability to limit, restrict, and ban medical or recreational cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances, and similar laws could also be adopted or changed, and have a material adverse effect on the Company.

The Company's contracts may be unenforceable and property may be subject to seizure. As the U.S. Federal CSA currently prohibits the production, processing and use of marijuana, contracts with third parties (suppliers, vendors, landlords, etc.) pertaining to the production, processing, or selling of marijuana-related products, including any leases for real property, may be unenforceable. In addition, if the U.S. federal government begins strict enforcement of the Federal CSA, any property (personal or real) used in connection with a marijuana-related business may be seized by and forfeited to the federal government. In this case, the Company's inability to enforce contracts or any loss of business property (whether the Company's or its vendors') will have a material adverse effect on the Company.

Third party service providers to the Company may withdraw or suspend their service. Because under U.S. federal law the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminal acts under federal law, companies that provide goods and/or services to companies engaged in cannabis-related activities may, under threat of federal civil and/or criminal prosecution, suspend or withdraw their services. Any suspension of service and inability to procure goods or services from an alternative source, even on a temporary basis, that causes interruptions in the Company's operations could have a material adverse effect on the Company.

The Company's business is highly regulated and it may not be issued necessary licenses, permits, and cards. The Company's business and products are and will continue to be regulated as applicable laws continue to change and develop. Regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. Even if the Company obtains one or more licenses from the OLCC, CRA, or other applicable state or local governmental authorities, no assurance can be given that it will receive all of the other licenses and permits that will be required to operate. Further the Company cannot predict what kind of regulatory requirements its business will be subject to in the future.

The marijuana industry faces significant opposition in the United States. It is believed by many that large well-funded businesses may have strong economic opposition to the marijuana industry. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the medical marijuana industry. Any inroads the pharmaceutical industry could make in halting or impeding the development of the marijuana industry could have a material adverse effect on the Company.

The size of the target market is difficult to quantify. Because the cannabis industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies, and few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, there can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

The Company has numerous competitors. Its marijuana production business is not, by itself, unique. The Company has numerous competitors throughout Oregon, Michigan, and other states utilizing a substantially similar business model. Excessive competition may impact sales and may cause the Company to reduce prices. Any material reduction in prices could have a material adverse effect on the Company. We are operating in a highly competitive industry where we may compete with numerous other companies in the marijuana industry, who may have far greater resources, more experience, and personnel perhaps more qualified than we do. There can be no assurance that we will be able to successfully compete against these other entities. To remain competitive, we will require a continued high level of investment in research and development, marketing, sales and client support. We may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect our business, financial condition and results of operations.

The Company may not be able to obtain or maintain a bank account. Because producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a crime under the Federal CSA, most banks and other financial institutions are unwilling to provide banking services to marijuana businesses due to concerns about criminal liability under the Federal CSA as well as concerns related to federal money laundering rules under the U.S. Bank Secrecy Act. In February 2014, the Financial Crimes Enforcement Network ("FinCEN") bureau of the U.S. Treasury Department issued guidance (which is not law) with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions do not appear to be comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, many cannabis businesses still operate on an all-cash basis. Operating on an all-cash or predominantly-cash basis makes it difficult for the Company to manage its business, pay its employees and pay its taxes, and may create serious safety issues for the Company, its employees and its service providers. Although the Company currently has several bank accounts, its inability to maintain those bank accounts, or obtain and maintain other bank accounts, could have a material adverse effect on the Company.

The protections of U.S. bankruptcy law may be unavailable. As discussed above, the use of marijuana is illegal under U.S. federal law. Therefore, it may be argued that the federal bankruptcy courts cannot provide relief for parties who engage in marijuana or marijuana-related businesses. Recent bankruptcy court rulings have denied bankruptcies for dispensaries upon the justification that businesses cannot violate federal law and then claim the benefits of federal bankruptcy for the same activity. In addition, some courts have reasoned that courts cannot ask a bankruptcy trustee to take possession of and distribute marijuana assets as such action would violate the Federal CSA. Therefore, the Company may not be able to seek the protection of the bankruptcy courts for the equal protection of creditors or debtor-in-possession financing or obtain credit from federal-charted financial institutions.

The Company may have a difficult time obtaining insurance which may expose the Company to additional risk and financial liabilities. Insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, is more difficult for the Company to find, and more expensive, because it is in the cannabis industry. There are no guarantees that the Company will be able to find such insurance in the future, or that the cost will be affordable. If the Company is forced to go without such insurance, it may prevent the Company from entering into certain business sectors, may inhibit its growth, may expose the Company to additional risk and financial liabilities and could have a material adverse effect on the Company.

The Company's websites are accessible in jurisdictions where medicinal or recreational use of marijuana is not permitted and, as a result the Company may be found to be violating the laws of those jurisdictions. The Company's websites, which advertise its products for use in connection with marijuana, are visible in jurisdictions where the medical and recreational use of marijuana is unlawful. As a result, the Company may face legal action brought against it by such jurisdictions for engaging in an activity illegal in that jurisdiction. Such an action could have a material adverse effect on the Company.

Currency Fluctuations. Due to the Company's operations in the United States, and its intention to continue future operations outside Canada, the Company may be exposed to significant currency fluctuations. All or substantially all of the Company's financings will be raised in Canadian dollars, but a substantial portion of the Company's operating expenses are incurred in US dollars. There is no expectation that the Company will put any currency hedging arrangements in place. Fluctuations in the exchange rate between the US dollar and the Canadian dollar may have a material adverse effect on the Company's business, financial condition and operating results. The Company may, in the future, establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, there can be no assurance that it will effectively mitigate currency risks.

Risks Associated with Acquisitions. As part of its overall business strategy, the Company may pursue select strategic acquisitions, which could provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Environmental Risks. The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors (or the equivalent thereof) and employees. There is no assurance that future changes in environmental regulation, if any, will not materially adversely affect the Company.

Government environmental approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of medical and/or recreational marijuana or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of marijuana, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Border crossing for non-U.S. residents may create additional challenges. Although cannabis use and sale is legal and regulated in numerous U.S. states, individuals who are not U.S. residents and employed or involved with licensed cannabis companies could be denied entry or face lifetime bans from the U.S. for their involvement with such companies. There has been increasing anecdotal evidence of non-U.S. residents who are involved in the cannabis industry being denied entry at the U.S. border or facing lifetime bans from the U.S. after disclosing to U.S. border officials the nature of their work. The Company's Board of Directors is made up of both U.S. and non-U.S. residents, so there is no guarantee that certain members of the Company's board would not be subject to such denials or bans. Should a director be prevented from entering the U.S., either in one instance or permanently, his or her ability to serve the Company as a board member could be hindered. This could equally impact any other non-U.S. resident employees employed by the Company.

The Company may suffer reduced profitability if it loses foreign private issuer status in the United States. If, as of the last business day of the Company's second fiscal quarter for any year, more than 50% of the Company's outstanding voting securities are directly or indirectly held of record by residents of the United States, the Company will no longer meet the definition of a "Foreign Private Issuer" under the rules of the U.S. Securities and Exchange Commission (the "SEC"). This change in status could have a significant effect on the Company as it would significantly complicate the raising of capital through the offer and sales of securities and reporting requirements, resulting in increased audit, legal and administration costs. The loss of Foreign Private Issuer status could have a material adverse effect on the Company.

United States Tax Classification of the Company. The Company is treated as a United States corporation for U.S. federal income tax purposes under IRC Section 7874 and is expected to be subject to U.S. federal income tax on its worldwide income. The Company is also, regardless of any application of IRC Section 7874, treated as a Canadian resident company (as defined in the Income Tax Act (Canada) (the "ITA") for Canadian income tax purposes. As a result, the Company will be subject to taxation both in Canada and the United States which will have a material adverse effect on it.

General Risk Factors

Holding Company Status. As a result of the reverse takeover transaction (the "Transaction"), the Company is currently a holding company and essentially all of its operating assets are the capital stock of its subsidiaries. As a result, investors in the Company are subject to the risks attributable to its subsidiaries. As a holding company, the Company conducts substantially all of its business through its subsidiaries, which generate substantially all of its revenues. Consequently, the Company's cash flows are dependent on the earnings of its subsidiaries and the distribution of those earnings to the Company. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt or other contracts, in each case, which could limit the ability to pay such dividends or distributions, if at all. In the event of a bankruptcy, liquidation or reorganization of any of the Company's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Grown Rogue.

We may require additional capital which may not be available to us on acceptable terms, or at all. We have accumulated significant losses and negative cash flows from operations in recent years. At October 31, 2023, we had working capital of $4,417,356, accumulated deficit of $20,996,449, and generated net loss of $662,320. We may not have sufficient funds to meet our liabilities for the ensuing twelve months as they become due. Our ability to continue operations and fund our liabilities may become dependent on our ability to secure additional financing and cash flow.

We have significant trade and other payables which may make it difficult to service our debts and adversely affects our ability to obtain additional financing. At October 31, 2023, we had trade and other payables in the amount of $2,359,750. If in the future we are unable to service our debt obligations we may, among other things, need to refinance all or a portion of our debt at an increased borrowing cost, obtain additional financing, delay capital expenditures, or sell material assets. If we are not able to re-finance our debt as necessary, obtain additional financing, or sell assets on commercially acceptable terms or at all, we may not be able to satisfy our debt obligations and continue business operations.

We must continue to institute procedures designed to avoid potential conflicts involving our officers and directors. Some of our directors and officers are or may serve on the Board(s) of Directors of other companies from time to time. Pursuant to the provisions of the Business Corporations Act (Ontario), our directors and senior officers must disclose material interests in any contract or transaction (or proposed contract or transaction) material to us. To avoid the possibility of conflicts of interest that may arise out of their fiduciary responsibilities to each of the boards, all such directors have agreed to abstain from voting with respect to a conflict of interest between the applicable companies. In appropriate cases, we will establish a special committee of independent directors to review a matter in which several directors, or members of management, may have a conflict.

We rely on the expertise of certain persons and must ensure that these relationships are developed and maintained. We are dependent on the advice and project management skills of various consultants and joint venture partners contracted by us from time to time. Our failure to develop and maintain relationships with qualified consultants and joint venture partners will have a material adverse effect on our business and operating results.

We must indemnify our officers and directors against certain actions. Our articles contain provisions that state that we must indemnify every director or officer, subject to the limitations of the Business Corporations Act (Ontario), against all losses or liabilities that our directors or officers may sustain or incur in the execution of their duties and subject to other applicable law. Our articles further state that no director or officer will be liable for any loss, damage, or misfortune that may happen to, or be incurred by us in the execution of his duties if he acted honestly and in good faith with a view to our best interests. Such limitations on liability may reduce the likelihood of litigation against our officers and directors and may discourage or deter our shareholders from suing our officers and directors based upon breaches of their duties to us, though such an action, if successful, might otherwise benefit us and our shareholders.

Possible volatility of price of shares of our securities. The market price for our securities may be volatile and is subject to significant fluctuations in response to a variety of factors, including the liquidity of the market for our securities, variations in our quarterly operating results, regulatory or other changes in the cannabis industry generally, announcements of business developments by us or our competitors, litigation, changes in operating costs and variations in general market conditions. Because we have a limited operating history in the cannabis industry, the market price for our securities may be more volatile than that of a seasoned issuer. Changes in the market price of our securities may have no connection with our operating results. No predictions or projections can be made as to what the prevailing market price for our securities will be at any time.

Our investors may have difficulty selling our securities as there is a limited public trading market for such securities. An investor in the Company may find it difficult to resell our securities. There is only a limited public market for our securities, and no assurance can be given that a broad or active public trading market will develop in the future or, if developed, that it will be sustained. Our common stock trades on the OTC Markets and the Canadian Securities Exchange (the “CSE”). Our common stock has not been qualified under any applicable U.S. state blue-sky laws, and we are under no obligation to so qualify or register our common stock, or otherwise take action to improve the public market for such securities. Our common stock could have limited marketability due to the following factors, each of which could impair the timing, value and market for such securities: (a) lack of profits; (b) need for additional capital; (c) limited public market for such securities; (d) the applicability of certain resale requirements under the Securities Act; and (e) applicable blue sky laws and the other factors discussed in this Risk Factors section.

Risks Factors Relating to Our Securities

As a public company we are subject to complex legal and accounting requirements that will require us to incur significant expenses and will expose us to risk of non-compliance. As a public company, we are subject to numerous legal and accounting requirements in both Canada and the United States that do not apply to private companies. The cost of compliance with many of these requirements is material, not only in absolute terms but, more importantly, in relation to the overall scope of the operations of a small company. Our relative inexperience with these requirements may increase the cost of compliance and may also increase the risk that we will fail to comply. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, our inability to file required periodic reports on a timely basis, loss of market confidence, delisting or deregistration of our securities, and/or governmental or private actions against us. We cannot assure you that we will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage compared to privately held and larger public competitors. We have previously received and resolved a cease trade order from the Ontario Securities Commission for failure to meet filing requirements. We are also currently the subject of an SEC enforcement action seeking to revoke registration of our common stock.

We do not anticipate paying dividends on shares of our common stock. We do not anticipate paying cash dividends on shares of our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide, in our sole discretion, not to pay dividends. The declaration, payment, and amount of any future dividends will be made at the discretion of our Board of Directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our Board of Directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

Our shareholders may experience dilution of their ownership interests because of our future issuance of additional shares of common stock. Our organizational and corporate documents authorize the issuance of an unlimited number of shares of common stock, without par value. In the event that we are required to issue additional shares of common stock or securities exercisable for or convertible into additional shares of common stock, enter into private placements to raise financing through the sale of equity securities, the interests of our existing shareholders will be diluted and existing shareholders may suffer dilution in their net book value per share depending on the price at which such securities are sold. If we do issue additional shares, it will cause a reduction in the proportionate ownership and voting power of all existing shareholders. As of October 31, 2023, we had outstanding the following common share purchase warrants: 6,716,499 warrants exercisable at CAD$0.25, 13,737,500 warrants exercisable at CAD$0.28 per share, 2,816,250 warrants exercisable at CAD$0.28 and 8,500,000 warrants exercisable at CAD$0.33 per share. As of October 31, 2023, we had outstanding the following share purchase options: 8,655,000 options exercisable at CAD$0.15 per share, 1,150,000 options exercisable at CAD$0.16, and 1,400,000 options exercisable at a weighted average exercise price of CAD$0.30 per share. *(See Item 5: "Operating and Financial Review and Prospects" – "Share Capital and Reserves and Derivative Liabilities"* and *Item 4.A "History and Development of the Company").*

Applicable SEC rules governing the trading of "penny stocks" will limit the trading and liquidity of our common stock and may affect the trade price for our common stock. The SEC has adopted rules which generally define "penny stock" to be any equity security that has a market price (as defined) of less than U.S.$5.00 per share or an exercise price of less than U.S.$5.00 per share, subject to certain exceptions. Our securities will be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of U.S.$5,000,000 or individuals with a net worth in excess of U.S.$1,000,000 or annual income exceeding U.S.$200,000 or U.S.$300,000 jointly with their spouse.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the shares that are subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We expect that the penny stock rules will discourage investor interest in and limit the marketability of shares of our common stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements will make it more difficult for broker-dealers to recommend that their customers buy shares of our common stock, which may limit your ability to buy and sell our shares and have an adverse effect on the market for our shares.

FINRA sales practice requirements may limit a shareholder's ability to buy and sell our securities. In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a client, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that client. Prior to recommending speculative, low-priced securities to their non-institutional clients, broker-dealers must make reasonable efforts to obtain information about the client's financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative, low-priced securities will not be suitable for at least some clients. FINRA requirements make it more difficult for broker-dealers to recommend that their clients buy our securities, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our securities.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management. Changing laws, regulations, and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team needs to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Changes in tax laws or tax rulings could materially affect our financial position and results of operations. Changes in tax laws or tax rulings could materially affect our financial position and results of operations. Certain changes in the taxation of business activities may increase our worldwide effective tax rate and harm our financial position and results of operations.

Because we are quoted on the OTC Markets instead of a national securities exchange in the United States, our U.S. investors may have more difficulty selling their stock or experience negative volatility on the market price of our stock in the United States. In the United States, shares of our common stock are quoted on the OTC Markets. The OTC Markets is marketed as an electronic exchange for high growth and early stage U.S. companies and a prospective "final step toward a NASDAQ or NYSE listing" (although no assurances can be provided that such change of market shall occur). Trades are settled and cleared in the U.S. similar to any NASDAQ or NYSE stock and trade reports are disseminated through Yahoo, Bloomberg, Reuters, and most other financial data providers. The OTC Markets may be significantly illiquid, in part because it does not have a national quotation system by which potential investors can follow the market price of shares except through information received and generated by a limited number of broker-dealers that make markets in particular stocks. There is a greater chance of volatility for securities that trade on the OTC Markets as compared to a national securities exchange in the United States, such as the New York Stock Exchange, the NASDAQ Stock Market or the NYSE American. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. U.S. investors in shares of our common stock may experience high fluctuations in the market price and volume of the trading market for our securities. These fluctuations, when they occur, have a negative effect on the market price for shares of our common stock. Accordingly, our U.S. shareholders may not be able to realize a fair price from their shares when they determine to sell them or may have to hold them for a substantial period of time until the market for shares of our common stock improves.

Volatility in our common share price may subject us to securities litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations. The market for shares of our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. This type of litigation could result in substantial costs and could divert management's attention and resources.

Rule 144 sales in the future may have a depressive effect on the price of shares of our common stock as an increase in supply of shares for sale, with no corresponding increase in demand may cause prices to fall. All of the outstanding shares of common stock held by the present officers, directors, and affiliate stockholders are "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act of 1933"), as amended. As restricted shares, these shares may be resold in the U.S. only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act of 1933 and as required under applicable state securities laws. Rule 144 provides in essence that a person who is an affiliate or officer or director who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1.0% of the Company's issued and outstanding common stock or the average of the four-week trading volume. There is no limit on the amount of restricted securities that may be sold by a non-affiliate after the owner has held the restricted securities for a period of six months if the Company is a current reporting company under the Securities Exchange Act of 1934. A sale under Rule 144 or under any other exemption from the Securities Act of 1933, if available, or pursuant to subsequent registration of shares of common stock of present stockholders, may have a depressive effect upon the price of the common stock in any market that may develop.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") could have a material adverse effect on our business and our operating results. Pursuant to Section 404 of the Sarbanes-Oxley Act and current SEC regulations, we are required to prepare assessments regarding internal controls over financial reporting. In connection with our on-going assessment of the effectiveness of our internal control over financial reporting, we may discover "material weaknesses" in our internal controls as defined in standards established by the Public Company Accounting Oversight Board, or the PCAOB. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The PCAOB defines "significant deficiency" as a deficiency that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. We cannot assure you that the measures we will take will remediate any material weaknesses that we may identify or that we will implement and maintain adequate controls over our financial process and reporting in the future.

We have previously identified significant deficiencies in our internal controls related to Section 404 of the Sarbanes-Oxley Act. Although we have employed qualified personnel and adopted policies and procedures to address these significant deficiencies, we cannot assure you that the measures we are taking will effectively or completely remediate these significant deficiencies or that we will implement and maintain adequate controls over our financial process and reporting in the future. If we fail to sufficiently maintain these remediations, or otherwise fail to comply with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting in the future, our financial statements may contain material misstatements, investors may lose confidence in our reported financial information, and we may become subject to sanctions or investigations by the SEC or other regulatory authorities, which could have a negative effect on the trading price of our securities and entail the expenditure of additional financial and management resources. Any such failure could also adversely affect the results of the management evaluations of our internal controls.

ITEM 4 INFORMATION ON THE COMPANY

In November 2018 the Company entered into a Transaction combining its business operations with GR Unlimited, resulting in a reverse takeover by GR Unlimited. Prior to the Transaction, we were an emerging media and internet company with a focus on user experience and engagement, creating brands, products and destinations globally, regionally and by language that are value driven providing an informative, interactive, entertaining and engaging look at content.

As a result of the reverse takeover Transaction, we became a fully integrated, seed to experience cannabis brand with a focus on user experience. The Company delivers cannabis related products to cannabis users in the state of Oregon with intent to expand into other markets. The Company manages indoor and outdoor growing facilities in the Rogue Valley of Southern Oregon to take advantage of the unique microclimates inherent to each of the various farm locations that help create varied flavor and product profiles while retaining the unique core characteristics that consumers desire. In 2021, we expanded into Michigan by obtaining an interest in an operating company with an indoor grow facility.

Shares of our common stock are quoted on the OTC Markets under the symbol GRUSF and listed on the CSE under the symbol GRIN. Our registered office is located at 40 King St W Suite 5800, Toronto, ON M5H 3S1. Telephone (416) 364-4039, Facsimile (416) 364-8244. Our management office is located at 550 Airport Road, Medford, Oregon, United States, 97504. Our books and financial records are located in the management office. Our Canadian public filings can be accessed and viewed via the System for Electronic Data Analysis and Retrieval (“SEDAR”) at www.sedar.com. Readers can also access and view our Canadian public insider trading reports via the System for Electronic Disclosure by Insiders at www.sedi.ca.

Our Registrar and Transfer Agent is Capital Transfer Agency ULC located at Suite 920, 390 Bay Street, Toronto, Ontario, M5H 2Y2. Our Co-transfer Agent is Worldwide Stock Transfer, LLC located at One University Plaza, Suite 505, Hackensack, N.J. 07601.

Our U.S. public filings are available at the public reference room of the SEC located at 100 F Street, N.E., Room 1580, Washington, DC 20549 and on the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system of the SEC at the website maintained by the SEC at www.sec.gov.

A. HISTORY AND DEVELOPMENT OF THE COMPANY

The Company’s legal name is Grown Rogue International Inc. The Company’s commercial name is Grown Rogue. The Company is a Canadian corporation. We were incorporated in Ontario, Canada on September 22, 1978, under the Business Corporations Act (Ontario), under the name Bonanza Red Lake Explorations Inc. (“Bonanza Red Lake”). Between the time of our incorporation and fiscal year 2013, we operated predominantly as a mining and energy company. During that time period, we underwent various share consolidations, exchanges, and issuances of shares of our common stock. Our mining and energy operations took place in different parts of Canada and the United States. The Company’s name was changed from Bonanza Red Lake Explorations Inc. to Eugenic Corp; and from Eugenic Corp to Eagleford Energy Inc. and subsequently Eagleford Energy Corp.

During fiscal 2014 and 2015, the Company's principal activities consisted of exploration, development and production of petroleum and natural gas properties. In 2016, the Company divested itself of is mining, petroleum and natural gas assets, changed its name to Intelligent Content Enterprises Inc. and began acquiring assets to facilitate operations as a digital media and technology company.

During January and February 2017, the Company developed a technology-based platform, through its wholly owned subsidiary DoubleTap Daily Inc., ("DoubleTap") creating a digital media asset designed to showcase content and deliver digital media to engage social discourse while facilitating advertising and eCommerce with the intent to improve the overall user experience. The Company launched the platform during March 2017, changed its name to Novicius Corp. in May 2017 and also began implementing native advertising services and ad-overlay services on its digital media asset for commercialization.

During the summer of 2017, DoubleTap executed its strategy to drive revenues through technologies and services that deliver content, social and digital media, eCommerce and advertising. Management continued developing the asset, by focusing activities to acquire content creators, bloggers and influencers while building a sales pipeline to position growth. DoubleTap continued activities to expand its social media reach, and web presence of its website. The digital media marketplace is crowded and competitive and although DoubleTap's web presence was growing, management was unable to sustain or build revenues that exceeded its expenditures. In the month of September of 2017, the Company maintained its digital media, and advertising platform while pursuing further ventures of merit to enhance shareholder value. Such efforts resulted in a non-binding Letter of Intent to combine with GR Unlimited as announced on September 28, 2017. The Company divested of DoubleTap Daily Inc. and its business following the closing of the Transaction.

Effective November 15, 2018 and pursuant to the Definitive Agreement, the Company combined its business operations with GR Unlimited, resulting in a reverse take-over of the Company by GR Unlimited. Pursuant to this reverse takeover, the Company issued 60,746,202 common shares at a deemed price of CAD$0.44 and 5,446,202 warrants with an exercise price of $0.55 per share.

Effective November 1, 2018, we changed our name from Novicius Corp. to Grown Rogue International Inc.

During the fiscal years ended October 31, 2023, 2022 and 2021, the Company invested $4,008,866, $4,000,874, and $5,824,256, respectively, on property and equipment, the significant majority of which was spent on the build-out of its indoor growing and processing facilities. The Company anticipates further expenditures to be made on future opportunities evaluated by the Company. Any expenditure that exceeds available cash will be required to be funded by additional share capital or debt issued by the Company, or by other means. The Company's long-term profitability will depend upon its ability to successfully implement its business plan. The Company's past primary source of liquidity and capital resources has been proceeds from the issuance of share capital, debt, shareholders' loans, and cash flow from operations.

On February 10, 2020, the Company announced that it had received a commitment from Plant-Based Investment Corp (CSE: PBIC) ("PBIC") to invest up to CAD$1,500,000 in a non-brokered private placement offering (the "February 2020 Private Placement) of units (the "Units") with each Unit comprising of one common share in the capital of the Company and one common share purchase warrant (the "Warrants"). Each Warrant is exercisable into one Share at a price equal to a 25% premium to the Unit price for a period of 24 months. The Company has the right to accelerate the expiry of the Warrants to thirty (30) days following written notice to the holder if the Shares close at or above CAD$0.25 per share for a period of ten (10) consecutive trading days on the CSE. The offering was completed for gross proceeds of approximately CAD$1,500,000, with 15,000,000 Units issued at a price of CAD$0.10 per Unit. In addition, PBIC and the Company entered into subscription agreements to exchange approximately CAD$1,500,000 worth of each other's shares (the "Share Swap"). Under the terms of the Share Swap, the Company received 2,362,204 common shares of PBIC at a price of $0.635 per share, and PIBC received 15,000,000 shares of the Company at a price of $0.10 per share. PBIC and the Company signed a voting and resale agreement providing that both will be required to vote the shares acquired under the Share Swap as recommended by the other party and were restricted from trading the shares for a period of eighteen months.

In February 2020, the Company, through its subsidiary GR Michigan, LLC ("GR Michigan"), signed an Option to Purchase Agreement (the "Option Agreement") to acquire a 60% controlling interest in Golden Harvests, LLC ("Golden Harvests"). Golden Harvests is a Michigan-based, fully licensed, and operating cultivation company located in Bay City, Michigan. During the nine months ended July 31, 2021, the Company's majority controlled subsidiary GR Michigan, LLC, terminated the Option Agreement. Simultaneously with the termination of the Option Agreement, a new entity, Canopy Management, LLC ("Canopy"), majority-owned by the Chief Executive Officer ("CEO"), signed an option agreement to purchase Golden Harvests under similar terms (the "New Option"). Canopy had already been approved by the State of Michigan for licensing and this facilitated the Company's ability to accelerate and exercise its option to obtain a 60% interest in Golden Harvests.

On January 19, 2021, the Company completed the first tranche of a private placement of 2,031,784 shares for proceeds of $200,000. On February 5, 2021, the Company completed the second tranche of the private placement (the "February 2021 Private Placement 2nd Tranche) comprised of 8,200,000 units (the "Units") at CAD$0.16 per Unit for proceeds of CAD$1,312,000 (U.S.$1,025,000). Each Unit was comprised of one common share and one warrant to purchase one common share. Each warrant has an exercise price of CAD$0.20 and a term of two years. The second tranche included subscriptions by the following related parties: our CEO subscribed to 1,600,000 Units; the CFO of GR Unlimited subscribed to 2,000,000 Units; a key Company operations manager subscribed to 1,000,000 Units; and PBIC subscribed to 2,000,000 Units.

On February 5, 2021, the Company agreed to acquire substantially all of the assets of the growing and retail operations of High Street Capital Partners, LLC ("HSCP") for $3,000,000 of total agreed-upon consideration. The Company also executed a Management Services Agreement ("MSA") with HSCP. The Company operated the growing facility under the MSA until the acquisition of the growing assets obtained regulatory approval. On April 14, 2022, the transaction closed with modifications to the original terms: the HSCP retail dispensary purchase was mutually terminated, and total consideration for the acquisition was reduced to $2,000,000. Upon closing, the Company had paid $750,000 towards the acquisition, and owed payments of $500,000 due on August 1, 2022, and U.S.$750,000 due on May 1, 2023.

On March 5, 2021, the Company announced the completion of a brokered private placement offering through the issuance of an aggregate of 21,056,890 special warrants (each a "Special Warrant") at a price of CAD$0.225 (the "Issue Price") per Special Warrant for aggregate gross proceeds of approximately $3.7 million (CAD$4,737,800) (the "Offering"). Each Special Warrant entitled the holder thereof to receive, for no additional consideration, one unit of the Company (each, a "Unit") on the exercise or deemed exercise of the Special Warrant. Each Unit was comprised of one common share of the Company and one warrant to purchase one common share of the Company. Each Special Warrant entitled the holder to receive upon the exercise or deemed exercise thereof, at no additional consideration, 1.10 Units (instead of one (1) Unit), if the Company had not received a receipt for a final short form prospectus qualifying distribution of the common shares and warrants (the "Qualifying Prospectus") from the applicable securities regulatory authorities (the "Securities Commissions") on or before April 5, 2021. Each Special Warrant was to be deemed exercised on the date that was the earlier of: (i) the date that was three (3) days following the date on which the Company obtained receipt from the Securities Commissions for the Qualifying Prospectus underlying the Special Warrants and (ii) July 6, 2021. The Company obtained receipt for the Qualifying Prospectus on April 26, 2021. Accordingly, on April 30, 2021, the Company issued 23,162,579 Units, comprised of 23,162,579 common shares and 23,162,579 warrants to purchase one common share. The warrants entitle the holder to purchase one common share at an exercise price of CAD$0.30 for a period of two years.

On December 9, 2021, the Company announced that it had closed a non-brokered private placement of common shares ("December 2021 Private Placement") for total gross proceeds of $1,300,000 (CAD$1,645,800). The December 2021 Private Placement resulted in the issuance of 13,166,400 common shares of the Company at a purchase price of CAD$0.125 per share. All common shares issued pursuant to the December 2021 Private Placement were subject to a hold period of four months and one day. Our CEO invested USD$300,000 in the December 2021 Private Placement and received 3,038,400 common shares of the Company.

On December 5, 2022, the Company announced the closing of a non-brokered private placement of the December Convertible Debentures with an aggregate principal amount of $2,000,000. The December Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 36 months from the date of issue. The December Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.20 per common share. Additionally, on closing, the Company issued to the Purchasers of the December Convertible Debentures an aggregate of 6,716,499 warrants (the "December Warrants"), that represents 50% coverage of each purchaser's convertible debenture investment. The December Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of $0.25 CAD per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of 10 consecutive trading days. The December Convertible Debentures and December Warrants issued pursuant to the private placement (and the underlying common shares) were subject to a statutory hold period of four months and one day from the closing date. On March 1, 2024, the Company announced it has accelerated the expiry date of the December Warrants. The Company issued the notice of acceleration required by the warrant certificates governing these warrants on March 1, 2024, thereby accelerating the expiry date to 90 days from the date of notice.

During the year ended October 31, 2023, Purchasers of the December Convertible Debentures converted an aggregate total of convertible debenture principal of $1,040,662 and $133,977 at CAD$0.20 per share into 10,151,250 and 1,022,025 common shares respectively.

In January 2023, the Company exercised an option to acquire 87% of our CEO's membership interest in Canopy, which provides identical economic rights as the Company originally had in the February 2020 Option Agreement (described above). Canopy acquired a 60% controlling interest in Golden Harvests in May 2021. The Company acquired a controlling 60% interest in Golden Harvests for aggregate consideration of U.S.$1,007,719 comprised of 1,025,000 common shares of the Company with a fair value of U.S.$158,182, and cash payments and cash payable of U.S.$849,537.

On May 1, 2023, the terms of the Secured Promissory Note between GR Distribution and HSCP were amended for a second time. Under the second amendment, the Secured Promissory Note will be fully settled in two principal amounts. On May 1, 2023, the $500,000 principal payment plus all accrued but unpaid interest under the first amendment was due and payable. The remaining principal balance of $500,000, which bears no interest, is due and payable as follows: $150,000 due and payable on August 1, 2023; $150,000 due and payable on November 1, 2023; and $200,000 due and payable on December 31, 2023. The Company paid $900,000 during the year ended October 31, 2023.

On May 24, 2023, GR Unlimited entered into an independent contractor consulting agreement with Goodness Growth Holdings, Inc., under which GR Unlimited will support Goodness Growth in the optimization of its cannabis flower products, with a particular focus on improving the quality and yield of top-grade "A" cannabis flower across its various operating markets, starting with Maryland and Minnesota. The consulting agreement was amended on September 20, 2023.

On July 13, 2023, the Company announced the closing of a non-brokered private placement of unsecured convertible debentures (the "July Convertible Debentures") with an aggregate principal amount of $5,000,000. The July Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 48 months from the date of issue. The July Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.24 per common share, at any time on or prior to the maturity date. Additionally, on closing, the Company issued to the subscribers of the July Convertible Debentures an aggregate of 13,737,500 July Warrants, that represents one-half of one warrant for each CAD$0.24 of principal amount subscribed (the "July Warrants"). The July Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of CAD$0.28 per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the Canadian Securities Exchange is CAD$0.40 or higher for a period of 10 consecutive trading days. The July Warrant expiry date will be accelerated to 90 days following notice of the acceleration.

On August 17, 2023, the Company announced that it had closed the second and final tranche of a non-brokered private placement of unsecured convertible debentures for gross proceeds of $1,000,000 (the "August Convertible Debentures"), for a total aggregate principal amount under both tranches of $6,000,000 with the July Convertible Debentures. Additionally, on closing, the Company issued to subscribers under the second tranche an aggregate of 2,816,250 common share purchase warrants (the "August Warrants"). The terms of the August Convertible Debentures and August Warrants issued as part of this second tranche are the same as those issued with the July Convertible Debentures and July Warrants. On March 1, 2024, the Company announced it has accelerated the expiry date of the July Warrants and August Warrants. The Company issued the notice of acceleration required by the warrant certificates governing these warrants on March 1, 2024, thereby accelerating the expiry date to 90 days from the date of notice.

On October 3, 2023, GR Unlimited executed a promissory note (the "New Jersey Retail Promissory Note") and advanced $250,000 to an individual representing the principal amount of the note. Pursuant to the New Jersey Retail Promissory Note, interest on the outstanding principal borrowed accrues at a rate of 12% per annum provided that, if the extended maturity date of the note is triggered, interest shall accrue on the outstanding balance commencing on the maturity date and ending on the extended maturity date of the New Jersey Retail Promissory Note. The Company signed a related definitive agreement on January 16, 2024 to invest in the development of an adult-use dispensary in West New York, New Jersey.

On October 4, 2023, the Company announced that it signed a definitive agreement with an option to acquire 70% of ABCO Garden State, LLC ("ABCO"), pending regulatory approval from the New Jersey Cannabis Regulatory Commission (the "CRC"). ABCO was granted a conditional cultivation and manufacturing license by the CRC and will receive its annual cultivation license soon. GR Unlimited executed a secured draw down promissory note (the "ABCO Promissory Note") with ABCO's affiliate, Iron Flag, LLC, to fund tenant improvements and for general working capital at the 50,000 square foot facility leased by ABCO for use in ABCO's cannabis cultivation operations under construction and estimated to be completed in the second quarter of 2024. Pursuant to the ABCO Promissory Note, GR Unlimited shall make the maximum amount available to Iron Flag, LLC in one or more advances in an aggregate amount not to exceed $4,000,000. Interest on the outstanding principal borrowed accrues at a rate of 12.5% per annum commencing with respect to each advance and accruing until the date the standing advances and all accrued interest is paid in full.

The SEC maintains its EDGAR system on an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including the Company. The address of such Internet site is http://www.sec.gov. The Company's Internet site is https://www.grownrogue.com/. The information on the Company's Internet site is not included in and does not form a part of this Form 20-F.

Our registered office and principal place of business in Ontario is located at 340 Richmond Street West, Toronto, Ontario, M5V 1X2. Our telephone number at that address is (416) 364-4039.

B. BUSINESS OVERVIEW

General

Immediately prior to the reverse takeover Transaction, the Company operated as an emerging media and internet company with a focus on user experience and engagement. As a result of the Transaction and through GR Unlimited, we became a multi-state cannabis company curating innovative products that allow consumers to enhance life experiences. Grown Rogue is committed to educating, inspiring and empowering consumers with information about cannabis so they can "enhance experiences" by selecting the right product. The Grown Rogue portfolio of brands have a diverse cannabis product suite that includes premium flower (indoor and sungrown), flower pre-rolls, and flower jars. Grown Rogue is strategically focused on high quality, low cost production of flower and flower-based products. Flower continues to be the leading product category in most every state as compared to other products such as edible, vape cartridges, pre-rolls, or concentrates. With its best-in-class production methods, low cost cultivation, award winning product, and geographic location in the famed Emerald Triangle, Grown Rogue is well positioned to execute on becoming a leader in flower production in the cannabis sector.

Oregon

Grown Rogue, through its wholly owned subsidiary, Grown Rogue Gardens, LLC ("GR Gardens"), operates four cultivation facilities in Oregon, comprising approximately 95,000 square feet of flowering cultivation canopy, that currently service the Oregon recreational marijuana market: two outdoor sungrown farms called "Foothill" and "Ross Lane", and two state-of-the-art indoor facilities ("Rossanley" and "Airport"). GR Gardens currently holds five producer licenses in Oregon from the Oregon Liquor Control Commission ("OLCC"), two wholesaler licenses, and two processor licenses.

During the year ended October 31, 2023, we executed a two-year lease which includes an option to purchase Ross Lane, an Oregon property which includes 35 acres, 3 tax lots and an additional OLCC producer license. Subsequent to the balance sheet date on January 12, 2024, the Company executed on this purchase option for total consideration of $1,525,000 comprised of a promissory note of $1,285,000 with the remaining consideration consisting of down payment and credit for prepaids rents.

Grown Rogue's Oregon business is headquartered in the world-renowned Emerald Triangle, which is known world-wide for the quality of its cannabis. The Emerald Triangle includes the southern part of Oregon and northern part of California. The company capitalizes on this ideal outdoor growing environment to produce high-quality, low-cost cannabis flower. The two sungrown farms produce one crop per year per farm, which is planted in June and harvested in October.

GR Gardens is responsible for production of recreational marijuana using outdoor and indoor production methodologies. Foothill and Ross Lane are outdoor farms with 40,000 square feet of flowering canopy each, for a total of 80,000 square feet, sitting on a combined land package of approximately 135 acres. Our "Trail's End" outdoor property will not be cultivated in 2023, and we will transfer the Trail's End license to Ross Lane for production in 2024 to streamline operational efficiencies by centralizing production facilities.

Rossanley, an approximately 17,000 square-foot indoor facility, with approximately 5,600 square feet of flowering bench space, produces high-quality indoor flower through controlled environment agriculture ("CEA") operations. By carefully controlling temperature, humidity, carbon dioxide levels, and other criteria, we produce a year-round supply of high-quality cannabis flower with multiple harvests per month. Rossanley has eight dedicated flower rooms, which allows for an average of nearly four harvests per month resulting in approximately 4,000 pounds annually.

Airport, acquired in 2022, is a 30,000 square foot indoor growing facility adding 30,000 square feet of CEA indoor production space and 9,152 square feet of flowering bench space. Airport is a short distance from Rossanley, which is a benefit to operating efficiency, and it is equipped with state-of-the-art equipment which facilitates the implementation of best practices developed at Rossanley.

The total annual production capacity for Grown Rogue's Oregon operations, based on the current constructed capacity, will range between 20,000 and 24,000 pounds, depending upon various factors including sungrown seasonality and strain performance.

Michigan

As described in *Item 4(A) – "History and Development of the Company"*, we acquired a 60% controlling interest in Golden Harvests in May 2021. Golden Harvests operates a single, 80,000 square ft facility that currently serves the Michigan recreational and medical market. Golden Harvests currently holds two medical Class C licenses and 4 recreational class C licenses, allowing for 3,000 and 8,000 plants, respectively.

The Golden Harvests facility is approximately 60% constructed, with approximately 50,000 square feet in operation, including approximately 14,550 square feet of flowering bench space, in addition to all the ancillary support space, including office and administration to support the operations The facility produces high quality indoor flower CEA, with fourteen individual flowering rooms in operation. Harvested pounds in Michigan in 2023 totaled approximately 10,000 pounds. Golden Harvests produces bulk flower, packaged flower, and manufactures pre-rolls on site.

Services

On May 24, 2023, GR Unlimited entered into an independent contractor consulting agreement (the "Consulting Agreement") with Goodness Growth Holdings, Inc. (CSE: GDNS; OTCQX: GDNSF) ("Goodness Growth"). Under the Consulting Agreement, GR Unlimited will support Goodness Growth in the optimization of its cannabis flower products, with a particular focus on improving the quality and yield of top-grade "A" cannabis flower across its various operating markets, starting with Maryland and Minnesota.

Under the initial term of the Consulting Agreement, which expires on June 30, 2025, Goodness Growth will provide compensation to GR Unlimited for sustained consulting support, including input on systems and processes, and recommendations to improve Goodness Growth's cultivation operations. GR Unlimited will be entitled to receive additional incentive compensation if our services result in improved cash flow performance as compared to Goodness Growth's baseline expectations over the term of the agreement. Our cooperation in the agreement will be on an exclusive basis to Goodness Growth within the markets in which Goodness Growth operates. The agreement will automatically extend for up to two additional two-year terms, unless terminated by Goodness Growth or the Company.

A termination fee of at least $5,000,000 is payable to GR Unlimited in the event that Goodness Growth is acquired, sells all or substantially all of its assets, or is merged into another entity and is not the surviving entity of such merger. In addition, a termination fee of at least $2,500,000 is payable to GR Unlimited in the event that the Consulting Agreement terminates for certain other conditions.

As part of this strategic agreement, Goodness Growth is obligated to issue 10,000,000 warrants to purchase 10,000,000 subordinate voting shares of Goodness Growth to the Company, with a strike price equal to CAD$0.317 (U.S.$0.233), being a 25.0 percent premium to the 10-day volume weighted average price ("VWAP") of Goodness Growth's subordinate voting shares prior to the effective date of the Consulting Agreement. Similarly, the Company will issue 8,500,000 warrants to purchase 8,500,000 common shares of the Company to Goodness Growth, with a strike price equal to CAD$0.225 (U.S.$0.166), being a 25.0 percent premium to the 10-day VWAP of the Company's common shares prior to the effective date of the Consulting Agreement. These warrants were issued on October 5, 2023.

The Consulting Agreement and amendments to the Consulting Agreement provides for service revenue earned by us the Company to be calculated beginning January 2023, and we reported service revenue of $929,016 and cost of service revenue of $308,461 for the year ended October 31, 2023.

Product

Grown Rogue produces a range of cultivars for consumers to enjoy, which are traditionally classified as indicas, sativas, and hybrids. Grown Rogue has a mix of "core" and "limited" strains to provide consumers with consistent and unique purchasing options at their local dispensary. Grown Rogue flower has won multiple awards in Oregon, which is one of the most competitive cannabis production environments in the world, including the prestigious Growers Cup competition on two occasions. Grown Rogue won 1st place for highest THC content, 1st place for highest terpene content, and 3rd place in the grower's choice category. In addition, we believe we achieved an outdoor production potency record, at the time, in the state of Oregon, when its Monkey Train cultivar tested at a THC potency of 35.13%. In 2023, Grown Rogue won 3rd place in the Oregon Grower's Cup Outdoor category for its Sour Grape Strain. Consumers can enjoy bulk flower in both Oregon and Michigan. In the Michigan market we also offer our innovative nitrogen sealed 3.5 gram flower jars, our patented nitrogen sealed pre-rolls, 3.5 gram flower bags, and regularly packaged pre-rolls.

We recently launched a new line of strain-specific prepackaged flower, coupled with proprietary genetics, in Michigan, and launched a new branded pre-roll pack product in Oregon in 2023. In addition, Grown Rogue launched a new brand of pre-rolls, a rapidly growing category, called Yeti in 2023. According to LeafLink's MarketScape data, Grown Rogue was the #1 flower producer in Oregon and a top 5 indoor flower wholesaler in Michigan in 2022 and in 2023.

Genetics

We are committed to developing unique, proprietary genetics as long-term genetic diversity will be a major factor in establishing brand differentiation with consumers. We have allocated research and development space to develop new strains, while also phenotype hunting to identify new and exciting strain options that will resonate with consumers. Grown Rogue has developed a compelling mix of proprietary strains, along with a library of "fan favorites" to ensure that consumer and dispensary demand will remain strong for its flower and flower-derived products. All Grown Rogue genetics are rigorously tested to establish the genetic makeup of each strain in its portfolio. We continue to focus on bringing new unique genetics to bring a steady flow of innovative flower and flower products to market. Currently we carry more than 50 unique cultivars in our genetic library and are continually adding to the library as we trial new genetics.

Distribution and Sales

Grown Rogue uses a multi-channel distribution strategy that includes direct-to-retail delivery and third-party delivery (Michigan regulations mandate independent third-party delivery); wholesalers, who have their own distribution channels; and processors, who utilize Grown Rogue products (e.g., trim) to create retail-ready products.

Regarding the direct-to-retail channel, Grown Rogue's sales team works closely with dispensary owners and intake managers to provide consistent product, competitive prices, and personalized service using sales techniques from other industries such as pharmaceutical and liquor. Grown Rogue's goal is to establish and maintain the client relationship as we continue to expand our footprint in the states in which we operate.

Grown Rogue has developed end user product marketing collateral and other educational information regarding Grown Rogue products as part of all sales with dispensaries that include strain type, testing results, information on the product and other necessary information to clearly articulate the product being provided. Each product is uniquely packaged while maintaining brand consistency across the product suite.

Grown Rogue works with dispensary owners to develop promotional opportunities for the retail customers and bud tenders. Grown Rogue provides detailed tutorials to the staff and owners of the dispensaries around the product and how it is grown, processed, cured and packaged so that they are intimately familiar with the Grown Rogue process. Grown Rogue also invites dispensary owners and operators to Grown Rogue's operating facilities so they can see first-hand the methods and processes used to create the product.

Based upon information from MarketScape, which is part of the sales analytics tool utilized by LeafLink, which handles all of our sales and invoicing, we are the largest producer in Oregon and a top five indoor flower producer in Michigan.

Branding

Developing compelling branding that engages, inspires, and creates transparency and trust with consumers is one of the most important aspects of building a successful cannabis company. Cannabis product branding has been evolving from promising high-quality flower, to providing descriptions of the effect a consumer should expect from a particular product.

While other brands have shifted into the "one word" product description, Grown Rogue has leveraged consumer insights and product feedback to evolve the messaging to provide significantly more detail so consumers can make a more informed choice about which Grown Rogue products will optimally enhance their experience.

In order to grow the Grown Rogue community and spread knowledge of its products, Grown Rogue leverages social media and other digital platforms. Grown Rouge aspires to eliminate the "dark mystery" historically associated with cannabis by empowering consumers to learn about the plant and then "enhance experiences" as they desire. The transition from prohibition to legal cannabis has provided the cannabis community with an opportunity to welcome a large group of new members and it is vital that product education is completed in an authentic and informative manner to ensure that everyone's first cannabis experience is not only positive but also as expected.

Marketing and Advertising

Grown Rogue's marketing channels include a comprehensive, fully responsive (mobile) interactive website. The website has been search-engine optimized ("SEO") and includes calls to action that encourage consumers to become part of the Grown Rogue community by following the company on social media.

Grown Rogue is focused on providing education to new and existing consumers through Grown Rogue's website but even more hands on through retail partners. We provide vendor and budtender education days where we spend one on one time with the budtenders educating them about everything Grown Rogue.

Grown Rogue strategically leverages the narrative at retail through digital and physical retail assets to further educate consumers about Grown Rogue.

Grown Rogue has established a social media presence that includes Facebook, Twitter, Instagram, LinkedIn, TikTok and YouTube. Grown Rogue's social identity will be defined by delivering fresh content and keeping interaction with followers/fans prompt and positive. Grown Rogue intends to attract existing cannabis industry participants as well as people not familiar with the industry by creating a positive, inclusive environment where dialogue is encouraged. The goal is to change existing stereotypes and overcome the stigmas associated with the cannabis industry.

Licenses

Grown Rogue is dependent upon its ability (and the abilities of its subsidiaries) to obtain and maintain state and local licenses required to conduct its marijuana business in Oregon, California, and Michigan. Failure to obtain or maintain licenses any such licenses would have a material adverse effect on the Company's business.

Trademarks and Patents

Grown Rogue actively seeks to protect its brand and intellectual property. Grown Rogue currently has three registered U.S. trademarks:

1. *Grown Rogue* was filed on September 22, 2017 and registered on August 7, 2018 under Registration No. 5537240
2. *The Right Experience Every Time* was filed on September 29, 2017 and registered on August 7, 2018 under Registration No. 5537260.
3. *Sizzleberry* was filed on September 29, 2017 and registered on August 7, 2018 under Registration No. 5537259.

Grown Rogue filed a patent for its nitrogen sealed glass containers on February 15, 2018 with the United States Patent and Trademark Office ("USPTO"). The nitrogen sealed glass containers preserve the freshness of the flower and essential terpenes to improve the "entourage effect." The USPTO issued Grown Rogue United States Patent Number 10,358,282 on July 23, 2019. Several third parties have contacted us to request licensing information on this technology. We have introduced nitrogen sealed jars and pre-rolls in Michigan and plan on launching them as we enter additional new markets and may license the technology to third parties operating in markets in which Grown Rogue is not currently licensed.

Social and Environmental Policies

Grown Rogue employs sustainable business models in all of its operations. In cultivation, Grown Rogue maintains the highest standards of environmental stewardship. This includes sustainable water sources with reclamation and recapture as much as possible from runoff and recycling of water input. Grown Rogue uses only natural and sustainable products in all applications, from nutrients to integrated pest management. Grown Rogue maintains the highest level of sustainable cannabis practices through its focus on sustainable and natural cultivation methods.

Grown Rogue hires and pays living wage to all of its team members and is very involved in each of the communities where it operates.

Plans for Expansion and Economic Outlook

Grown Rogue continues to focus on taking its learnings and experience from Oregon and Michigan into new markets across the US. During the last two years, Grown Rogue has established a platform that excels at licensing, compliance, high-quality and low-cost production, understanding consumer purchasing preferences, and product innovation. This platform places Grown Rogue in a superior position to capitalize on new markets compared to our competitors. Oregon is arguably the most competitive cannabis market in the world, and we have excelled by implementing standard business practices that make the Company well suited for entering and building successful brand presence in newly legalized cannabis markets.

The expansion into Airport and acquisition of a 60% interest in Golden Harvests represent execution of management's strategy of growth through high quality, low-cost flower production. In addition, we have added a profitable services segment, which leverages our cultivation expertise to generate margin and increase our presence to two new states at low financial risk. As other growth opportunities arise under favorable financial terms, management can activate known and repeatable systems into new assets.

We believe that the future of the cannabis industry is in branded products and that the leading brands are being developed on the west coast, which is well known for high quality cannabis. Unlike many current multi-state operators who prefer to obtain just a few licenses in a large volume of states, Grown Rogue is focused on establishing a larger number of licenses in fewer states to capitalize on the economies of scale we view as optimal to maximize profits. Over the next twelve months, Grown Rogue is focused on furthering our footprints and flower market shares in the Oregon and Michigan markets, strengthening our presence in Minnesota and Maryland (by way of the Consulting Agreement), continuing to add new products to our portfolio, and exploring and executing on strategic opportunities in new states.

With the recent shift in political landscape, Grown Rogue has also begun analyzing the potential for federal de-regulation and the subsequent ability to export cannabis products across state lines. We believe Oregon will be a large export state. Being located in the Emerald Triangle also provides a unique product differentiator due to the ability to produce high quality low cost sungrown flower due to the environmental conditions that occur naturally in Southern Oregon. Our strategy to take advantage of what is projected to be a multi-billion dollar export business is developing, and we are excited to begin implementation of this business plan over the coming years.

C. ORGANIZATIONAL STRUCTURE

As of the date of this Report, and as a result of the Transaction, we have five wholly-owned subsidiaries: GR Unlimited, GR Gardens, Grown Rogue Distribution, LLC ("GR Distribution"), GRU Properties, LLC ("GRUP"), and GRIP, LLC ("GRIP"). The Company owns GR Gardens, GR Distribution, GRUP, and GRIP, indirectly through its ownership of GR Unlimited; each of GR Gardens, GR Distribution, GRUP, and GRIP is a wholly owned subsidiary of GR Unlimited. Through GR Unlimited, the Company also has an indirect ownership of 87% interest in GR Michigan, LLC ("GR Michigan"), and 87% of Canopy Management LLC, which owns 60% of Golden Harvests. The Company also owns Grown Rogue Retail Ventures, LLC ("GR Retail") indirectly through its ownership of GR Unlimited as GR Retail is a wholly owned subsidiary of GR Unlimited, which owns 43.5% of GR Retail.

All intercompany balances and transactions have been eliminated on consolidation.

The following tables include wholly owned subsidiaries of the Company following the Transaction:

Grown Rogue International Inc.	
100% owned subsidiaries incorporated in the Province of Ontario	100% owned subsidiary Organized in Oregon
Grown Rogue Canada Corp. (incorporated November 15, 2018)	Grown Rogue Unlimited, LLC (organized in Oregon October 31, 2016)

Grown Rogue Unlimited, LLC			
100% owned subsidiaries of Grown Rogue Unlimited, LLC organized in Oregon*			
Grown Rogue Gardens, LLC (organized November 1, 2016)	Grown Rogue Distribution, LLC (organized November 1, 2016)	GRU Properties, LLC (organized November 1, 2016)	GRIP, LLC (organized October 31, 2016)

* GR Unlimited also owns (i) an 87% interest in GR Michigan; (ii) and an 87% interest in Canopy, in which Canopy owns a 60% controlling interest in Golden Harvests. GR Michigan, Canopy and Golden Harvests are LLCs organized in Michigan. Additionally, GR Unlimited owns a 43.5% interest in GR Retail, an entity organized in Delaware.

The corporate structure of the Company as of the date of this Report is as follows:

Company	Ownership
Grown Rogue Unlimited, LLC	100% by GRIN
Grown Rogue Gardens, LLC	100% by Grown Rogue Unlimited, LLC
GRU Properties, LLC	100% by Grown Rogue Unlimited, LLC
GRIP, LLC	100% by Grown Rogue Unlimited, LLC
Grown Rogue Distribution, LLC	100% by Grown Rogue Unlimited, LLC
GR Michigan, LLC	87% by Grown Rogue Unlimited, LLC
Canopy Management, LLC	87% by Grown Rogue Unlimited, LLC
Golden Harvests, LLC	60% by Canopy Management, LLC
Grown Rogue Retail Ventures, LLC	100% by Grown Rogue Unlimited, LLC
Grown Rogue West New York, LLC	43.5% by Grown Rogue Retail Ventures, LLC**

** The Company, through its subsidiary GR Retail invested $500,000 in the equity of GR West NY. GR West NY is a lender to a retail business in New Jersey.

D. PROPERTY, PLANTS AND EQUIPMENT

Our U.S. executive offices consist of approximately 5,000 square feet of office space located at the Airport facility. The address of our U.S. executive offices 550 Airport Road, Medford, Oregon 97504. Our Ontario executive offices are located at 340 Richmond Street West, Toronto, Ontario, M5V 1X2, Canada.

Through GR Gardens, the Company operates four cultivation facilities that currently service the Oregon recreational marijuana market: Airport, Rossanley, Ross Lane, and Foothill. The Company formerly also operated Trail's End, at which will production is not planned from 2023 forward. The Company also leases a facility used to for post-harvest processing called Lars.

The Company leases approximately 42 acres of real property in Jackson County, Oregon, commonly known as 741 West Fork Trail Creek Road, Trail, Oregon 97541, through that certain Commercial Lease Agreement, dated March 1, 2017, between J. Obie ("Jesse") Strickler and GRUP. This property is subleased by GRUP to GR Gardens pursuant to that certain Commercial Sublease Agreement, dated March 1, 2017, between GRUP and GR Gardens.

The Company leases approximately 64 acres of real property in Jackson County, Oregon, commonly known as 3100 N. Foothill Road, Medford, Oregon, 97504, through that certain Commercial Lease Agreement, dated March 17, 2021, between Naumes, Inc., and GR Gardens.

The Company leases property located at 655 Rossanley Drive, Medford, Oregon, pursuant to that certain Commercial Lease Agreement, dated January 31, 2017, between VWPP, LLC, and GRUP. This property is subleased by GRUP to GR Gardens pursuant to that certain Commercial Sublease Agreement, dated January 31, 2017, between GRUP and GR Gardens.

The Company leases property located at 550 Airport Road, Medford, Oregon, pursuant to that certain Commercial Lease Agreement, assumed on April 14, 2022, between Airport Road LLC and GRUP.

The Company leases property located at 2046 Lars Way, Medford, Oregon, pursuant to that certain Commercial Lease Agreement, dated December 20, 2021, between Airport Road LLC and GR Gardens.

The Company leases approximately 35 acres of real property, with an option to purchase, in Jackson County, Oregon, commonly known as 2888 Ross Lane, Central Point, Oregon, through that certain Commercial Lease Agreement, dated December 20, 2022, between Lender Capital, LLC, and GR Gardens., Subsequent to the statement of financial position dated October 31, 2023, the Company exercised its option to purchase the Ross Lane property on January 12, 2024 for a total purchase price of $1,525,000. After applying deposits in escrow and rents paid adjustments, the remaining consideration due of $1,285,000 is in the form of a secured promissory note payable over 36 months.

The Company leases property located at 333 Morton St, Bay City, Michigan, pursuant to that certain Commercial Lease Agreement, dated February 1, 2020, between David Pleitner, LLC and Golden Harvests.

ITEM 4A UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with our Audited Consolidated Financial Statements for the fiscal years ended October 31, 2023, 2022 and 2021 and notes thereto included under Item 18.

Certain statements made in this Item are forward-looking statements. Forward- looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ materially from those reflected herein. See, Item 3.D Key Information - Risk Factors for discussion of important factors, which could cause results to differ materially from the forward-looking statements below.

Overview

The Company, (formerly: Novicius Corp.) was amalgamated under the Business Corporations Act (Ontario) on November 30, 2009. The Company filed articles of amendment effective November 1, 2018, and changed its name from Novicius Corp. to Grown Rogue International Inc. The Company had previously filed articles of amendment effective May 26, 2017, and changed its name from Intelligent Content Enterprises Inc., to Novicius Corp., and consolidated its shares of common stock on the basis of one (1) new share for every ten (10) old shares. The Company filed articles of amendment effective February 1, 2016, and changed its name from Eagleford Energy Corp., to Intelligent Content Enterprises Inc., and consolidated its shares of common stock on the basis of one (1) new share for every ten (10) old shares. Through the Company's wholly owned Ontario subsidiary, DoubleTap Daily Inc. (formerly: Digital Widget Factory Inc.), the Company developed an online content management and advertising platform that powers user and advertising engagement programs in real-time to desktop, mobile and portable devices. DoubleTap operations ceased immediately prior to the effectuation of the Transaction.

The Company's registered office is 40 King St W Suite 5800, Toronto, ON M5H 3S1, Canada. Shares of our common stock quoted on OTC Markets under the symbol GRUSF and listed on the CSE under the symbol GRIN.

The Consolidated Financial Statements include the accounts of Grown Rogue International Inc., the legal parent, together with its wholly owned subsidiaries as at October 31, 2023: GR Unlimited, and GR Unlimited's subsidiaries (collectively referred to as the "Subsidiaries"). GR Unlimited's wholly-owned subsidiaries include GR Gardens; GR Distribution, LLC; GRUP; and GRIP. GR Unlimited also has an 87% interest in GR Michigan, as well as an 87% interest in Canopy, which owns 60% of Golden Harvests.

Capital Management

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity and flexibility to fund its operations, growth and ongoing development opportunities. The Company's capital requirements currently exceed its operational cash flow. As such, the Company is dependent upon future financing in order to maintain liquidity and will be required to issue equity or issue debt.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, availability of capital and the risk characteristics of any underlying assets in order to meet current and upcoming obligations.

The Company's Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management and favorable market conditions to sustain future development of the business. At October 31, 2023 and 2022, the Company considered its capital structure to be comprised of shareholders' deficiency.

BASIS OF PREPARATION

Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the IASB and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"). The Board of Directors approved the Consolidated Financial Statements on February 27, 2024.

Basis of Consolidation

The subsidiaries are those companies controlled by the Company, as the Company is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries by way of its ownership and rights pertaining to the subsidiaries. The financial statements of subsidiaries are included in these financial statements from the date that control commences until the date control ceases. All intercompany balances and transactions have been eliminated upon consolidation.

Basis of Measurement

The Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. The Company's significant accounting policies are disclosed in Note 2 of the Consolidated Financial Statement attached hereto.

Functional and Presentation Currency

The Company's functional currency is the Canadian dollar and the functional currency of its Subsidiaries is the U.S. dollar. The Consolidated Financial Statements are presented in U.S. dollars.

Transactions denominated in foreign currencies are initially recorded in the functional currency using exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using exchange rates prevailing at the end of the reporting period. All exchange gains and losses are included in the consolidated statement of comprehensive income (loss).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company are expressed in U.S. Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income (loss) and reported as currency translation reserve in shareholders' equity.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which, in substance, is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income (loss).

RECENT ACCOUNTING PRONOUNCEMENTS AND RECENT ADOPTED ACCOUNTING STANDARDS

Recent Issued Accounting Pronouncements

The following standards, amendments and interpretations, which may be relevant to the Company have been introduced or revised by the IASB:

(i) In October 2022, the IASB amended IAS 1 *Presentation of Financial Statements*. The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2024. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

(ii) In May 2020, the IASB published 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendment is effective for annual periods beginning on or after January 1, 2022 with early application permitted. The Company adopted the amendments effective November 1, 2022, which did not have material impact to the Company's consolidated financial statements.

(iii) As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendments to IAS 41 *Agriculture*. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flow when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13 *Fair Value Measurement*. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. The Company adopted the Amendments to IAS 41 effective November 1, 2022, which did not have material impact to the Company's consolidated financial statements.

(iv) As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendments to IFRS 9 *Financial Instruments*. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company adopted the Amendments to IFRS 9 effective November 1, 2022, which did not have material impact to the Company's consolidated financial statements.

(v) In May 2017, the IASB issued IFRS 17 *Insurance Contracts*. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The standard is effective for annual periods beginning on or after January 1, 2023. The Company is evaluating the potential impact of this standard on the Company's consolidated financial statements.

SEGMENTED INFORMATION

The Company's operating segments include the production and sale of cannabis and the provision of consulting services in the production and sale of cannabis. All property and equipment and intangible assets are located in the United States. All revenues were generated in the United States during the periods ended October 31, 2023, 2022 and 2021. As such, amounts disclosed in the Consolidated Financial Statements also represent the single operating and geographical reporting segment.

Geographical information relating to the Company's activities is as follows:

Geographical segments	Oregon	Michigan	Other	Services	Total
	$	$	$	$	$
Non-current assets other than financial instruments					
At October 31, 2023	6,640,932	4,016,861	1,361,366	-	12,019,159
At October 31, 2022	4,719,260	3,741,309	-	-	8,460,569
Year ended October 31, 2023					
Net revenue	11,001,261	11,422,908		929,016	23,353,185
Gross profit	5,259,439	6,791,700		620,375	12,671,514
Gross profit before fair value adjustment	4,615,259	6,653,234		620,375	11,888,868
Year ended October 31, 2022					
Net revenue	8,852,104	8,905,179	-	-	17,757,283
Gross profit	3,039,159	5,083,919	-	-	8,123,078
Gross profit before fair value adjustments	3,089,302	5,440,542			8,529,844
Year ended October 31, 2021					
Net revenue	5,152,286	3,882,332	344,055	-	9,378,673
Gross profit	2,325,304	3,585,462	189,702	-	6,100,468

(1) Includes: Plant and equipment, and non-current assets other than financial instruments.

SHARE CAPITAL AND RESERVES

The Company filed articles of amendment effective November 1, 2018 and changed its name from Novicius Corp. to Grown Rogue International Inc.

a) Share Capital

Authorized:

Unlimited number of shares of common stock at no par value

Unlimited number of preferred shares issuable in series

Shares of Common Stock Issued:

The following table sets out the changes in shares of common stock during the respective periods, presented at the number of common shares issued in connection with completion of the Transaction:

	Number	Amount $
Balance October 31, 2020	**107,782,397**	**$ 14,424,341**
Shares issued for employment, director, and consulting services	534,294	95,294
Shares issued pursuant to private placement	10,231,784	1,225,000
Expenses of non-brokered private placement	-	(15,148)
Shares issued to extend payment due date	25,000	2,103
Shares payments towards acquisition of Golden Harvests and extend due date	600,000	107,461
Shares issued to partner creditor	400,000	36,310
Shares and warrants issued pursuant to brokered private placement of Special Warrants	23,162,579	3,738,564
Expenses of brokered private placement of Special Warrants	-	(485,722)
Broker and advisory warrants issued pursuant to Special Warrant financing	-	(210,278)
Settlement of convertible debentures for cash and common shares	10,488,884	916,290
Purchase of non-controlling interest in subsidiary	3,711,938	664,816
Balance October 31, 2021	**156,936,876**	**$ 20,499,031**
Shares issued for employment, director, and consulting services	529,335	59,796
Private placement of shares	13,166,400	1,300,000
Balance October 31, 2022	**170,632,611**	**21,858,827**
Shares issued in consideration for the acquisition of Golden Harvests	200,000	35,806
Shares issued as partial settlement of December Convertible Debentures	11,173,275	2,698,789
Balance October 31, 2023	**182,005,886**	**24,593,422**

Preferred Shares Issued:

At October 31, 2023 and 2022, there were no preferred shares issued.

b) Share Purchase Warrants

The following table sets out the changes in warrants during the respective periods:

	October 31, 2023		October 31, 2022	
Warrants	**Number of Warrants**	**Weighted Average Price (CAD$)**	**Number of Warrants**	**Weighted Average Price (CAD$)**
Outstanding, beginning of year	33,510,696	$ 0.28	56,919,787	$ 0.22
Issued pursuant to December Convertible Debentures	6,716,499	0.25	-	-
Issuance pursuant to July Convertible Debentures	13,737,500	0.28	-	-
Issuance pursuant to August Convertible Debentures	2,816,250	0.28	-	-
Issuance pursuant to Consulting Agreement with Goodness Growth	8,500,000	0.33	-	-
Expiration of warrants	(33,510,696)	(0.28)	(23,409,091)	(0.14)
Balance, end of year	**31,770,249**	**$ 0.29**	**33,510,696**	**$ 0.28**

The following tables summarize the outstanding warrants at October 31, 2023 and 2022, respectively:

Number of Warrants 2023	Exercise Price (CAD$)	Expiry Date	Remaining Contractual Life (Years)
6,716,499	$ 0.25	December 2, 2025	2.09
13,737,500	0.28	July 13, 2026	2.70
2,816,250	0.28	August 17, 2026	2.80
8,500,000	0.33	October 5, 2028	4.93
31,770,249	**$ 0.29**		**3.18**

Number of Warrants 2022	Exercise Price (CAD$)	Expiry Date	Remaining Contractual Life (Years)
8,200,000	$ 0.20	February 5, 2023	0.27
23,162,579	0.30	March 5, 2023	0.34
2,148,117	0.44	June 28, 2023	0.66
33,510,696	**$ 0.28**		**0.34**

d) Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	October 31, 2023	October 31, 2022	October 31, 2021
Weighted Average Shares Outstanding, basic	172,708,792	169,193,812	135,231,802
Weighted Average Shares Outstanding, diluted	172,708,792	169,193,812	135,231,802

e) Share Purchase Options

The following table is a summary of the status of the Company's stock options and changes during the period:

	Number of Options	Weighted Average Exercise Price CAD$
Balance, October 31, 2020	**3,720,000**	**$ 0.19**
Granted to employees	3,085,000	0.20
Forfeitures by service providers	(65,000)	0.15
Forfeitures by employees	(965,000)	0.15
Forfeitures by employees	(10,000)	0.22
Balance, October 31, 2021	**5,765,000**	**$ 0.20**
Granted to employees	605,000	0.15
Forfeitures by service providers	(500,000)	0.44
Forfeitures by employees	(960,000)	0.15
Balance, October 31, 2022	**4,910,000**	**$ 0.18**
Granted to employees	3,650,000	0.15
Granted to employees	400,000	0.30
Granted to service providers	2,750,000	0.15
Expiration of options to employees	(430,000)	0.15
Expiration of options to employees	(75,000)	0.22
Balance, October 31, 2023	**11,205,000**	**$ 0.17**

The following table is a summary of the Company's stock options outstanding and exercisable at October 31, 2023:

Options Outstanding				Options Exercisable	
Exercise Price CAD$	Number of Options	Weighted Average Remaining Life (Years)	Expiry Date	Number of Options	Weighted Average Exercise Price CAD$
$ 0.15	1,845,000	0.7	July 2024	1,782,500	$ 0.15
0.15	200,000	1.1	November 2024	200,000	0.15
0.30	1,000,000	1.5	April 2025	850,000	0.30
0.16	1,150,000	1.6	May 2025	1,150,000	0.16
0.15	85,000	2.0	November 2025	85,000	0.15
0.15	300,000	2.5	April 2026	150,000	0.15
0.15	6,225,000	3.2	January 2027	400,000	.015
0.30	400,000	3.9	September 2027		0.30
$ 0.17	11,205,000	2.4		4,617,500	$ 0.17

OVERALL PERFORMANCE

Revenues during the year ended October 31, 2023, were higher than the comparative period in 2022, due primarily to an increase in total pounds sold.

Years ended October 31,	2023 ($)	2022 ($)	Variance ($)	Variance (%)
Revenue from Grown Rogue production	22,424,169	17,757,283	4,666,886	26%
Revenue from services	929,016	-	929,016	n/a
Total revenue	23,353,185	17,757,283	5,595,902	32%

Years ended October 31,	2023 ($)	2022 ($)	Variance ($)	Variance (%)
Indoor	17,813,172	15,678,541	2,134,631	14%
Outdoor	2,471,790	733,212	1,738,578	237%
Pre-rolls	821,774	327,775	493,999	151%
Trim and other	1,317,433	1,017,060	299,678	29%
Revenue from Grown Rogue production	22,424,169	17,756,588	4,666,886	26%

Cost of finished cannabis inventory sold during the year ended October 31, 2023, increased by 21% from the year ended October 31, 2022, while revenues for the same periods increased 26%. This reflects the impact to cost goods sold of operational and scale efficiencies and increased sales volume (pounds sold increased 32%), and the impact to sales revenues of increased sales volume and a 4% decrease in average selling price ("ASP"). The following table summarizes costs of sales for the years ended October 31, 2023 and 2022:

Years ended October 31,	2023 ($)	2022 ($)	Change ($)	Change (%)
Cost of finished cannabis inventory sold	11,155,676	9,227,439	1,928,237	21%
Costs of service revenues	308,641	-	308,641	n/a
Costs of goods sold, excl. fair value items	11,464,317	9,227,439	2,236,878	24%

For the year ended October 31, 2023, the Company reported a gross margin of $12,671,514 (2022 - $8,012,078). Our ability to generate margin depends upon the following significant factors: direct and indirect costs incurred to grow biological assets and complete inventory; depreciation of capital investments required to grow biological assets and complete inventory; and the impact of the adjustments that result from the fair valuation of biological assets. We prioritize cost efficiency in production and efficiency of capital allocation, and to maximize sales revenues through a variety of efforts, including production of flower which is desirable to consumers, sales team incentives, and continually increasing the number of our wholesale customers.

Operating expenses for the year ended October 31, 2023, were $8,417,363, an increase of $1,251,434 when compared to expenses of $7,165,929 for the year ended October 31, 2022. Increased general and administrative costs during the year ended October 31, 2023, were primarily due to an increase in total overheads, from growth in facility sizes and number of facilities, and of which a portion is attributed to administration. The increases are also due in part to additional staffing required to support expansion and growth, which demanded increases in management expertise in operations and corporate positions, as well as an increased utilization of professional services to support various transactions and costs of regulatory compliance and public disclosure executed during the years ended October 31, 2022 and 2023.

During the year ended October 31, 2023, we added $4,008,866 (2022 - $4,000,874) to property and equipment, including non-cash right-of-use asset additions. We expended cash flows of $1,456,782 (2022 - $1,111,283) for property and equipment additions.

On April 14, 2022, the Company closed the purchase of indoor growing assets from High Street Capital Partners, LLC (see *Item 4.A History and Development of the Company*). Purchase consideration included a secured promissory note payable with a principal sum of $1,250,000, of which $500,000 was due on August 1, 2022 and $750,000 was due on May 1, 2023, before amendment of the agreement, which is described below. The collateral for the secured promissory note payable is comprised of the assets purchased.

On August 1, 2022, the terms of the Secured Promissory Note between Grown Rogue Distribution, LLC and HSCP Oregon, LLC, were amended. As amended, the secured promissory note was to be fully settled by two principal amounts of $500,000 (the "First Principal Payment") and $750,000 due on May 1, 2023. Beginning on August 1, 2022, and continuing until repaid in full, the unpaid portion of the First Principal Amount will accrue simple interest at a rate per annum of 12.5%, payable monthly. In the event the Company raises capital, principal payments shall be made as follows. If the capital raise is less than or equal to $2 million, then 25% of the capital raise shall be paid against the First Principal Payment; if the capital raise is greater than $2 million and less than or equal to $3 million, then $250,000 shall be paid against the First Principal Payment; and if the capital raise is greater than $3 million, then $500,000 shall be paid against the First Principal Payment.

On May 1, 2023, the terms of the secured promissory note were amended for a second time (the "Second Amendment"). Under the Second Amendment, the secured promissory note will be fully settled in two principal amounts. On May 1, 2023, the $500,000 principal payment plus all accrued but unpaid interest under the First Amendment was due and payable. The remaining principal balance of $500,000 (the "Second Principal Amount"), which bears no interest, was due and payable as follows: $150,000 due and payable on August 1, 2023; $150,000 due and payable on November 1, 2023; and $200,000 due and payable on December 31, 2023. The Company paid $900,000 during the year ended October 31, 2023.

On December 5, 2022, the Company announced the closing of a non-brokered private placement of the December Convertible Debentures with an aggregate principal amount of $2,000,000. The December Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 36 months from the date of issue. The December Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.20 per common share. Additionally, on closing, the Company issued to the Purchasers of the December Convertible Debentures an aggregate of 6,716,499 Warrants, that represents 50% coverage of each Purchaser's Convertible Debenture investment. The December Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of $0.25 CAD per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of 10 consecutive trading days. The December Convertible Debentures and December Warrants issued pursuant to the private placement (and the underlying common shares) were subject to a statutory hold period of four months and one day from the closing date.

During the year ended October 31, 2023, two holders of the December Convertible Debentures converted an aggregate total of convertible debenture principal of $1,040,662 and $133,977 at CAD$0.20 per share into 10,151,250 and 1,022,025 common shares respectively.

On July 13, 2023, the Company announced the closing of the first tranche of a non-brokered private placement of the unsecured convertible debentures ("July Convertible Debentures") with an aggregate principal amount of $5,000,000. The July Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 48 months from the date of issue. The July Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.24 per common share, at any time on or prior to the maturity date. Additionally, on closing, the Company issued to the Subscribers of the July Convertible Debentures an aggregate of 13,737,500 warrants (the "July Warrants"), that represents one-half of one warrant for each CAD$0.24 of principal amount subscribed. The July Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of CAD$0.28 per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of 10 consecutive trading days. The July Warrants' expiry date will be accelerated to 90 days following notice of the acceleration.

On August 17, 2023, the Company announced that it had closed the second and final tranche of a non-brokered private placement of unsecured convertible debentures the August Convertible Debentures for gross proceeds of U.S.$1,000,000, for a total aggregate principal amount under both tranches of totaling $6,000,000 for both of the July Convertible Debentures and August Convertible Debentures. Additionally, on closing, the Company issued to subscribers under of the August Convertible Debentures the second tranche an aggregate of 2,816,250 common share purchase warrants. The terms of the convertible debentures and warrants issued as part of this second tranche are the same as those issued in the July Convertible Debentures and July Warrants.

During the year ended October 31, 2023, we granted 6,800,000 stock options, exercisable at a weighted average exercise price of CAD$0.16 per share and the vesting charge related to the outstanding options was $344,593.

RISK AND UNCERTAINTIES

The Company is subject to several risk factors that may have adverse effects on our business and which could harm our operating results including, but not limited to: the ability to generate and aggregate compelling content to increase the number of users of our services or users' level of engagement with our services; the effect of technologies, tools, software, and applications could block our advertisements, impair our ability to deliver interest-based advertising, or shift the location in which advertising appears; changes in regulations or user concerns regarding privacy and protection of user data; continued and unimpeded access to the internet by us and our users. Internet access providers may be able to block, degrade, or charge for access to certain of our products and services, which could lead to additional expenses and the loss of users and advertisers and certain of our metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

As the Company has only recently generated cash flow from operations to independently finance its growth and operations, it has been reliant on access to capital in the form of both debt and equity to fund on-going operations and to fund capital investments. Although periodic volatility of financial and capital markets may severely limit access to capital, the Company has been able to attract the required investment capital in the past, however no assurances can be made that it will continue to do so in the future.

The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, the forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above (See Item 3.D "Key Information, Risk Factors").

A. OPERATING RESULTS

Selected Annual Information

The following table reflects the summary of results for the years set out.

Years ended October 31,	2023 ($)	2022 ($)	2021 ($)
Total revenue	23,353,185	17,757,283	9,378,673
Income from operations	4,254,151	957,149	701,576
Net income (loss)	(662,320)	419,951	(1,014,747)
Net income (loss) per share, basic and diluted	(0.00)	0.00	(0.02)
Comprehensive income (loss)	(666,882)	400,716	(1,092,928)
Comprehensive income (loss) per share, basic and diluted	(0.00)	0.00	(0.02)
Total assets	30,162,721	16,370,582	14,207,700
Total non-current liabilities	4,610,087	2,114,978	3,224,677
Cash dividends	Nil	Nil	Nil

Revenue

The following tables summarize revenues earned during the years ended October 31, 2023, and 2022.

Years ended October 31,	2023 ($)	2022 ($)	Variance ($)	Variance (%)
Revenue from Grown Rogue production	22,424,169	17,757,283	4,666,886	26%
Revenue from services	929,016	-	929,016	n/a
Total revenue	23,353,185	17,757,283	5,595,902	32%

Revenue from Grown Rogue production is detailed in the following table:

Years ended October 31,	2023 ($)	2022 ($)	Variance ($)	Variance (%)
Indoor	17,813,172	15,678,541	2,134,631	14%
Outdoor	2,471,790	733,212	1,738,578	237%
Pre-rolls	821,774	327,775	493,999	15%
Trim and other	1,317,433	1,017,060	299,678	29%
Revenue from Grown Rogue production	22,424,169	17,756,588	4,666,886	26%

Revenues during the year ended October 31, 2023, were higher than the comparative period in 2022, due primarily to an increase in total pounds sold. We increased indoor and outdoor flower sold from ongoing operations during the year ended October 31, 2023, by 32% and realized an ASP decrease of 4%. Indoor ASP increased by 2% and outdoor ASP increased 34%. The following tables summarize pounds sold, revenues from those pounds, and average selling prices.

Years ended October 31,	2023 Pounds sold	2022 pounds sold	Pounds variance	2023 ASP ($)	2022 ASP ($)	ASP variance
Indoor	20,329	18,325	2,004	876	856	20
Outdoor	7,114	2,828	4,286	347	259	88
Pre-rolls	651	187	464	1,263	1,754	(491)
Total	28,094	21,340	6,754	751	784	(33)

	For the Years Ended October 31,		
General and Administrative	2023	2022	2021
Office, banking, travel and overheads	$ 1,960,695	$ 1,929,385	$ 1,185,275
Professional services	585,342	456,532	767,050
Salaries and benefits	3,919,840	3,466,319	2,030,925
Total	$ 6,465,877	$ 5,852,236	$ 3,983,250

Increased general and administrative costs during the year ended October 31, 2023, were primarily due to an increase in total overheads, from growth in facility sizes and number of facilities, and of which a portion of which is attributed to administration. The increases are also due in part to additional staffing required to support expansion and growth, which demanded increases in management expertise in operations and corporate positions, as well as an increased utilization of professional services to support various transactions and costs of regulatory compliance and public disclosure executed during the year ended October 31, 2023 and 2022.

Equity-Based Compensation

Employees

For the years ended October 31, 2023, 2022, and 2021, the Company recorded employee equity-based payments valued at $202,208, $107,695, and $324,768, respectively.

During fiscal 2023, the Company granted the following stock options to employees:

Number granted	Vesting terms	Exercise price (CAD$)	Expiration
200,000	1/3 on each anniversary of grant date	0.15	4 years from date of grant
200,000	50% on one year anniversary of grant date, 50% on second anniversary of grant date		
400,000	Fully vested on grant date	0.15	4 years from date of grant
6,000,000	Vest on one year anniversary of grant date	0.15	4 years from date of grant
6,800,000		0.15	

Non Employees

For the year ended October 31, 2023, the Company recorded non-employee equity-based compensation valued at $142,385 compared to $49,258 and $14,187 for the same periods in 2022 and 2021, respectively.

Interest

For the year ended October 31, 2023, the Company recorded interest expense of $370,616, compared to $402,239 and $197,632 for the years ended October 31, 2022 and 2021, respectively.

Gain on Debt Settlement

During fiscal 2022, the Company reported gain on debt settlement of $453,858 related primarily to settlement of debt for marketable securities. During fiscal 2021, the Company reported gain on debt settlement of $141,180 related to settlement of trade payables. There was no gain on debt settlement to report for fiscal year 2023.

Total Other Comprehensive Income (Loss)

Currency Translation Adjustment

For the year ended October 31, 2023, the Company recorded a currency translation expense of $4,562, compared to $19,235 for the year ended October 31, 2022, and $78,181 for the year ended October 31, 2021.

These translation adjustments are the result of the following. Transactions denominated in foreign currencies are initially recorded in the functional currency using exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using exchange rates prevailing at the end of the reporting period. All exchange gains and losses are included in the statement of comprehensive income (loss). For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company are expressed in U.S. Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income (loss) and reported as currency translation reserve in shareholders' equity.

Net Loss and Comprehensive Loss

For the year ended October 31, 2023, the net loss was $662,320 compared to net income of $419,951 for the year ended October 31, 2022, and a net loss of $1,014,747 for the year ended October 31, 2021. The improvement in net income for the year ended October 31, 2022, is a result of reporting operating profitability of $957,149 during the year ended October 31, 2022, as compared to $701,576 during the year ended October 31, 2021. Significant deductions from operating profit during 2023 and 2021 included an unrealized loss on derivative liabilities, measured by non-cash fair value adjustments.

Comprehensive income (loss) for the years ended October 31, 2023, 2022 and 2021 reflect net income (loss) adjusted for the impact of foreign currency translation.

Total Loss per Share, Basic

Comprehensive income (loss) per share for the year ended October 31, 2023 was $(0.00) compared to total basic loss per share of $0.00 and $(0.02) in 2022 and 2021, respectively.

SUMMARY OF QUARTERLY RESULTS-CONTINUING OPERATIONS

The following tables reflect the summary of quarterly results from continuing operations for the periods set out.

Fiscal Year **Quarter ended**	**2023** **Oct**	**2023** **Jul**	**2023** **Apr**	**2023** **Jan**
Revenue ($)	6,522,291	6,295,717	6,004,637	4,530,540
Net income (loss) ($)	(2,012,324)	345,488	411,979	592,537
Net income (loss) per share, basic and diluted	(0.00)	0.00	0.00	0.01

Fiscal Year **Quarter ended**	**2022** **Oct**	**2022** **Jul**	**2022** **Apr**	**2022** **Jan**
Revenue ($)	5,072,635	4,251,808	4,700,127	3,732,713
Net income (loss) ($)	(451,630)	571,406	144,734	155,441
Net income (loss)/share, basic and diluted	(0.00)	0.00	0.01	0.00

COMMITMENTS

Set out below are undiscounted minimum future lease payments after October 31, 2023.

	Total future minimum lease payments
Less than one year	$ 1,108,495
Between one and five years	2,572,570
Total	**$ 3,681,065**

The Company has four lease contracts with extension options remaining after October 31, 2023, which were negotiated by management to provide flexibility in managing business needs. Set out below are the undiscounted potential rental payments related to periods following the date of exercise options that are not included in the lease term:

	Within five years	**More than five years**
Extension options available to be exercised	$ 4,073,488	$ 6,439,274

The contractual maturities of the Company's accounts payable and accrued liabilities, debt, leases, and unearned revenue occur over the next three years are as follows:

	Year 1	**Over 1 Year - 3 Years**	**Over 3 Years - 5 Years**
	$	**$**	**$**
Accounts payable and accrued liabilities	2,359,750	-	-
Lease liabilities	824,271	1,116,399	978,013
Convertible debentures	-	-	2,412,762
Debt	1,285,604	102,913	-
Business acquisition consideration payable	360,000	-	-
Total	**4,829,625**	**1,219,312**	**3,390,775**

B. LIQUIDITY AND CAPITAL RESOURCES

Our ability to generate cash in the short term is based upon sales from production and financing proceeds, and in the long term is based upon sales from production, including production from investments in production increases, or from growth by business acquisitions, or a combination thereof. Investments to increase production or acquire business may require further financing. The Company generates cash flows from sales of cannabis products which generate margin that contribute to coverage of other operating costs, but has not yet reached productive scale to generate net income and positive net cash flows from operations on a consistent basis. We have raised financing historically through debt and equity, which has been and will be invested in the business in order to improve production yields and increase total productive capacity, as well as cover operating costs. We raised gross proceeds of $8.0 million during the year ended October 31, 2023 (2022 - approximately $1.4 million). We are typically able to sell finished goods shortly after inventory reaches its final state, and sales are primarily made on cash-on-delivery terms, or with short net terms. Our ability to fund operations, to plan capital expenditures, and to plan acquisitions, depends on future operating performance and cash flows and the availability of capital by way of debt or equity investment in the Company, which are subject to prevailing economic conditions and financial, business, and other factors, some of which are beyond the Company's control.

Cash flows

The following table summarizes certain cash flow items for the year ended October 31, 2023, 2022, and 2021.

Years ended October 31,	2023 ($)	2022 ($)	2021 ($)
Net income (loss)	(662,320)	419,951	(1,014,747)
Net cash provided by (used in) operating activities	5,729,351	2,004,175	(238,461)
Net cash used in investing activities	(2,887,308)	(1,113,283)	(2,727,008)
Net cash provided by (used in) by financing activities	4,433,820	(422,541)	3,861,714
Net increase in cash and cash equivalents	7,275,863	468,351	896,245
Effect of currency translation	(2,210)	918	7,233
Cash and cash equivalents, beginning	1,582,384	1,114,033	217,788
Cash and cash equivalents, ending	8,858,247	1,582,384	1,114,033

Operating activities

During the year ended October 31, 2023, cash provided by operating activities was $5,729,351 (2022 –$2,004,175). This number was derived by adding back non-cash items to net income (loss), including the following significant adjustments:

- $578,641 (2022 - $750,916) in amortization of property and equipment;
- $1,757,672 (2022 - $1,102,688) from depreciation expensed in costs of finished inventory sold;
- Deduction of $3,355,797 (2022 – $3,278,572) from the unrealized change in fair value of biological assets;
- $2,573,151 (2022 - $3,685,338) for changes in fair value in inventory sold;
- Deduction of $470,358 (2022 - $nil) from deferred income taxes benefit;
- $344,593 (2022 - $96,649) in share-based compensation and stock option vesting expense, including expense for option grants under our stock option plan implemented during 2020, as well as shares issued directly as compensation for employees, directors, and service providers;

- $1,026,732 (2022 - $491,751) in accretion of interest expense on debt and convertible debentures outstanding;
- $Nil (2022 - $333,777) from the unrealized loss on our investment in PBIC shares, measured at PBIC's publicly quoted share price;
- $Nil (2022 - $455,674) from gain on debt settlement;
- $4,563,498 (2022 - $Nil) from the loss on fair value of derivative liability; and
- $Deduction of $129,113 (2022 – $nil) from the unrealized loss on warrants asset.

Increases in non-cash working capital are summarized in the following table.

Years ended October 31,	2023 ($)	2022 ($)
Accounts receivable	(465,465)	(904,711)
Inventory and biological assets	(767,636)	(94,595)
Prepaid expenses and other assets	(40,513)	5,267
Accounts payable and accrued liabilities	569,451	(124,334)
Interest payable	-	(13,750)
Income tax payable	55,024	56,401
Unearned revenue	(28,024)	(95,389)
Total	**(677,163)**	**(1,171,111)**

Changes in accounts receivable are due to the timing and collection of sales. Changes in inventory and biological assets reflect increases due to increased productive capacity, as well as the timing of harvests, the timing of the completion growth cycles, and the timing of sales of finished inventory. Changes in liabilities, including accounts payable and accrued liabilities reflect the use of credit terms and cash flow management based upon ongoing liquidity management.

Investing activities

During years ended October 31, 2023, we added $4,008,866 (2022 - $4,000,874) to property and equipment, including non-cash right-of-use asset additions. We expended cash flows of $1,456,782 (2022 - $1,111,283) for property and equipment additions.

Financing activities

Net cash flows from financing activities during the year ended October 31, 2023, were $4,433,820 (2022 – net cash used of $422,541). Significant financing activities included the following:

- Proceeds of $8,000,000 from issuance of convertible debentures;
- Repayment of $261,006 of convertible debentures;
- Repayments of $1,673,344 of lease principal; and
- Repayments of $1,631,830 of long-term debt.

Financing activities during the comparable year ended October 31, 2022, included the following:

- Debt proceeds of $100,000 borrowed for general purposes;
- $1,300,000 raised through a private placement of common shares;
- Repayments of $1,089,738 of lease principal; and
- Repayments of $732,803 of long-term debt.

Trends and expected fluctuations in liquidity

	October 31, 2023 ($)	October 31, 2022 ($)	Variance ($)	Variance (%)
Current assets	17,421,537	7,910,013	9,511,524	120%
Current liabilities	(13,004,181)	(5,315,904)	(7,688,277)	145%
Working capital	4,417,356	2,594,109	1,823,247	70%

Working capital varied from October 31, 2022, to October 31, 2023, due to primarily to an increase in net cash provided by financing activities, which was $4,433,820 during the year ended October 31, 2023 as compared to cash used by financing activities of $422,541 during the year ended October 31, 2022.

We expect significant ongoing fluctuations in working capital over time, as we are in the early stages of growth. We have historically raised debt with principal due on maturity, and accordingly, we expect significant one-time payments as debt matures, as opposed to smooth cash outflows over time. We have historically been able to meet commitments, modify debt maturities, and raise new financing as required to respond to changes in our liquidity position, although there is no guarantee we will be able to do so in the future. We are exposed to market pricing for cannabis products, which materially impacts our liquidity and is out of our control. The market for cannabis products, including flower, which is our primary product, is relatively immature, having recently become legal to buy and sell in certain markets. We have observed some indications of seasonality, and in addition, we have observed that market conditions can change rapidly without apparent explanations or analyzable causes. We cannot control whether we will be able to raise financing when required or sell cannabis products at profitable prices in the future; however, part of our strategy is to produce flower at sustainable gross margins over a growing productive base, which, holding other factors constant, is expected to result in improved net loss or net income, as well as net cash flows.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

We do not engage in significant research and development activities. As such, included in general and administrative expenses are limited research and development expenses during the years ended October 31, 2023 and 2022.

D. TREND INFORMATION

The trend of cannabis legalization in the United States has resulted in a significant opportunity. Forty-one U.S. states, as well as the District of Columbia and Puerto Rico, have legalized adult-use or medical cannabis markets. In the U.S., adult-use sales are expected to grow at a compounded annual growth rate of 21.7% through year 2025, and U.S. adult-use and medical sales are projected to reach U.S.$33.9 billion by year 2025 [Source: The State of Legal Cannabis Markets from Arcview Market Research and BDS Analytics, 8th Edition].

For the years ended October 31, 2023, 2022 and 2021, total sales of cannabis products in Oregon were approximately $946 million; $1,011 million, and $1,195 million, respectively. The Oregon market experienced unprecedent growth during the height of the COVID-19 pandemic and total sales of cannabis products in Oregon has since trended down. Despite this downward trend, the Company has continued to experience increases in total sales in Oregon. The following table summarizes sales prices for indoor-grown cannabis by producers to retailers in Oregon.

Fiscal year	2023	2022	2021
Average of monthly ($/lb)	1,222	1,270	1,683
Minimum monthly ($/lb)	1,000	1,183	1,499
Maximum monthly ($/lb)	1,380	1,399	1,798
First month of year / ending month of year	1,183 / 1,299	1,499 / 1,183	1,599 / 1,499

The following table summarizes sales prices for outdoor-grown cannabis by producers to retailers in Oregon.

Fiscal year	2023	2022	2021
Average of monthly ($/lb)	375	487	818
Minimum monthly ($/lb)	250	300	599
Maximum monthly ($/lb)	400	699	899
First month of year / ending month of year	300 / 375	599 / 300	887 / 599

Consumer preferences change from time to time and can be affected by a number of different and unexpected trends. The Company's failure to anticipate, identify or react quickly to these changes and trends, and to introduce new and improved products on a timely basis, could result in reduced demand for the Company's products, which in turn could result in a material adverse effect on the Company.

E. CRITICAL ACCOUNTING ESTIMATES

Not applicable.

ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth the names of all of our directors and executive officers as of the date of the filing of this Report, with each position and office held by them in our Company, and the period of their service as a director or as an officer.

Name	Position with the Company	Date First Elected or Appointed
J. Obie Strickler	President, Chief Executive Officer and Director	November 15, 2018
Ryan Kee	Chief Financial Officer, Corporate Secretary and Director	August 18, 2021
Abhilash Patel	Director	November 15, 2018
Stephen Gledhill	Director	November 15, 2018
Sean Conacher	Director	August 27, 2020

All of our directors serve until our next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with our Articles or Bylaws. Subject to the terms of their employment agreements, if any, executive officers are appointed by the Board of Directors to serve until the earlier of their resignation or removal, with or without cause by the directors. Mr. Strickler, our President, devotes 100% of his work time to his duties as an officer and director of the Company.

There are no family relationships between any of our directors or executive officers. There are no arrangements or understandings between any major shareholders, customers, suppliers or others, pursuant to which any named directors or executive officers were selected.

J. Obie Strickler – President, Chief Executive Officer and Director. Mr. Strickler is the President, Chief Executive Officer and Chairman of the Company. He is also CEO, President, and founder of GR Unlimited. He founded Canopy in 2015 to consolidate the three medical facilities he had operated since 2006 within one company. Mr. Strickler formed GR Unlimited in 2016 and entered the Oregon recreational cannabis market with a plan to build a multi-national cannabis brand. Mr. Strickler has been active in the Oregon medical marijuana market since early 2000 where he organically scaled a single 15 plant property to four separate facilities with approximately 200 outdoor plants and 30 lights operating indoors. Mr. Strickler has a Bachelor of Science in Geology from Southern Oregon University and is also an Oregon Professional Geologist. During the time he was financing and overseeing Canopy's growth he was also the regional manager for a large multi-service environmental company where he oversaw a staff of 15 people before starting his own business in 2011 to provide management services to large natural resource companies primarily in the mining sector. In this role, he was responsible for building and integrating complex technical teams to advance large,

world-class, multi-billion-dollar mining projects from exploration through feasibility primarily in base and precious metals. In 2014, Mr. Strickler teamed with aerospace engineers to form HyperSciences, Inc a platform technology company focused on commercializing hypervelocity technology into a variety of industrial applications. Mr. Strickler helped secure a large contract with one of the world's larger oil and gas providers to solve deep drilling challenges and moved this project through proof of concept before departing to focus on the opportunities in cannabis full time. Mr. Strickler will take his production experience in the cannabis industry and his integration and execution experience from the natural resource industry to build GR Unlimited into a premier cannabis company. Mr. Strickler is 43 years old and is employed on a full-time basis with the Company. Mr. Strickler has not signed a non-competition or non-disclosure agreement with the Company.

Ryan Kee – Mr. Kee is an experienced accounting professional with a history of working in mining in various global jurisdictions. He is skilled in financial reporting, IT integrations, and team building and development. Mr. Kee has a Bachelor of Science in Accounting and Spanish from the University of Idaho, and is a Certified Public Accountant, licensed in Washington state. He has developed financial models to quantitatively describe the cost profiles of operating mines, optimize grade cutoffs, and drive cost reductions. Most recently, he led accounting, supply chain, and IT teams for an operating gold mine in South America, and will apply the best practices learned and developed in mining to cannabis production. Mr. Kee is 40 years old and is employed with the Company.

Sean Conacher – Mr. Conacher is an experienced executive with a demonstrated history of working in the financial services and marketing sectors. He is skilled in entrepreneurship, venture capital, public and private equity, foreign exchange, options and asset management. He is currently the Chief Strategy Officer of PBIC, a publicly traded investment corporation that offers unique global exposure to the emerging global cannabis and plant-based sector. PBIC's main objective is to provide shareholders long-term total return through its actively managed portfolio of securities, both public and private, operating in, or that derive a portion of their revenue or earnings from products or services related to the cannabis and plant-based industry. Mr. Conacher is 53 years old and intends to devote the time necessary to serve as a director of the Corporation.

Abhilash Patel – Director. Mr. Patel is a serial entrepreneur, venture investor, speaker, and philanthropist. He is currently Founder and Principal at Lotus Capital, an early-stage investment fund in Santa Monica, California. He is on the board of directors for several non-profit organizations in Southern California, including the Los Angeles Food Bank, Junior Achievement of Southern California, and 10,000 Beds. Previously, Mr. Patel was founder and CEO at Ranklab, a digital marketing agency listed in Inc. Magazine's fastest growing private companies in 2015, and Co-founder at Recovery Brands, a digital publishing company based in San Diego, CA. In 2015 both companies were acquired by AAC, Holdings Inc. and Mr. Patel remained in an active leadership position at both companies until his exit in late 2016. Mr. Patel holds a Bachelor of Arts in Economics and Philosophy from Columbia University, and a Master of Business Administration from the University of California, Los Angeles' Anderson School of Management. Mr. Patel's work has been featured in several major publications, including Inc., Huffington Post, Forbes, and Entrepreneur, USA Today, among others. Dr. Drew., Inc. named Mr. Patel "One of 20 Inspiring Entrepreneurs Improving Health for All" and Forbes highlights him in an interview entitled "How Web Publishing is Saving Lives". Mr. Patel is 44 years old and intends to devote the time necessary to serve as a director of the Company, which is estimated to be 10% of his time. Mr. Patel has signed a non-disclosure agreement with the Company but has not signed a non-competition agreement with the Company.

Stephen Gledhill – Director and Audit Committee Chairman. Mr. Gledhill is a founding member and Managing Director of RG Mining Investments Inc. and RG Management Services Inc., both of which are accounting, administrative and corporate secretarial services companies. In 1992, he formed Keshill Consulting Associates Inc., a boutique management consulting practice. Mr. Gledhill has over 26 years of financial-control experience and acts as CFO and Corporate Secretary for multiple publicly-traded companies, several of which he was instrumental in scaling-up and taking public. He currently serves as the CFO of Caracara Silver Inc. (TSXV:CSV) and CO2 Gro Inc. (TSXV:GROW). Prior to the inception of RGMI and RGMS, Mr. Gledhill served as the Senior Vice President and CFO of Borealis Capital Corporation, a Toronto-based merchant bank as well as Vice President of Finance of OMERS Realty Corporation (ORC), the real estate entity of the Ontario Municipal Employees Retirement System. Mr. Gledhill is a Chartered Public Accountant and Certified Management Accountant and holds a Bachelor of Math Degree from the University of Waterloo. Mr. Gledhill is 63 years old and intends to devote the time necessary to serve as a director of the Company, which is expected to be 10% of his time. Mr. Gledhill has signed a non-disclosure agreement with the Company but has not signed a non-competition agreement with the Company.

B. COMPENSATION

Executive Compensation

The following table presents a summary of all annual and long-term compensation paid or accrued by us including our subsidiaries, for services rendered to us by our executive officers and directors in any capacity for the year ended October 31, 2023 and 2022.

Name	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites	Value of all other compensation ($)	Total compensation ($)
J. Obie Strickler,	2023	240,000	20,000	Nil	Nil	347,036[1]	607,036
President, CEO, and Director	2022	240,000	Nil	3755	Nil	285,676	529,431
Adam August,	2023[2]	192,038	Nil	Nil	Nil	41,262[3]	233,300
Senior VP Grown Rogue Unlimited LLC	2022	150,000	Nil	Nil	Nil	Nil	150,000
Ryan Kee,	2023	152,957	Nil	Nil	Nil	40,133[4]	193,090
Chief Financial Officer and Director	2022	180,000	Nil	1,788	Nil	5,281	187,069
Abhilash Patel,	2023	Nil	Nil	Nil	Nil	12,504[5]	12,504
Director	2022	Nil	Nil	3,755	Nil	Nil	3,755
Stephen Gledhill,	2023	Nil	Nil	18,000[6]	Nil	12,504[5]	30,504
Director	2022	Nil	Nil	21,755	Nil	Nil	21,755
Sean Conacher,	2023	Nil	Nil	Nil	Nil	42,343[5]	42,343
Director	2022	Nil	Nil	3,755	Nil	Nil	3,755

1) Represents rents charged by a company owned by Mr. Strickler, lease payments for equipment sold by Mr. Strickler to the Company, and option expense payment made to Mr. Strickler.
2) On January 4, 2024, we announced that Mr. August will be stepping down from his position as Senior VP and will continue to support us in an advisory capacity ensuring his long-standing institutional knowledge continues with the Company.
3) Represents Option expense and interest paid on debenture to Mr. August.
4) Represents Option expense paid to Mr. Kee.
5) Represents stock option vesting expense.
6) Mr. Gledhill was compensated $18,000 per year in fees in his role as chair of the Audit Committee and Compensation Committee.

Outstanding Option-Based Awards

The following table summarizes options outstanding at October 31, 2023.

Exercise price (CAD$)	Options outstanding	Number exercisable	Remaining Contractual Life (years)	Expiry period
0.15	1,845,000	1,782,500	0.7	July 2024
0.15	200,000	200,000	1.1	November 2024
0.30	1,000,000	850,000	1.5	April 2025
0.16	1,150,000	1,150,000	1.6	May 2025
0.15	85,000	85,000	2.0	November 2025
0.15	300,000	150,000	2.5	April 2026
0.15	6,225,000	400,000	3.2	January 2027
0.30	400,000	-	3.9	September 2027
0.17	**11,205,000**	**4,617,500**	**2.4**	

Compensation Discussion and Analysis

Objective of the Compensation Program

The objectives of the Company's compensation program are to attract, hold and inspire performance of J. Obie Strickler and Ryan Kee, its Named Executive Officers ("NEOs"), of a quality and nature that will enhance the sustainable profitability and growth of the Company. The Company views it as an important objective of the Company's compensation program to ensure staff retention.

The Compensation Review Process

To determine compensation payable, the compensation committee of the Company (the "Compensation Committee") determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the NEOs of the Company while taking into account the financial and other resources of the Company.

The Company's Compensation Committee is comprised of J. Obie Strickler, Abhilash Patel and Stephen Gledhill. Compensation is determined in the context of our strategic plan, our growth, shareholder returns and other achievements and considered in the context of position descriptions, goals and the performance of each NEO. With respect to directors' compensation, the Compensation Committee reviews the level and form of compensation received by the directors, members of each committee, the board chair and the chair of each board committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to us. The compensation of directors, the CEO and executive officers of competitors are considered, to the extent publicly available, in determining compensation and the Compensation Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation.

Elements of Executive Compensation

The Company's NEO compensation program is based on the objectives of: (a) recruiting and retaining the executives critical to the success of the Company; (b) providing fair and competitive compensation; (c) balancing the interests of management and shareholders of the Company; and (d) rewarding performance, on the basis of both individual and corporate performance.

For the financial year ended October 31, 2023, the Company's NEO compensation program consisted of the following elements:

(a) a management fee (the "Short-Term Incentive").

(b) a long-term equity compensation consisting of stock options granted under the Company's stock incentive plan ("Long-Term Incentive").

The specific rationale and design of each of these elements are outlined in detail below.

Short-Term Incentive

Salaries form an essential element of the Company's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. The base salary provides an immediate cash incentive for the Named Executive Officers. The Compensation Committee and the Board review salaries at least annually.

Base salary/management fees of the Named Executive Officers are set by the Compensation Committee on the basis of the applicable officer's responsibilities, experience and past performance. In determining the base salary to be paid to a particular Named Executive Officer, the Compensation Committee considers the particular responsibilities related to the position, the experience level of the officer, and his or her past performance at the Company and the current financial position of the Company.

Long-Term Incentive

The granting of stock options is a variable component of compensation intended to reward the Company's Named Executive Officers for their success in achieving sustained, long-term profitability and increases in stock value. Stock options may be provided to enhance the Named Executive Officers motivation to achieve long-term growth of the Company and increases in shareholder value. The Company provides long-term incentive compensation through its stock option plan. The Compensation Committee recommends the granting of stock options from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Company, its current stage of development, the need to retain or attract particular key personnel, the number of stock options already outstanding and overall market conditions. The Compensation Committee views the granting of stock options as a means of promoting the success of the Company and higher returns to its shareholders. The Board grants stock options after reviewing recommendations made by the Compensation Committee.

Stock Option Plan

The Company's Amended Stock Option Plan (the "Plan") was adopted by the Board of Directors on January 20, 2012 and approved by a majority of our shareholders voting at the Annual and Special Meeting held on February 24, 2012. The Plan was adopted in order that we may be able to provide incentives for directors, officers, employees, consultants and other persons (an "Eligible Individual") to participate in our growth and development by providing us with the opportunity through share options to acquire an ownership interest in us. Directors and officers currently are not remunerated for their services except as stated in "Executive Compensation" above. The Plan was revised on July 21, 2020.

The maximum number of shares of our common stock which may be set aside for issue under the Plan is an amount not to exceed 20% of the total shares issued and outstanding of the Company as of the date of each Option grant provided that the board has the right, from time to time, to increase such number subject to the approval of our shareholders and any relevant stock exchange or other regulatory authority. Any shares of our common stock subject to an option, which are not exercised, will be available for subsequent grant under the Plan. The option price of any shares of our common stock is to be determined by the Board in its sole discretion.

Options granted under the Plan may be exercised during a period not exceeding five years, subject to earlier termination upon the optionee ceasing to be an Eligible Individual, or, in accordance with the terms of the grant of the option. The options are non-transferable and non-assignable except between an Eligible Individual and a related corporation controlled by such Eligible Individual upon the consent of the Board of Directors. The Plan contains provisions for adjustment in the number of shares issuable there under in the event of subdivision, consolidation, reclassification, reorganization or change in the number of shares of our common stock, a merger or other relevant change in the Company's capitalization. The Board of Directors may from time to time amend or revise the terms of the Plan or may terminate the Plan at any time. The Company does not have any other long-term incentive plans, including any supplemental executive retirement plans.

Overview of How the Compensation Program Fits with Compensation Goals

The compensation package is designed to meet the goal of attracting, holding and motivating key talent in the highly competitive cannabis industry through salary and providing an opportunity to participate in the Company's growth through stock options. Through the grant of stock options, if the price of the Company shares increases over time, both the Named Executive Officer and shareholders will benefit.

Incentive Plan Awards

During the year ended October 31, 2023, 6,800,000 stock options were granted to employees. During the year ended October 31, 2022, the Company granted 605,000 stock options to employees.

Pension Plan Benefits

The Company does not currently provide pension plan benefits to its Named Executive Officers.

Termination and Change of Control Benefits

At October 31, 2023, the Company had one executive employment agreement in place with the Chief Financial Officer, which could be triggered by termination, or a constructive dismissal within six months of a change in control event. If triggered, a payment equal to 50% of the Chief Financial Officer's compensation for the twelve months prior to the change in control event would be due within sixty calendar days after the effective date of the triggering event.

The Company has no compensatory plan where a named executive officer or director is entitled to receive compensation in the event of resignation, retirement, termination, change of control or a change in responsibilities following a change in control.

Director Compensation

The Company does not compensate its Board of Directors based on the number of meetings attended. Mr. Gledhill is paid a monthly fee of $1,500. Aggregate compensation paid to each director during the year ended October 31, 2023 is included in the Executive Compensation table above. As of the date of this Report, none of the Company's directors has a service contract with the Company or its subsidiaries providing for benefits upon termination of employment.

Retirement Policy for Directors

The Company does not have a retirement policy for its directors.

Directors' and Officers' Liability Insurance

The Company does not maintain directors' and officers' liability insurance.

Pension Plans, Retirement Plans, and Similar Benefits

Neither the Company nor its subsidiaries have set aside or accrued any amounts to provide pension, retirement or similar benefits.

C. BOARD PRACTICES

Board of Directors

The mandate of our Board of Directors, prescribed by the Business Corporations Act (Ontario), is to manage or supervise the management of our business and affairs and to act with a view to our best interests. In doing so, the board oversees the management of our affairs directly and through its committees. The Board of Directors has met at least once annually or otherwise as circumstances warrant to review our business operations, corporate governance and financial results.

Mr. Strickler, Mr. Patel, and Mr. Gledhill were appointed as directors on November 15, 2018. Mr. Conacher was appointed as a director on August 27, 2020 and Mr. Kee was appointed as a director on August 18, 2021. Our directors serve until our next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with our Articles or Bylaws. Our chief executive officer, our president and our chief financial officer were appointed by our Board of Directors to serve until the earlier of their resignation or removal, with or without cause by the directors.

As of the date of this Report our Board of Directors consists of five directors, two of which are considered "independent directors" in that they are "independent from management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors ability to act with a view to our best interests, other than interests and relationships arising from their shareholding." It is our practice to attempt to maintain a diversity of professional and personal experience among our directors.

The Company holds meetings as required, at which the opinions of the directors are sought by management and duly acted upon for all material matters relating to the Company.

Directorships

At October 31, 2023, the following director and officer of the Company also served as a director and/or officer of other reporting issuers, as follows:

Stephen Gledhill	CFO and Corporate Secretary of CO2 Gro Inc. (TSXV)
	CFO and Corporate Secretary of POSaBIT Systems Corporation (CSE)
	CFO and director of Bhang Inc. (CSE)

Board of Directors Mandate

The Board of Directors assumes responsibility for stewardship of the Company, including overseeing all of the operation of the business, supervising management and setting milestones for the Company. The Board of Directors reviews the statements of responsibilities for the Company including, but not limited to, the code of ethics and expectations for business conduct.

The Board of Directors approves all significant decisions that affect the Company and its subsidiaries and sets specific milestones towards which management directs their efforts.

The Board of Directors ensures, at least annually, that there are long-term goals and a strategic planning process in place for the Company and participates with management directly or through its committees in developing and approving the mission of the business of the Company and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Company's business. The strategic planning process is carried out at each Board of Directors meeting where there are regularly reviewed specific milestones for the Company.

The strategic planning process incorporates identifying the main risks to the Company's objectives and ensuring that mitigation plans are in place to manage and minimize these risks. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent practicable. The Board appoints senior management.

The Company adheres to regulatory requirements with respect to the timeliness and content of its disclosure. The Board approves all of the Company's major communications, including annual and quarterly reports and press releases. The Chief Executive Officer authorizes the issuance of news releases. The Chief Executive Officer is generally the only individual authorized to communicate with analysts, the news media and investors about information concerning the Company.

The Board and the audit committee of the Company (the "Audit Committee") examines the effectiveness of the Company's internal control processes and information systems.

The Board as a whole, given its small size, is involved in developing the Company's approach to corporate governance. The number of scheduled board meetings varies with circumstances. In addition, special meetings are called as necessary. The Chief Executive Officer establishes the agenda at each Board meeting and submits a draft to each director for their review and recommendation for items for inclusion on the agenda. Each director has the ability to raise subjects that are not on the agenda at any board meeting. Meeting agendas and other materials to be reviewed and/or discussed for action by the Board are distributed to directors in time for review prior to each meeting. Board members have full and free access to senior management and employees of the Company.

Position Descriptions

The Board has not developed written position descriptions for the Chairman of the Board, the Chief Executive Officer, Chief Financial Officer or the President (the "Officers"). The Board is currently of the view that the respective corporate governance roles of the Board and management, as represented by the Officers, are clear and that the limits to management's responsibility and authority are well-defined.

Each of the Audit Committee and Compensation Committee has a chair and a mandate.

Orientation and Continuing Education

We have developed an orientation program for new directors including a director's manual ("Director's Manual") which contains information regarding the roles and responsibilities of the board, each board committee, the board chair, the chair of each board committee and our president. The Director's Manual contains information regarding its organizational structure, governance policies including the Board Mandate and each Board committee charter, and our code of business conduct and ethics. The Director's Manual is updated as our business, governance documents and policies change. We update and inform the board regarding corporate developments and changes in legal, regulatory and industry requirements affecting us.

Ethical Business Conduct

We have adopted a written Code of Business Conduct and Ethics (the "Code") for our directors, officers and employees. The board encourages following the Code by making it widely available. It is distributed to directors in the Director's Manual and to officers, employees and consultants at the commencement of their employment or consultancy. The Code reminds those engaged in service to us that they are required to report perceived or actual violations of the law, violations of our policies, dangers to health, safety and the environment, risks to our property, and accounting or auditing irregularities to the chair of the Audit Committee. In addition to requiring directors, officers and employees to abide by the Code, we encourage consultants, service providers and all parties who engage in business with us to contact the chair of the Audit Committee regarding any perceived and all actual breaches by our directors, officers and employees of the Code. The chair of our Audit Committee is responsible for investigating complaints, presenting complaints to the applicable board committee or the board as a whole, and developing a plan for promptly and fairly resolving complaints. Upon conclusion of the investigation and resolution of a complaint, the chair of our Audit Committee will advise the complainant of the corrective action measures that have been taken or advise the complainant that the complaint has not been substantiated. The Code prohibits retaliation by us, our directors and management, against complainants who raise concerns in good faith and requires us to maintain the confidentiality of complainants to the greatest extent practical. Complainants may also submit their concerns anonymously in writing. In addition to the Code, we have an Audit Committee Charter and a Policy of Procedures for Disclosure Concerning Financial/Accounting Irregularities.

Since the beginning of our most recently completed fiscal year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code. The board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs.

Directors are required to abide by the Code and expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The board is required by the Board Mandate to satisfy our CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Company. The board is responsible for reviewing departures from the Code, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. In addition, the board is responsible for responding to potential conflict of interest situations, particularly with respect to considering existing or proposed transactions and agreements in respect of which directors or executive officers advise they have a material interest. The Board Mandate requires that directors and executive officers disclose any interest and the extent, no matter how small, of their interest in any transaction or agreement with us, and that directors excuse themselves from both board deliberations and voting in respect of transactions in which they have an interest. By taking these steps the board strives to ensure that directors exercise independent judgment, unclouded by the relationships of the directors and executive officers to each other and us, in considering transactions and agreements in respect of which directors and executive officers have an interest.

Nomination of Directors

The Board has not appointed a nominating committee and does not believe that such a committee is warranted at the present time. The entire Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and officers. The Board generally looks for the nominee to have significant public company experience. The nominee must not have a significant conflicting public company association.

Compensation

The Board determines director and executive officer compensation by recommendation of the Compensation Committee. The Company's Compensation Committee reviews the amounts and effectiveness of compensation. The Board reviews the adequacy and form of compensation and compares it to other companies of similar size and stage of development. There is no minimum share ownership requirement of directors.

The Compensation Committee generally convenes at least once annually to review director and officer compensation and status of stock options. The Compensation Committee also responds to requests from management and the Board to review recommendations of management for new senior employees and their compensation. The Compensation Committee has the power to approve and/or amend these recommendations.

The Company has felt no need to retain any compensation consultants or advisors at any time since the beginning of the Company's most recently completed financial year.

Committees of the Board

Our Board of Directors discharges its responsibilities directly and through committees of the Board of Directors, currently consisting of the Audit Committee and a compensation committee (the "Compensation Committee").

Audit Committee

The mandate of the Audit Committee is formalized in a written charter. The members of the Audit Committee are J. Obie Strickler, Abhilash Patel and Stephen Gledhill (Chair). Based on his professional experience, the board has determined that Stephen Gledhill is an Audit Committee Financial Expert and that J. Obie Strickler and Abhilash Patel are financially literate. The Audit Committee's primary duties and responsibilities are to serve as an objective party to monitor our financial reporting process and control systems, review and appraise the audit activities of our independent auditors, financial and senior management, and the lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters including investigating fraud, illegal acts or conflicts of interest.

Compensation Committee

The mandate of the Compensation Committee is formalized in a written charter. The members of the Compensation Committee are J. Obie Strickler, Abhilash Patel and Stephen Gledhill. Compensation is determined in the context of our strategic plan, our growth, shareholder returns and other achievements and considered in the context of position descriptions, goals and the performance of each individual director and officer. With respect to directors' compensation, the Compensation Committee reviews the level and form of compensation received by the directors, members of each committee, the board chair and the chair of each board committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to us. The compensation of directors, the CEO, CFO and executive officers of competitors are considered, to the extent publicly available, in determining compensation and the Compensation Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation.

Assessments

The Board of Directors assesses, on an annual basis, the contributions of the board as a whole, the Audit Committee and each of the individual directors, in order to determine whether each is functioning effectively. The board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees. The Audit Committee will annually review the Audit Committee Charter and recommend, if any, revisions to the board as necessary.

Relevant Education and Experience of Audit Committee Members

See Item 6.A – Directors and Senior Management for biographies of Audit Committee members.

Audit Committee Charter

- Our Audit Committee Charter (the "Charter") has been adopted by our Board of Directors. The Audit Committee of the board (the "Committee") will review and reassess this charter annually and recommend any proposed changes to the board for approval. The Audit Committee's primary duties and responsibilities are to:

- Oversee (i) the integrity of our financial statements; (ii) our compliance with legal and regulatory requirements; and (iii) the independent auditors' qualifications and independence.

- Serve as an independent and objective party to monitor our financial reporting processes and internal control systems.

- Review and appraise the audit activities of our independent auditors and the internal auditing functions.

- Provide open lines of communication among the independent auditors, financial and senior management, and the board for financial reporting and control matters.

Role and Independence: Organization

The Committee assists the Board of Directors on fulfilling its responsibility for oversight of the quality and integrity of our accounting, auditing, internal control and financial reporting practices. It may also have such other duties as may from time to time be assigned to it by the board.

The Audit Committee is to be comprised of at least three directors.

All members shall, to the satisfaction of the Board of Directors, be financially literate (i.e. will have the ability to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto), and at least one member shall have accounting or related financial management expertise to qualify as "financially sophisticated". A person will qualify as "financially sophisticated" if an individual possesses the following attributes:

- an understanding of financial statements and generally accepted accounting principles;
- an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more persons engaged in such activities;
- an understanding of internal controls and procedures for financial reporting; and
- an understanding of audit committee functions.

The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders. Each member of the Committee serves at the pleasure of the Board and, in any event, only so long as he or she is a director.

One member of the Committee shall be appointed as chair. The chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings and making regular reports to the Board. The chair will also maintain regular liaison with the CEO, CFO, President and the lead independent audit partner.

Responsibilities and Powers

Although the Committee may wish to consider other duties from time to time, the general recurring activities of the Committee in carrying out its oversight role are described below.

- Annual review and revision of the Charter as necessary with the approval of the board.
- Review and obtain from the independent auditors annually a formal written statement delineating all relationships between the auditor and us, consistent with Independence Standards Board Standard 1. The Committee shall actively engage in a dialogue with the independent auditors with respect to any relationship that may impact the objectivity and the independence of the auditors and shall take, or recommend that the board take, appropriate actions to oversee and satisfy itself as to the auditors' independence.
- Recommending to the board the independent auditors to be retained (or nominated for shareholder approval) to audit our financial statements. Such auditors are ultimately accountable to the board and the Committee, as representatives of the shareholders.
- Evaluating, together with the board and management, the performance of the independent auditors and, where appropriate, replacing such auditors.
- Ensuring that the independent auditors are prohibited from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:

- Bookkeeping or other services related to our accounting records or consolidated financial statements;
- Financial information systems design and implementation;
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing services;
- Management functions or human resources;
- Broker or dealer, investment advisor or investment banking services;
- Legal services and expert services unrelated to the audit; and
- Any other services which the Public Company Accounting Oversight Board determines to be impermissible.

- Approving any permissible non-audit engagements of the independent auditors.
- Meeting with our auditors and management to review the scope of the proposed audit for the current year, and the audit procedures to be used, and to approve audit fees.
- Reviewing the audited consolidated financial statements and discussing them with management and the independent auditors. Consideration of the quality of our accounting principles as applied in its financial reporting. Based on such review, the Committee shall make its recommendation to the Board as to the inclusion of our audited consolidated financial statement in our Report to Shareholders.
- Discussing with management and the independent auditors the quality and adequacy of and compliance with our internal controls.
- Establishing procedures: (i) for receiving, handling and retaining of complaints received by us regarding accounting, internal controls, or auditing matters, and (ii) for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters.
- Review and discuss all related party transactions involving us.
- Engaging independent counsel and other advisors if the Committee determines that such advisors are necessary to assist the Committee in carrying out its duties.
- Publicly disclose the receipt of warning about any violations of corporate governance rules.

Authority

The Committee will have the authority to retain special legal, accounting or other experts for advice, consultation or special investigation. The Committee may request any officer or employee of ours, our outside legal counsel, or the independent auditor to attend a meeting of the Committee, or to meet with any member of, or consultants to, the Committee. The Committee will have full access to our books, records and facilities.

Meetings

The Committee shall meet at least yearly, or more frequently as the Committee considers necessary. Opportunities should be afforded periodically to the external auditor and to senior management to meet separately with the independent members of the Committee. Meetings may be with representatives of the independent auditors, and appropriate members of management, all either individually or collectively as may be required by the Chairman of the Committee.

The independent auditors will have direct access to the Committee at their own initiative.

The Chairman of the Committee will report periodically the Committee's findings and recommendations to the Board of Directors.

D. EMPLOYEES

As of October 31, 2023, we had 204 employees compared to 181 and 110 employees as of October 31, 2022 and 2021, respectively.

E. SHARE OWNERSHIP

Shares of our common stock are owned by Canadian residents, U.S. residents and residents of other countries. The only class of our securities, which is outstanding as of the date of the filing of this Report, is common stock. All holders of shares of our common stock have the same voting rights with respect to their ownership of shares of our common stock.

The following table sets forth as of February 28, 2024, certain information with respect to the amount and nature of beneficial ownership of shares of our common stock held by (i) each person who is a director or an executive officer of ours; and (ii) all directors and executive officers of ours, as a group. Shares of our common stock subject to options, warrants, or convertible securities currently exercisable or convertible or exercisable or convertible within 60 days of the date of filing of this Report are deemed outstanding for computing the share ownership and percentage of the person holding such options, warrants, or convertible securities but are not deemed outstanding for computing the percentage of any other person.

Name and Owner	Identity	Amount and Nature of Beneficial Ownership of Common Stock[1]	Percentage
J. Obie Strickler	President, Chief Executive Officer and Director	34,194,416[2]	18.78%
Ryan Kee	Chief Financial Officer and Director	97,500[3]	0.05%
Adam August	Senior VP, Grown Rogue Unlimited LLC	5,255,500[4]	2.89%
Abhilash Patel	Officer/Director	754,971	0.05%
Stephen Gledhill	Director	44,386	0.02%
Sean Conacher	Director	485,000	0.27%
All officers and directors as a group (6 persons)		40,801,773	22.06%

(1) Unless otherwise indicated, the persons named have sole ownership, voting and investment power with respect to their stock, subject to applicable laws relative to rights of spouses. Percentage ownership is based on 182,005,886 shares of common stock outstanding as of February 28, 2024.

(2) Mr. Strickler beneficially owns options to acquire 1,500,000 common shares at an exercise price of CAD$0.15 per common share, in which the options expire on January 10, 2027.

(3) Mr. Kee owns options to acquire 1,000,000 common shares at an exercise price of CAD$0.15 per common share, in which 250,000 of these options expire on July 9, 2024, and the remaining 750,000 expire on January 10, 2027.
(4) Mr. August owns options to acquire 1,500,000 common shares at an exercise of CAD$0.15 per common share, in which 750,000 of these options expire on July 9, 2024, and the remaining 750,000 expire on January 10, 2027. Mr. August acquired convertible debentures with a principal amount of $50,000 with a maturity date of December 2, 2025. The convertible debentures are convertible into 335,824 common shares at a conversion price of CAD$0.20 per common share. Mr. August also owns warrants to acquire 167,912 common shares. These warrants are exercisable for a period of three years from issuance into common shares at an exercise price of CAD$0.25 per common share and expire on December 2, 2025.

As of the date of the filing of this Report, to the knowledge of our management, there are no arrangements which, could at a subsequent date result in a change in control of us. As of such date, and except as disclosed herein, our management has no knowledge that we are owned or controlled directly or indirectly by another company or any foreign government.

ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

There were 182,005,886 issued and outstanding shares of our common stock as of February 28, 2024. As of February 28, 2024, to the best of our knowledge, Mr. Strickler, Bengal Catalyst Fund, LP and Aaron Edelheit were the only persons who held directly or indirectly or exercised control or direction over, shares of our common stock carrying 5% or more of the voting rights attached to all issued and outstanding shares of the common stock except as stated under Item 6.E above or set out in the table below. The shares of our common stock, owned by our major shareholders have identical voting rights as those owned by our other shareholders.

Name	Amount and Nature of Beneficial Ownership of Common Stock	Note	Percentage
J. Obie Strickler	34,194,416	1	18.78%
Bengal Catalyst Fund, LP	24,365,000		13.38%
Aaron Edelheit	16,893,553	2	9.9%

(1) Mr. Strickler owns options to acquire 1,500,000 common.
(2) Mr. Edelheit holds his respective shares of common stock as the general partner of the following funds: Mindset Value Fund and Mindset Value Wellness Fund.

The following table discloses the geographic distribution of the majority of the holders of record of our common stock as of February 28, 2024.

Country	Number of Shareholders	Number of Shares	Percentage of Shareholders	Percentage of Shares
Canada	1,079	164,723,855	90.50%	88.71%
USA	72	16,028,465	8.81%	11.14%
All Other	13	1,253,566	0.69%	0.15%
Total	1,164	182,005,886	100.00%	100.00%

We are not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person. There are no arrangements known to us, the operation of which may at a subsequent date result in a change in the control of us.

B. RELATED PARTY TRANSACTIONS

Except as disclosed below, there are no existing or potential material conflicts of interest between the Company or a subsidiary of the Company and a director or officer of the Company or a subsidiary of the Company.

Property and Equipment Leases

J. Obie Strickler, CEO, owns the Trails End Property that is one of the facility properties leased to GRUP. Beginning with the 2019 outdoor harvest and through December 31, 2021, 2.5% of gross sales achieved from this property were payable in cash to Mr. Strickler. During the year ended October 31, 2023, rent charged was $72,000 (2022 and 2021 - $72,000 and $72,000, respectively). The lease liability for Trails End at October 31, 2023, was 139,014 (2022 and 2021 - $193,312 and $242,228, respectively).

J. Obie Strickler, our CEO, beneficially owns the Lars Property which was leased to GR Gardens during the year ended October 31, 2021, and is located in Medford, Oregon with a term through June 30, 2026. Lease charges of $190,035 were incurred for the year ended October 31, 2023 (2022 and 2021 - $184,500 and $60,000 respectively). The lease liability for Lars at October 31, 2023, was $470,134 (2022 and 2021 - $607,900 and $727,885, respectively).

During the year ended October 31, 2021, Mr. Strickler leased two pieces of mobile equipment to the Company. During the year ended October 31, 2023, total aggregate payments of $9,971 were made (2022 - $28,871 and 2021 - $17,802). Both leases were fully paid as at October 31, 2023.

Through its subsidiary, Golden Harvests, the Company leased Morton, owned by David Pleitner, the Company's Michigan General Manager ("GM"). Morton is located in Michigan, with a lease term through January 2026. Lease charges of $180,000 (2022 - $152,000 and 2021 - $140,000) were incurred during the year ended October 31, 2023. The lease liability of Morton at October 31, 2023 was $377,043 (2022 and 2021 - $428,476 and $456,918, respectively).

Through its subsidiary, Golden Harvests, the Company also leased Morton Annex located in Michigan, which is owned by David Pleitner, the Company's GM. The lease term was extended during the year ended October 31, 2023, through November 2023. Lease charges of $740,000 (2022 - $330,000 and 2021 - $nil) were incurred during the year ended October 31, 2023. The lease liability of Morton Annex at October 31, 2023, was $29,774 (2022 and 2021 - $211,991 and $nil, respectively).

Financing Transactions

On February 5, 2021, the Company completed the February 2021 Private Placement 2nd Tranche, comprised of 8,200,000 units (the "Units") at CAD$0.16 per Unit for proceeds of CAD$1,312,000 (U.S.$1,025,000). Each Unit was comprised of one common share and one warrant to purchase one common share. Each warrant has an exercise price of CAD$0.20 and a term of two years. Related party subscribers include the following: J. Obie Strickler, our CEO, subscribed to 1,600,000 Units; Ryan Kee, CFO of GR Unlimited, subscribed to 2,000,000 Units; a key Company operations manager subscribed to 1,000,000 Units; and PBIC subscribed to 2,000,000 Units.

On March 5, 2021, PBIC invested an aggregate total of $394,546 in the March 5, 2021, Special Warrant offering, for which PBIC received 2,444,444 common shares and 2,444,444 warrants to purchase common shares. Each warrant is exercisable at CAD$0.30 for a period of two years.

On December 9, 2021, the Company announced that it had closed the December 2021 Private Placement for total gross proceeds of $1,300,000 (CAD$1,645,800). The Private Placement resulted in the issuance of 13,166,400 common shares of Grown Rogue at a purchase price of CAD$0.125 per share. All common shares issued pursuant to the Private Placement were subject to a hold period of four months and one day. J. Obie Strickler, our CEO, invested USD$300,000 in the Private Placement and received 3,038,400 common shares of the Company, and Bengal Catalyst Fund, LP, invested USD$1,000,000 and received 10,128,000 common shares of the Company.

On December 5, 2022, the Company announced that it had closed the December Convertible Debentures with an aggregate principal amount of $2,000,000. They bear interest at 9% per year, paid quarterly, and mature thirty-six months from the date of issue. The December Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.20 CAD per common share. Additionally, on closing, the Company issued to the purchasers of the December Convertible Debentures, an aggregate of 6,716,499 December Warrants, that represent 50% coverage of each debenture investment. The Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of CAD$0.25 per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of ten consecutive trading days. Adam August, the Senior VP of GR Unlimited, purchased December Convertible Debentures with a principal balance of $50,000 and was issued 167,912 December Warrants.

The following transactions with individuals related to the Company which arose in the normal course of business have been accounted for at the amount agreed to by the related parties.

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the periods set out were as follows:

	October 31, 2023	October 31, 2022	October 31, 2021
Short term employee benefits	$ 880,195	$ 1,118,694	$ 875,058
Equity-based compensation	$ 161,422	$ 33,125	$ 134,476
	$ 1,041,617	$ 1,151,819	$ 1,009,534

The following balances owing to key management personnel which are included in trade and other payables are unsecured, non-interest bearing and due on demand:

	October 31, 2023	October 31, 2022
Short term employee benefits and reimbursables payable to key managers	$ 102,798	$ 136,588
Lease liabilities	1,015,965	1,451,112
Total	$ 1,118,763	$ 1,587,700

During the years ended October 31, 2023 and 2022, the Company incurred compensation expense of $98,846, and $60,000, respectively, for employment services from the spouse of the CEO (“Ms. Strickler”).

During the year ended October 31, 2023, 1,500,000 options were granted to J. Obie Strickler, our CEO; 750,000 options were granted to Ryan Kee, our CFO; 750,000 options were granted to Adam August, the Senior VP; and 175,000 options to David Pleitner, the GM. During the year ended October 31, 2022, no options to purchase common shares were granted to key management personnel. During the year ended October 31, 2021, 500,000 options were granted to our former Chief Operating Officer.

During the year ended October 31, 2023, 1,250,000 options were granted to three members of the Board of Directors.

Compensation to Board of Directors during the year ended October 31, 2023, was $18,000, (2022 – fees of $18,000 and issuance of 273,750 common shares with a fair value of $20,562).

C. INTERESTS OF EXPERTS AND COUNSEL

Not Applicable.

ITEM 8 FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

The Company's Audited Consolidated Financial Statements for the fiscal years ended October 31, 2023, 2022 and 2021 and the notes thereto required as part of this Report are filed under Item 18 of this Report.

Litigation

There are no pending legal proceedings to which we or our subsidiaries are a party or of which any of our property or assets is the subject. There are no legal proceedings to which any of the directors, officers or affiliates or any associate of any such directors, officers or affiliates of either our company or our subsidiary is a party or has a material interest adverse to us.

Dividends

We have not paid any dividends on our common stock during the past five years. We do not intend to pay dividends on shares of our common stock in the foreseeable future as we anticipate that our cash resources will be used to finance growth.

B. SIGNIFICANT CHANGES

There have been no significant changes that have occurred since the date of our annual financial statements included with this Report except as disclosed in this Report.

ITEM 9 THE OFFER AND LISTING

Common Shares

Our authorized capital consists of an unlimited number of shares of our common stock without par value, of which 182,005,886 were issued and outstanding as of October 31, 2023. All shares are initially issued in registered form. There are no restrictions on the transferability of shares of our common stock imposed by our Articles of Amalgamation. Holders of shares of our common stock are entitled to one vote for each common share held of record on all matters to be acted upon by our shareholders. Holders of shares of our common stock are entitled to receive such dividends as may be declared from time to time by our Board of Directors, in their discretion. In addition, we are authorized to issue an unlimited number of preferred shares, issuable in series with such rights, preferences and privileges as may be determined from time to time by our Board of Directors and consistent with our Articles of Amendment of which Nil preferred shares were issued and outstanding at October 31, 2023.

Shares of our common stock entitle their holders to: (i) vote at all meetings of our shareholders except meetings at which only holders of specified classes of shares are entitled to vote, having one vote per common share, (ii) receive dividends at the discretion of our Board of Directors; and (iii) receive our remaining property on liquidation, dissolution or winding up.

A. OFFER AND LISTING DETAILS

Our common stock is quoted for trading on the OTC Markets under the symbol "GRUSF" and listed on the CSE, under the symbol "GRIN". During the past three years, there have been two suspensions of trading for failure to timely file financial reports: trading of our common stock ceased over the OTC Markets in March 2020 and the CSE ceased trading of our common stock in March 2020, both associated with the same filing delay. On March 24, 2020, the Company rectified the default situation that gave rise to the suspension of trading, and trading on the CSE and OTC Markets resumed. The SEC amendments to Rule 15c2-11 went into effect September 28, 2021, and on that date, quotations on the OTC Markets were no longer publishable due to lack of current information about the Company. Quotations on the OTC Markets resumed after the filing of delinquent disclosures.

There is currently only a limited public market for the common stock in the United States. There can be no assurance that a more active market will develop in the future.

B. PLAN OF DISTRIBUTION

Not Applicable.

C. MARKETS

See Item 9.A.

D. SELLING SHAREHOLDERS

Not Applicable.

E. DILUTION

Not Applicable.

F. EXPENSES OF THE ISSUE

Not Applicable.

ITEM 10 ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Certificate of Incorporation

We were incorporated under the Business Corporations Act (Ontario) on September 22, 1978 under the name Bonanza Red Lake Explorations Inc. The corporation number as assigned by Ontario is 396323.

Articles of Amendment dated January 14, 1985

By Articles of Amendment dated January 14, 1985, our Certificate of Incorporation (as amended, the "Articles") was amended as follows:

1. The minimum number of directors of the Company shall be 3 and the maximum number of directors of the Company shall be 10.

2. (a) Delete the existing objects clauses and provide that there are no restrictions on the business we may carry on or on the powers that we may exercise;

   (b) Delete the term "head office" where it appears in the Articles and substitute therefor the term "registered office";

   (c) Delete the existing special provisions contained in the Articles and substitute therefor the following:

The following special provisions shall be applicable to the Company:

Subject to the provisions of the Business Corporations Act, as amended or re-enacted from time to time, the directors may, without authorization of the shareholders:

(i) borrow money on the credit of the Company;

(ii) issue, re-issue, sell or pledge debt obligations of the Company;

(iii) give a guarantee on behalf of the Company to secure performance of an obligation of any person;

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Company owned or subsequently acquired, to secure any obligation of the Company; and

(v) by resolution, delegate any or all such powers to a director, a committee of directors or an officer of the Company.

3. (a) Provide that the Company is authorized to issue an unlimited number of shares;

(b) Provide that the Company is authorized to issue an unlimited number of preference shares.

Articles of Amendment dated August 16, 2000

By Articles of Amendment dated August 16, 2000, our Articles were amended to consolidate our issued and outstanding shares of our common stock on the basis on one common share for every three issued and outstanding shares of our common stock, and change our name from Bonanza Red Lake Explorations Inc. to Eugenic Corp.

Our Articles of Amendment state that there are no restrictions on the business that may carry on, but do not contain a stated purpose or objective.

Articles of Amalgamation dated November 30, 2009

By Articles of Amalgamation dated November 30, 2009, we amalgamated with our wholly owned subsidiary Eagleford Energy Inc. (formerly: 1406768 Ontario Inc.), and changed the entity's name to Eagleford Energy Inc.

Our Articles of Amalgamation state that there are no restrictions on the business that may carry on or on the powers the Company may exercise.

We are authorized to issue an unlimited number of shares of our common stock and an unlimited number of preference shares of which Nil were outstanding as of the date of this Report (the "Preference Shares").

A description of the rights, preferences and privileges relating to the Company's Preference Shares is as follows:

(a) Our Preference Shares have a par value of one-tenth of one cent (1/10) and are redeemable, voting, non-participating shares.

(b) No dividends at any time shall be declared, set aside or paid on our Preference Shares.

(c) In the event of a liquidation, dissolution or winding of the Company or other distribution of assets or property of the Company among shareholders for the purpose of winding up its affairs, the holders of the Preference Shares shall be entitled to receive from the assets and property of the Company a sum equivalent to the aggregate par value of the Preference Shares held by them respectively before any amount shall be paid or any property or assets of the Company distributed to holders of any shares of our common stock or shares of any other class ranking junior to the Preference Shares. After payment to the holders of the Preference Shares of the amount so payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Company.

(d) The Company may not redeem the Preference Shares prior to the expiration of five years from the respective dates of issuance thereof, without the prior consent of the holders of the Preference Shares to be redeemed. The Company shall redeem all of the then outstanding Preference Shares five years from the respective dates of issue.

(e) The Company may at any time or times purchase for cancellation all or any part of the Preference Shares outstanding from time to time from the holders thereof, at a price not exceeding the par value thereof, with the consent of the holders thereof.

(f) The holders of the Preference Shares shall be entitled to receive notice of and attend all meetings of shareholders of the Company and shall have one (1) vote for each Preference Share held at all meetings of the shareholders of the Company.

Other Provisions

The following special provisions shall be applicable to the Company:

Subject to the provisions of the Business Corporations Act, as amended or re-enacted from time to time, the directors may, without authorization of the shareholders:

(i) borrow money on the credit of the Company;

(ii) issue, re-issue, sell or pledge debt obligations of the Company;

(iii) give a guarantee on behalf of the Company to secure performance of an obligation of any person;

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Company owned or subsequently acquired, to secure any obligation of the Company; and

(v) by resolution, delegate any or all such powers to a director, a committee of directors or an officer of the Company.

Articles of Amendment dated effective March 16, 2012

By Articles of Amendment dated effective March 16, 2012, our Articles were amended:

a) To change each issued and outstanding common share in the capital of the Company into two (2) common share of the Company (the "Stock Split") effective as of the close of business on March 16, 2012; and

b) To provide that no fractional shares shall be issued as a result of the Stock Split, and if any fractional share would otherwise result from the Stock Split, such fractional share shall be rounded up to the nearest whole share and distributed to the holder of the fractional interest as his or her interest appears.

Articles of Amendment dated effective November 1, 2018

Effective November 1, 2018, we changed our name from Novicius Corp. to Grown Rogue International Inc.

Bylaws

At the Annual and Special Meeting of Shareholders held on February 24, 2012, shareholders approved a resolution to repeal and replace the Company's By-Law No. 1 and Special By-Law No. 1 (the "Old By-Laws") with a new By-Law No. 1 (the "Bylaws") in order to reflect the current circumstances and practices of the Company and certain amendments to the Business Corporations Act (Ontario) (the "OBCA"), which came into force on August 1, 2007.

No director of ours is permitted to vote on any resolution to approve a material contract or transaction in which such director has a material interest (Bylaws, Article 3.17).

Neither our Articles nor our Bylaws limit the directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body. The Bylaws provide that directors shall receive remuneration as the Board of Directors shall determine from time to time (Bylaws, Article 3.19).

Under our Articles and Bylaws, our Board of Directors may, without the authorization of our shareholders, (i) borrow money upon our credit; (ii) issue, reissue, sell or pledge debt obligations of ours; whether secured or unsecured (iii) give a guarantee on behalf of us to secure performance of obligations; and (iv) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all currently owned or subsequently acquired real or personal, movable or immovable, tangible or intangible, property of ours to secure obligations(Bylaws, Article 13.1).

The annual meeting of shareholders shall be held at such time in each year as the Board, the Chairman of the Board (if any), the Chief Executive Officer, or the President may from time to time determine, for the purpose of considering the financial statements and reports required by the OBCA to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting (Bylaws, Article 9.1).

The Board of Directors, the Chairman of the Board (if any) or the President shall have power to call a special meeting of shareholders at any time (Bylaws, Article 9.2).

Shareholders of record must be given notice of any meeting not less than 21 days or more than 50 days before the date of the meeting or as otherwise prescribed by applicable laws. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors' report, election of directors and reappointment of the incumbent auditor shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting (Bylaws, Article 9.4). Our Board of Directors is permitted to fix a record date for any meeting of the shareholders that is between 30 and 60 days prior to such meeting or as otherwise prescribed by applicable laws. (Bylaws, Article 9.6). The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Company and others who, although not entitled to vote are entitled or required under any provision of the OBCA or the Articles or the Bylaws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting (Bylaws, Article 9.9).

Neither our Articles nor our Bylaws discuss limitations on the rights to own securities or exercise voting rights thereon, and there is no provision of our Articles or Bylaws that would delay, defer or prevent a change in control of us, or that would operate only with respect to a merger, acquisition, or corporate restructuring involving us or any of its subsidiaries. Our Bylaws do not contain a provision indicating an ownership threshold above which shareholder ownership must be disclosed.

Articles of Amendment dated effective August 25, 2014

By Articles of Amendment dated effective August 25, 2014, our Articles were amended to change our name from Eagleford Energy Inc., to Eagleford Energy Corp., and

a) To change every ten (10) issued and outstanding common share in the capital of the Company into one (1) common share of the Company (the "Stock Consolidation") effective as of the close of business on August 25, 2014; and

b) To provide that no fractional shares shall be issued as a result of the Stock Consolidation and if any fractional share would otherwise result from the Stock Split, such fractional share shall be rounded up to the nearest whole share and distributed to the holder of the fractional interest as his or her interest appears.

Articles of Amendment dated effective February 1, 2016

By Articles of Amendment dated effective February 1, 2016, our Articles were amended to change our name from Eagleford Energy Corp., to Intelligent Content Enterprises Inc., and

a) To change every ten (10) issued and outstanding common share in the capital of the Company into one (1) common share of the Company (the "Stock Consolidation") effective as of the close of business on February 1, 2016; and

b) To provide that no fractional shares shall be issued as a result of the Stock Consolidation and if any fractional share would otherwise result from the Stock Split, such fractional share shall be rounded up to the nearest whole share and distributed to the holder of the fractional interest as his or her interest appears.

Articles of Amendment dated effective February 29, 2016

By Articles of Amendment dated effective February 29, 2016, our Articles were amended to revise the attributes of the preferred shares.

The Company is authorized to issue an unlimited number of shares of our common stock and an unlimited number of preference shares, issuable in series with the following attributes:

Share Provisions

(a) The shares of our common stock shall have attached thereto the following rights, privileges, restrictions and conditions:

1. DIVIDENDS

Subject to the prior rights of the holders of the Preference Shares and to any other shares ranking senior to the shares of our common stock with respect to priority in the payment of dividends, the holders of shares of our common stock shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the Board of Directors of the Company, out of moneys properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the directors may declare on the shares of our common stock shall be declared and paid in equal amounts per share on all shares of our common stock at the time outstanding.

2. DISSOLUTION

In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Preference Shares and to any other shares ranking senior to the shares of our common stock with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the shares of our common stock shall be entitled to receive the remaining property and assets of the Company.

3. VOTING RIGHTS

The holders of the shares of our common stock shall be entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one (1) vote for each Common Share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.

(b) The rights, privileges, restrictions and conditions attaching to the Preference Shares, as a class, are as follows:

1. DIRECTORS' AUTHORITY TO ISSUE ONE OR MORE SERIES

The Board of Directors of the Company may issue the Preference Shares at any time and from time to time in one or more series. Before the first shares of a particular series are issued, the Board of Directors of the Company shall fix the number of shares in such series and shall determine, subject to the limitations set out in the Articles, the designation, rights, privileges, restrictions and conditions to attach to the shares of such series which may include, without limiting the generality of the foregoing, the rate or rates, amount or method or methods of calculation of preferential dividends, whether cumulative or non-cumulative or partially cumulative, and whether such rate(s), amount or method(s) of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such preferential dividends shall accrue, the redemption price and terms and conditions of redemption (if any), the rights of retraction (if any), and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be vested in such holders in the future, voting rights and conversion or exchange rights (if any), and any sinking fund, purchase fund or other provisions attaching thereto. Before the issue of the first shares of a series, the Board of Directors of the Company shall send to the Director (as defined in the Business Corporations Act) articles of amendment in the prescribed form containing a description of such series including the designation, rights, privileges, restrictions and conditions determined by the directors.

2. RANKING OF PREFERENCE SHARES

2.1 No rights, privileges, restrictions or conditions attaching to a series of Preference Shares shall confer upon a series a priority in respect of dividends or return of capital in the event of liquidation, dissolution or winding-up of the Company over any other series of Preference Shares. The Preference Shares of each series rank on a parity with the Preference Shares of every other series with respect to priority in the payment of dividends and the return of capital and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

2.2 The Preference Shares shall be entitled to priority over the shares of our common stock and over any other shares of any other class of the Company ranking junior to the Preference Shares with respect to priority in the payment of dividends and the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

2.3 If any amount of cumulative dividends, whether or not declared, or declared non-cumulative dividends or amount payable on a return of capital in the event of the liquidation, dissolution or winding-up of the Company in respect of a series of Preference Shares is not paid in full, the Preference Shares of all series shall participate ratably in respect of all accumulated dividends, whether or not declared, and all declared non-cumulative dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of amounts payable on return of capital in the event of the liquidation, dissolution or winding-up of the Company in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Preference Shares with respect to amounts payable on return of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends.

2.4 The Preference Shares of any series may also be given such other preferences not inconsistent with the provisions hereof over the shares of our common stock and over any other shares ranking junior to the Preference Shares as may be determined in the case of such series of Preference Shares.

3. RESTRICTIONS ON DIVIDENDS AND REDEMPTIONS, ETC.

Except with the approval of all the holders of the Preference Shares, no dividends shall at any time be declared or paid or set apart for payment on the Company or any other shares of the Company ranking junior to the Preference Shares unless all dividends which have been declared by the Board of Directors up to and including the dividend payable for the last completed period for which such dividends have been declared by the Board of Directors on each series of Preference Shares then issued and outstanding shall have been paid or set apart for payment at the date of such declaration or payment or setting apart for payment on the Company or such other shares of the Company ranking junior to the Preference Shares; nor shall the Company call for redemption, redeem, purchase for cancellation, acquire for value or reduce or otherwise pay off any of the Preference Shares (less than the total amount then outstanding) or any Company or any other shares of the Company ranking junior to the Preference Shares unless and until all dividends up to and including the dividends payable for the last completed period for which such dividends have been declared by the Board of Directors on each series of Preference Shares then issued and outstanding shall have been paid or set apart for payment at the date of such call for redemption, purchase, acquisition, reduction or other payment.

4. VOTING RIGHTS

Except as hereinafter referred to or as otherwise provided by law or in accordance with any voting rights which may from time to time be attached to any series of Preference Shares, the holders of the Preference Shares as a class shall not be entitled as such to receive notice of, to attend to vote at any meeting of the shareholders of the Company.

5. SPECIFIC MATTERS REQUIRING APPROVAL

5.1 The approval of the holders of the Preference Shares, given in the manner described in Section 6.1 below, shall be required for the creation of any new shares ranking prior to or on a parity with the Preference Shares, and if, but only so long as, any cumulative dividends are in arrears or any declared non-cumulative dividends are unpaid on any outstanding series of Preference Shares, for the issuance of any additional series of Preference Shares or of any shares ranking prior to or on a parity with the Preference Shares.

5.2 The provisions of Clauses 1 to 6 inclusive may be deleted, amended, modified or varied in whole or in part by a certificate of amendment issued by the Director appointed under the Business Corporations Act, but only with the prior approval of the holders of the Preference Shares given as hereinafter specified in addition to any other approval required by the Business Corporations Act or any other statutory provisions of like or similar effect, from time to time in force.

6. APPROVAL OF THE HOLDERS OF THE PREFERENCE SHARES

The approval of the holders of the Preference Shares with respect to any and all matters hereinbefore referred to may be given by at least two thirds of the votes cast at a meeting of the holders of the Preference Shares duly called for that purpose and held upon at least 21 days' notice at which the holders of a majority of the outstanding Preference Shares are present or represented by proxy. If at any such meeting the holders of a majority of the outstanding Preference Shares are not present or represented by proxy within one half-hour after the time appointed for such meeting, then the meeting shall be adjourned to such date being not less than 30 days later and to such time and place as may be appointed by the chairman and not less than 21 days' notice shall be given of such adjourned meeting. At such adjourned meeting the holders of the Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by not less than two-thirds of the votes cast at such adjourned meeting shall constitute the approval of the holders of the Preference Shares referred to above. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the Business Corporations Act and the by-laws of the Company with respect to meetings of shareholders. On every poll taken at every such meeting or adjourned meeting every holder of Preference Shares shall be entitled to one (1) vote in respect of each Preference Share held.

Articles of Amendment dated effective May 26, 2017

By Articles of Amendment dated effective May 26, 2017, our Articles were amended to change our name from Intelligent Content Enterprises Inc., to Novicius Corp., and

a) To change every ten (10) issued and outstanding common share in the capital of the Company into one (1) common share of the Company (the "Stock Consolidation") effective as of the close of business on May 26, 2017; and

b) To provide that no fractional shares shall be issued as a result of the Stock Consolidation and if any fractional share would otherwise result from the Stock Split, such fractional share shall be rounded up to the nearest whole share and distributed to the holder of the fractional interest as his or her interest appears.

Articles of Amendment dated effective November 1, 2018

By Articles of Amendment dated effective November 1, 2018, we changed our name to Grown Rogue International Inc.

Other Provisions

Neither our Articles nor our Bylaws discuss the retirement or non-retirement of directors under an age limit requirement or the number of shares required for director qualification.

Neither our Articles nor our Bylaws require that a director hold a share in the capital of the Company as qualification for his/her office.

Neither our Articles nor our Bylaws contain sinking fund provisions, provisions allowing us to make further capital calls with respect to any shareholder of ours, or provisions which discriminate against any holders of securities as a result of such shareholder owning a substantial number of shares.

C. MATERIAL CONTRACTS

During the two year period preceding the filing date of this Report, we entered into the following material contracts:

The Company leases approximately 35 acres of real property, with an option to purchase, in Jackson County, Oregon, commonly known as 2888 Ross Lane, Central Point, Oregon, through that certain Commercial Lease Agreement, dated December 20, 2022, between Lender Capital, LLC, and GR Gardens.

On February 5, 2021, the Company agreed to acquire substantially all of the assets of the growing and retail operations of HSCP for $3,000,000 of total agreed-upon consideration. The Company also executed the MSA with HSCP. The Company operated the growing facility under the MSA until the acquisition of the growing assets obtained regulatory approval. On April 14, 2022, the transaction closed with modifications to the original terms: the retail dispensary purchase was mutually terminated, and total consideration for the acquisition was reduced to $2,000,000. Upon closing, the Company had paid $750,000 towards the acquisition, and owed payments of $500,000 due on August 1, 2022, and U.S.$750,000 due on May 1, 2023.

On May 1, 2021, the Company acquired a controlling 60% interest in Golden Harvests for aggregate consideration of $1,007,719 comprised of 1,025,000 common shares of the Company with a fair value of $158,181 and cash payments of $849,536. Consideration remaining to be paid at the date of these financial statements included cash payments of $360,000. During the year ended October 31, 2023, 200,000 common shares issuable since May 1, 2021, with an aggregate fair value of $35,806, were issued. On December 1, 2021, the Company and the seller of the 60% controlling interest in Golden Harvests agreed to extend the due date of the cash portion of business acquisition consideration payable until December 31, 2024, in exchange for monthly payments at a rate of 18% per annum. The Company may pay all or part of the cash portion of the business acquisition consideration payable prior to December 31, 2024.

On April 14, 2022, the Company purchased indoor growing assets from HSCP (Note 6.1). Purchase consideration included a secured promissory note payable with a principal sum of $1,250,000, of which $500,000 was due on August 1, 2022 and $750,000 was due on May 1, 2023, before amendment of the agreement, which is described below. The collateral for the secured promissory note payable is comprised of the assets purchased.

On August 1, 2022, the terms of the secured promissory note between GR Distribution and HSCP, were amended (the "First Amendment"). As amended, the secured promissory note will be fully settled by two principal amounts of $500,000 (the "First Principal Payment") and $750,000 due on May 1, 2023. Beginning on August 1, 2022, and continuing until repaid in full, the unpaid portion of the First Principal Amount will accrue simple interest at a rate per annum of 12.5%, payable monthly. In the event the Company raises capital, principal payments shall be made as follows. If the capital raise is less than or equal to $2 million, then 25% of the capital raise shall be paid against the First Principal Payment; if the capital raise is greater than $2 million and less than or equal to $3 million, then $250,000 shall be paid against the First Principal Payment; and if the capital raise is greater than $3 million, then $500,000 shall be paid against the First Principal Payment.

On December 5, 2022, the Company announced the closing of a non-brokered private placement of the December Convertible Debentures with an aggregate principal amount of $2,000,000. The December Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 36 months from the date of issue. The December Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.20 per common share. Additionally, on closing, the Company issued to the purchasers of the December Convertible Debentures an aggregate of 6,716,499 Warrants, that represents 50% coverage of each Purchaser's Convertible Debenture investment. The December Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of $0.25 CAD per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of 10 consecutive trading days. The December Convertible Debentures and December Warrants issued pursuant to the private placement (and the underlying common shares) were subject to a statutory hold period of four months and one day from the closing date.

During the year ended October 31, 2023, purchasers of the December Convertible Debentures converted an aggregate total of convertible debenture principal of $1,040,662 and $133,977 at CAD$0.20 per share into 10,151,250 and 1,022,025 common shares respectively.

On May 1, 2023, the terms of the secured promissory note between GR Distribution and HSCP were amended for a second time (the "Second Amendment"). Under the Second Amendment, the secured promissory note will be fully settled in two principal amounts. On May 1, 2023, the $500,000 principal payment plus all accrued but unpaid interest under the First Amendment was due and payable. The remaining principal balance of $500,000 (the "Second Principal Amount"), which bears no interest, is due and payable as follows: $150,000 due and payable on August 1, 2023; $150,000 due and payable on November 1, 2023; and $200,000 due and payable on December 31, 2023. The Company paid $900,000 during the year ended October 31, 2023.

On July 13, 2023, the Company announced the closing of a non-brokered private placement of the July Convertible Debentures with an aggregate principal amount of $5,000,000. The July Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 48 months from the date of issue. The July Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.24 per common share, at any time on or prior to the maturity date. Additionally, on closing, the Company issued to the subscribers of the July Convertible Debentures an aggregate of 13,737,500 July Warrants, that represents one-half of one warrant for each CAD$0.24 of principal amount subscribed. The July Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of CAD$0.28 per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of 10 consecutive trading days. The July Warrants' expiry date will be accelerated to 90 days following notice of the acceleration.

On August 17, 2023, the Company announced that it had closed the second and final tranche of a non-brokered private placement of the August Convertible Debentures for gross proceeds of $1,000,000, for a total aggregate principal amount under both tranches of $6,000,000 with the July Convertible Debentures. Additionally, on closing, the Company issued to subscribers under the second tranche an aggregate of 2,816,250 common share purchase warrants. The terms of the August Convertible Debentures and August Warrants issued as part of this second tranche are the same as those issued in the July Convertible Debentures and July Warrants.

Agreements pertaining to various equity financing arrangements are described in *Item 4(A) History and Development of the Company*, and the details of equity and debt and debenture financing agreements through October 31, 2023, are described in the notes to the financial statements in *Item 18 Financial Statements*.

D. EXCHANGE CONTROLS

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital, or affect the remittance of dividends, interest or other payments to a non-resident holder of shares of our common stock, other than withholding tax requirements (See “Taxation” below).

Except as provided in the Investment Canada Act, there are no limitations imposed under the laws of Canada, the Province of Ontario, or by our constituent documents on the right of a non-resident to hold or vote shares of our common stock.

The Investment Canada Act (the “ICA”), which became effective on June 30, 1985, regulates the acquisition by non-Canadians of control of a Canadian business enterprise. In effect, the ICA requires review by Investment Canada, the agency which administers the ICA, and approval by the Canadian government, in the case of an acquisition of control of a Canadian business by a non-Canadian where: (i) in the case of a direct acquisition (for example, through a share purchase or asset purchase), the assets of the business are CAD $5 million or more in value; or (ii) in the case of an indirect acquisition (for example, the acquisition of the foreign parent of the Canadian business) where the Canadian business has assets of CAD $5 million or more in value or if the Canadian business represents more than 50% of the assets of the original group and the Canadian business has assets of CAD $5 million or more in value. Review and approval are also required for the acquisition or establishment of a new business in areas concerning “Canada’s cultural heritage or national identity” such as book publishing, film production and distribution, television and radio production and distribution of music, and the oil and natural gas industry, regardless of the size of the investment.

As applied to an investment in us, three methods of acquiring control of a Canadian business would be regulated by the ICA: (i) the acquisition of all or substantially all of the assets used in carrying on the Canadian business; (ii) the acquisition, directly or indirectly, of voting shares of a Canadian corporation carrying on the Canadian business; or (iii) the acquisition of voting shares of an entity which controls, directly or indirectly, another entity carrying on a Canadian business. An acquisition of a majority of the voting interests of an entity, including a corporation, is deemed to be an acquisition of control under the ICA. An acquisition of less than one-third of the voting shares of a corporation is deemed not to be an acquisition of control. An acquisition of less than a majority, but one-third or more, of the voting shares of a corporation is presumed to be an acquisition of control unless it can be established that on the acquisition the corporation is not, in fact, controlled by the acquirer through the ownership of voting shares. For partnerships, trusts, joint ventures or other unincorporated entities, an acquisition of less than a majority of the voting interests is deemed not to be an acquisition of control.

In 1988, the ICA was amended, pursuant to the Free Trade Agreement dated January 2, 1988 between Canada and the United States, to relax the restrictions of the ICA. As a result of these amendments, except where the Canadian business is in the cultural, oil and gas, uranium, financial services or transportation sectors, the threshold for direct acquisition of control by U.S. investors and other foreign investors acquiring control of a Canadian business from US investors has been raised from CAD $5 million to CAD $150 million of gross assets, and indirect acquisitions are not reviewable.

In addition to the foregoing, the ICA requires that all other acquisitions of control of Canadian businesses by non-Canadians are subject to formal notification to the Canadian government. These provisions require a foreign investor to give notice in the required form, which notices are for information, as opposed to review, purposes.

E. TAXATION

Certain Canadian Federal Income Tax Consequences

The following discussion describes the principal Canadian federal income tax consequences applicable to a holder of shares of our common stock which are quoted on the OTC Markets, who, at all material times, is a resident of the United States for purposes of the Canada-United States Income Tax Convention (the "Treaty") entitled to the full benefit of the Treaty and is not a resident, or deemed to be a resident, of Canada, deals at arm's length and is not affiliated with the Company, did not acquire shares of our common stock by virtue of employment, is not a financial institution, specified financial institution, registered non-resident insurer, authorized foreign bank, partnership or a trust as defined in the ITA, holds shares of our common stock as capital property and as beneficial owner, and does not use or hold, is not deemed to use or hold, his or her Company in connection with carrying on a business in Canada and, did not, does not and will not have a fixed base or permanent establishment in Canada within the meaning of the Treaty (a "non-resident holder").

This description is based upon the current provisions of the ITA, the regulations thereunder (the "Regulations"), management's understanding of the current publicly announced administration and assessing policies of Canada Revenue Agency, and all specific proposals (the "Tax Proposals") to amend the ITA and Regulations announced by the Minister of Finance (Canada) prior to the date hereof. This description is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account any income tax laws or considerations of any province or territory of Canada or foreign tax considerations which may differ significantly from those discussed below.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Company of the Company, and no opinion or representation with respect to the Canadian Federal Income Tax consequences to any such holder or prospective holder is made. Accordingly, holders and prospective holders of Company are urged to consult with their own tax advisors about the federal, provincial and foreign tax consequences of purchasing, owning and disposing of Company.

Dividends

Dividends paid on shares of our common stock to a non-resident holder will be subject to a 25% withholding tax pursuant to the provision of the ITA. The Treaty provides that the normal 25% withholding tax rate is generally reduced to 15% on dividends paid on shares of a corporation resident in Canada (such as the Company) to beneficial owners who are residents of the United States. However, if the beneficial owner is a resident of the United States and is a corporation which owns at least 10% of the voting stock of the Company, the withholding tax rate on dividends is reduced to 5%.

Capital Gains

A non-resident of Canada is subject to tax under the ITA in respect of a capital gain realized upon the disposition of a share of a corporation if the shares are considered to be "taxable Canadian property" of the holder within the meaning of the ITA and no relief is afforded under an applicable tax treaty. For purposes of the ITA, a common share of the Company will be taxable Canadian property to a non-resident holder if more than 50% of the fair market value of the common share during the 60 month period immediately preceding the disposition of the common share, was derived directly or indirectly from real or immovable property situated in Canada, Canadian resource properties or any options or interests in such properties.

In the case of a non-resident holder to whom shares of our common stock represent taxable Canadian property and who is a resident in the United States and not a former resident of Canada, no Canadian taxes will be payable on a capital gain realized on such shares by reason of the Treaty unless the value of such shares is derived principally from real property situated in Canada within the meaning of the Treaty at the time of the disposition.

Certain United States Federal Income Tax Consequences

The following is a general discussion of certain possible U.S. federal income tax consequences, under current law, generally applicable to a U.S. Holder (as defined below) of shares our common stock. This discussion does not address all potentially relevant U.S. federal income tax matters and does not address consequences peculiar to persons subject to special provisions of U.S. federal income tax law, such as those described below as excluded from the definition of a U.S. Holder. In addition, this discussion does not cover any state, local or foreign tax consequences (See "Certain Canadian Federal Income Tax Consequences" above).

The following discussion is based upon the sections of the IRC, Treasury Regulations, published Internal Revenue Service ("IRS") rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time. In addition, this discussion does not consider the potential effects, both adverse and beneficial, of recently proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time. The following discussion is for general information only and it is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of shares of our common stock, and no opinion or representation with respect to the United States Federal income tax consequences to any such holder or prospective holder is made. Accordingly, holders and prospective holders of shares of our common stock are urged to consult their own tax advisors about the Federal, state, local, and foreign tax consequences of purchasing, owning and disposing of shares of our common stock.

U.S. Holders

As used herein, a "U.S. Holder" means a holder of shares of our common stock who is a citizen or individual resident (as defined under United States tax laws) of the United States; a corporation created or organized in or under the laws of the United States or of any political subdivision thereof; an estate the income of which is taxable in the United States irrespective of source; or a trust if (a) a court within the United States is able to exercise primary supervision over the trust's administration and one or more United States persons have the authority to control all of its substantial decisions or (b) the trust was in existence on August 20, 1996 and has properly elected to continue to be treated as a United States person. This summary does not address the United States tax consequences to, and U.S. Holder does not include, persons subject to specific provisions of federal income tax law, including but not limited to tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a "functional currency" other than the U.S. dollar, persons who hold shares of our common stock as part of a straddle, hedging or a conversion transaction, and persons who acquire their shares of our common stock as compensation for services. This discussion is limited to U.S. Holders who own shares of our common stock as capital assets and who hold the shares of our common stock directly (e.g., not through an intermediary entity such as a corporation, partnership, limited liability company, or trust). This discussion does not address the consequences to a person or entity of the ownership, exercise or disposition of any options, warrants or other rights to acquire shares of our common stock.

Distributions on shares of our Common Stock

Subject to the discussion below regarding passive foreign investment companies ("PFICs"), the gross amount of any distribution (including non-cash property) by us (including any Canadian taxes withheld therefrom) with respect to shares of our common stock generally should be included in the gross income of a U.S. Holder as foreign source dividend income to the extent such distribution is paid out of current or accumulated earnings and profits of ours, as determined under United States Federal income tax principles. Distributions received by non-corporate U.S. Holders may be subject to United States Federal income tax at lower rates than other types of ordinary income (generally 15%) in taxable years beginning on or before December 31, 2010 if certain conditions are met. These conditions include the Company not being classified as a PFIC, it being a "qualified foreign corporation," the U.S. Holder's satisfaction of a holding period requirement, and the U.S. Holder not treating the distribution as "investment income" for purposes of the investment interest deduction rules. To the extent that the amount of any distribution exceeds our current and accumulated

earnings and profits for a taxable year, the distribution first will be treated as a tax-free return of capital to the extent of the U.S. Holder's adjusted tax basis in shares of our common stock and to the extent that such distribution exceeds the Holder's adjusted tax basis in shares of our common stock, will be taxed as capital gain. In the case of U.S. Holders that are corporations, such dividends generally will not be eligible for the dividends received deduction.

If a U.S. Holder receives a dividend in Canadian dollars, the amount of the dividend for United States federal income tax purposes will be the U.S. dollar value of the dividend (determined at the spot rate on the date of such payment) regardless of whether the payment is later converted into U.S. dollars. In such case, the U.S. Holder may recognize additional ordinary income or loss as a result of currency fluctuations between the date on which the dividend is paid and the date the dividend amount is converted into U.S. dollars.

Disposition of Shares of our Common Stock

Subject to the discussion below regarding PFIC's, gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of shares of our common stock (including, without limitation, a complete redemption of shares of our common stock) generally will be subject to United States Federal income taxation as capital gain or loss in an amount equal to the difference between the U.S. Holder's adjusted tax basis in shares of our common stock and the amount realized on the disposition. Net capital gain (i.e., capital gain in excess of capital loss) recognized by a non-corporate U.S. Holder (including an individual) upon a sale or other disposition of shares of our common stock that have been held for more than one year will generally be subject to a maximum United States federal income tax rate of 15% subject to the PFIC rules below. Deductions for capital losses are subject to certain limitations. If the U.S. Holder receives Canadian dollars on the sale or disposition, it will have a tax basis in such dollars equal to the U.S. dollar value. Generally, any gain or loss realized on a subsequent disposition of the Canadian dollars will be U.S. source ordinary income or loss.

U.S. "Anti-Deferral" Rules

Passive Foreign Investment Company ("PFIC") Regime. If we, or a non-U.S. entity directly or indirectly owned by us ("Related Entity"), has 75% or more of its gross income as "passive" income, or if the average value during a taxable year of ours or the Related Entity's "passive assets" (generally, assets that generate passive income) is 50% or more of the average value of all assets held by us or the Related Entity, then the United States PFIC rules may apply to U.S. Holders. If we or a Related Entity is classified as a PFIC, a U.S. Holder will be subject to increased tax liability in respect of gain recognized on the sale of his, her or its shares of our common stock or upon the receipt of certain distributions, unless such person makes a "qualified electing fund" election to be taxed currently on its pro rata portion of our income and gain, whether or not such income or gain is distributed in the form of dividends or otherwise, and we provide certain annual statements which include the information necessary to determine inclusions and assure compliance with the PFIC rules. As another alternative to the foregoing rules, a U.S. Holder may make a mark-to-market election to include in income each year as ordinary income an amount equal to the increase in value of its shares of our common stock for that year or to claim a deduction for any decrease in value (but only to the extent of previous mark-to-market gains). We or a related entity can give no assurance as to its status as a PFIC for the current or any future year. U.S. Holders should consult their own tax advisors with respect to the PFIC issue and its applicability to their particular tax situation.

Controlled Foreign Corporation Regime ("CFC"). If a U.S. Holder (or person defined as a U.S. person under Section 7701(a) of the IRC) owns 10% or more of the total combined voting power of all classes of our stock (a "U.S. Shareholder") and U.S. Shareholders own more than 50% of the vote or value of our Company, we would be a "controlled foreign corporation". This classification would result in many complex consequences, including the required inclusion into income by such U. S. Shareholders of their pro rata shares of "Subpart F income" of our Company (as defined by the Internal Revenue Code) and our earnings invested in "U.S. property" (as defined by the Internal Revenue Code). In addition, under Section 1248 of the Code, gain from the sale or exchange of shares of our common stock by a US person who is or was a U. S. Shareholder at any time during the five year period before the sale or exchange may be treated as ordinary income to the extent of earnings and profits of ours attributable to the stock sold or exchanged. It is not clear the CFC regime would apply to the U.S. Holders of shares of our common stock, and is outside the scope of this discussion.

Foreign Tax Credit

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to us may be entitled to either a deduction or a tax credit for such foreign tax paid or withheld, at the option of the U.S. Holder. Generally, it will be more advantageous to claim a credit because a credit reduces United States federal income tax on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer's income subject to tax. This election is made on a year-by-year basis and generally applies to all foreign taxes paid by (or withheld from) the U.S. Holder during that year.

There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder's United States income tax liability that the U.S. Holder's foreign source income bears to its worldwide taxable income. This limitation is designed to prevent foreign tax credits from offsetting United States source income. In determining this limitation, the various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process.

In addition, this limitation is calculated separately with respect to specific "baskets" of income such as passive income, high withholding tax interest, financial services income, shipping income, and certain other classifications of income. Foreign taxes assigned to a particular class of income generally cannot offset United States tax on income assigned to another class. Under the American Jobs Creation Act of 2004 (the "Act"), this basket limitation will be modified significantly after 2006.

Unused foreign tax credits can generally be carried back one year and carried forward ten years. U.S. Holders should consult their own tax advisors concerning the ability to utilize foreign tax credits, especially in light of the changes made by the Act.

Backup Withholding

Payment of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting requirement and to backup withholding unless the U.S. Holder (i) is a corporation or other exempt recipient or (ii) in the case of backup withholding, provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the US Federal income tax liability of the U.S. Holder and may entitle the U.S. Holder to a refund, provided that the required information is furnished to the IRS.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

The documents and exhibits referred to in this Report are available for inspection at the registered and management office at 340 Richmond Street West, Toronto, Ontario, M5V 1X2 during normal business hours.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are a "smaller reporting company" as defined by Rule 12b-2 of the Exchange Act, and as such, we are not required to provide the information required under this Item.

ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITORY SHARES

Not applicable.

PART II

ITEM 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15 CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our senior management, including our Chief Executive Officer, J. Obie Strickler, and Chief Financial Officer, Ryan Kee, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Report (the "Evaluation Date"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to us, required to be disclosed in our reports filed with the SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (ii) provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on our financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management assessed the effectiveness of our internal control over financial reporting as of October 31, 2023 based on the framework established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that assessment, management concluded that, as of October 31, 2023, our internal controls over financial reporting were effective.

Our independent auditor was not engaged to express an opinion on the effectiveness of our internal control over financial reporting. Had an independent auditor been engaged to do so, additional control deficiencies may have been identified.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our control systems are designed to provide such reasonable assurance of achieving their objectives. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the year ended October 31, 2023 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16 [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Mr. Stephen Gledhill is an “audit committee financial expert”, as defined in Item 16A of Form 20-F, and is “independent,” as that term is defined in Rule 5605(a)(2) of the NASDAQ Global Market. Stephen Gledhill is the Chairman of the Audit Committee. Please see Item 6.A – Directors and Senior Management for Mr. Gledhill’s biographical information.

ITEM 16B. CODE OF ETHICS

We have adopted a written Code of Business Conduct and Ethics (the “Code”) for our directors, officers and employees. The board encourages following the Code by making it widely available. It is distributed to directors in the Director’s Manual and to officers, employees and consultants at the commencement of their employment or consultancy. The Code reminds those engaged in service to us that they are required to report perceived or actual violations of the law, violations of our policies, dangers to health, safety and the environment, risks to our property, and accounting or auditing irregularities to the chair of the Audit Committee. In addition, to requiring directors, officers and employees to abide by the Code, we encourage consultants, service providers and all parties who engage in business with us to contact the chair of the Audit Committee regarding any perceived and all actual breaches by our directors, officers and employees of the Code. The chair of our Audit Committee is responsible for investigating complaints, presenting complaints to the applicable board committee or the board as a whole, and developing a plan for promptly and fairly resolving complaints. Upon conclusion of the investigation and resolution of a complaint, the chair of our Audit Committee will advise the complainant of the corrective action measures that have been taken or advise the complainant that the complaint has not been substantiated. The Code prohibits retaliation by us, our directors and management, against complainants who raise concerns in good faith and requires us to maintain the confidentiality of complainants to the greatest extent practical. Complainants may also submit their concerns anonymously in writing. In addition to the Code, we have an Audit Committee Charter and a Policy of Procedures for Disclosure Concerning Financial/Accounting Irregularities.

Since the beginning of our most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code. The Board of Directors encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The board is required by the Board Mandate to satisfy our CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Company. The board is responsible for reviewing departures from the Code, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. In addition, the board is responsible for responding to potential conflict of interest situations, particularly with respect to considering existing or proposed transactions and agreements in respect of which directors or executive officers advise they have a material interest. The Board of Directors' mandate requires that directors and executive officers disclose any interest and the extent, no matter how small, of their interest in any transaction or agreement with us, and that directors excuse themselves from both board deliberations and voting in respect of transactions in which they have an interest. By taking these steps the board strives to ensure that directors exercise independent judgment, unclouded by the relationships of the directors and executive officers to each other and us, in considering transactions and agreements in respect of which directors and executive officers have an interest. Our Code applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions of the Company. There have been no waivers of our Code granted to our principal executive officer, principal financial officer, principal accounting officer or controller, or similar persons during the period covered by this Report.

Upon written request to us at our registered and management office, attention: President, we will provide by mail, to any person without charge a copy of our Code.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

It is the policy of the Audit Committee that all audit and non-audit services are pre-approved prior to engagement. Before the initiation of each audit, the principal accountant submits a budget of the expected range of expenditures to complete their audit engagement (including Audit Fees, Audit-Related Fees and Tax Fees) to the Audit Committee for approval. In the event that the principal accountant exceeds these parameters, the individual auditor is expected to communicate to management the reasons for the variances, so that such variances can be ratified by the Audit Committee. As a result, 100% of expenditures within the scope of the noted budget are approved by the Audit Committee.

During fiscal 2023 and 2022, there were no hours performed by any person other than the primary accountant's fulltime permanent employees.

Since the commencement of the Company's most recently completed financial year, no recommendations were made by the Audit Committee to nominate or compensate an external auditor.

External Auditor Service Fees (By Category)

The aggregate fees billed or accrued for professional fees rendered by Turner, Stone & Company, L.L.P. for the years ended October 31, 2023 and 2022 are as follows:

Nature of Services	Fees Paid to Auditor for Year-ended October 31, 2023	Fees Paid to Auditor for Year-ended October 31, 2022
Audit Fees[1]	$ 75,000	$ 75,000
Audit-Related Fees[2]	NIL	NIL
Tax Fees[3]	NIL	NIL
All Other Fees[4]	NIL	NIL
TOTALS	**$ 75,000**	**$ 75,000**

Notes:

1. "**Audit Fees**" include fees necessary to perform the annual audit and any quarterly reviews of the Company's financial statements management discussion and analysis. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. This also includes audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

2. "**Audit-Related Fees**" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not included in "Audit Fees".

3. "**Tax Fees**" include fees for all professional services rendered by the Company's auditors for tax compliance, tax advice and tax planning.

4. "**All Other Fees**" include all fees for products and services provided by the Company's auditors not included in "Audit Fees", "Audit-Related Fees" and "Tax Fees".

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Appointment of DMCL LLP

Effective November 14, 2019, directors of the Company approved the appointment of DMCL LLP ("DMCL"), as successor auditors for the year ended October 31, 2019.

During the two fiscal years ended October 31, 2018 and 2017, neither we nor anyone on our behalf consulted DMCL regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements, and neither a written report nor oral advice was provided us that DMCL concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a "disagreement" (as defined in Item 16F(a)(1)(iv) of Form 20-F and related instructions to Item 16-F of Form 20-F) with DMCL or a "reportable event" (as described in Item 16F(a)(1)(v) of Form 20-F).

Our First Notice of Change of Auditor dated November 4, 2019; the resignation of MNP effective October 31, 2019; and the acceptance of appointment of auditors from DMCL dated November 14, 2019 were previously filed by Registrant on Form 6-K on November 14, 2019 (Exhibit 4.48).

Resignation of DMCL LLP

DMCL tendered their resignation as auditors of the Company effective November 16, 2021.

The resignation of DMCL was considered and approved by the Board of Directors of the Company.

DMCL's reports on the Company's financial statements for the fiscal years ended October 31, 2020 and 2019 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles

During the two fiscal years ended October 31, 2020 and 2019, there were no (i) disagreements with DMCL on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their report to the subject matter of the disagreement, or (ii) reportable events.

Appointment of Turner, Stone and Company, L.L.P.

Effective December 6, 2021, directors of the Company approved the appointment of Turner, Stone & Company, L.L.P. ("Turner") as successor auditors for the year ended October 31, 2021. Turner also audited the financial statements of GR Unlimited for the year ended October 31, 2018 and the period from October 31, 2016 to October 31, 2017.

During the two fiscal years ended October 31, 2020 and 2019, neither we nor anyone on our behalf consulted Turner regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements, and neither a written report nor oral advice was provided us that Turner concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a "disagreement" (as defined in Item 16F(a)(1)(iv) of Form 20-F and related instructions to Item 16-F of Form 20-F) with Turner or a "reportable event" (as described in Item 16F(a)(1)(v) of Form 20-F).

Our First Notice of Change of Auditor dated December 7, 2021; the resignation of DMCL effective November 16, 2021; and the acceptance of appointment of auditors from Turner dated December 6, 2020 were previously filed by Registrant on Form 6-K on January 10, 2022 (Exhibit 15.3).

ITEM 16G. CORPORATE GOVERNANCE

Not applicable.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION

Not applicable.

PART III

ITEM 17 FINANCIAL STATEMENTS

Not applicable.

ITEM 18 FINANCIAL STATEMENTS

The following attached Consolidated Financial Statements are included in this Report on Form 20-F beginning with page F-1:

1. Audited Consolidated Financial Statements of Grown Rogue International Inc. for the years ended October 31, 2023, 2022 and 2021, comprised of the following:

   (a) Report of Independent Registered Public Accounting Firm, Turner, Stone & Company, L.L.P., Certified Public Accountants for the years ended October 31, 2023, 2022 and 2021;

   (b) Consolidated Statement of Financial Position as of October 31, 2023 and 2022;

   (c) Consolidated Statement of Comprehensive Income (Loss) for the years ended October 31, 2023, 2022 and 2021;

   (d) Consolidated Statement of Changes in Equity for the years ended October 31, 2023, 2022 and 2021;

   (e) Consolidated Statements of Cash Flows for the years ended October 31, 2023, 2022 and 2021;

   (f) Notes to the Consolidated Financial Statements.

ITEM 19 EXHIBITS

The following exhibits are included in the Annual Report on Form 20-F:

Exhibit #	Description
1.1	Certificate of Incorporation dated September 22, 1978 (1)
1.2	Articles of Amendment dated January 14, 1985 (1)
1.3	Articles of Amendment dated August 16, 2000 (1)
1.4	Bylaw No 1 (1)
1.5	Special By-Law No 1 (1)
1.6	Articles of Amalgamation dated November 30, 2009 (2)
1.7	Code of Business Conduct and Ethics (1)
1.8	Compensation Committee Charter (1)
1.9	Amended Audit Committee Charter (1)
1.10	By-Law No. 1, February 24, 2012 (4)
1.11	Articles of Amendment, effective March 16, 2012 (5)
1.12	Articles of Amendment, effective August 25, 2014 (6)
1.13	Articles of Amendment, effective February 1, 2016 (7)
1.14	Articles of Amendment, effective February 29, 2016 (8)
1.15	Articles of Amendment, effective May 26, 2017 (9)
1.16	Articles of Amendment, effective November 1, 2018 (13)
2.1	Description of Securities (11)
4.1	Definitive Transaction Agreement, dated December 8, 2020, with Grown Rogue International Inc. and various unit holders (14)
4.2	Unsecured Promissory Note of $150,000, dated December 2, 2020 (11)
4.3	Morton Lease, dated February 1, 2020 (11)
4.4	Trail Lease, dated January 1, 2021 (11)
4.5	Unsecured Promissory Note of $250,000, dated January 14, 2021 (11)
4.6	Definitive Securities Purchase Agreement, dated January 19, 2021 (11)
4.7	Unsecured Promissory Note of $250,000, dated January 27, 2021 (11)
4.8	Option Agreement, dated February 4, 2021, with Canopy Management, LLC (11)
4.9	Option Agreement, dated February 4, 2021, with Grown Rogue Unlimited, LLC (11)
4.10	Definitive Securities Purchase Agreement, dated February 5, 2021 (11)
4.11	Definitive Agreement, dated February 5, 2021, with HSCP, LLC (11)
4.12	Management Services Agreement dated February 8, 2021, with HSCP, LLC (11)
4.13	Special Warrant Indenture, dated March 5, 2021 (11)
4.14	Definitive Agreement, dated May 1, 2021, with Canopy Management, LLC (11)
4.15	Lars Lease, dated July 1, 2021 (11)
4.16	Unsecured Non-Convertible Promissory Note of $800,000, dated September 14, 2021, with Plant-Based Investment Corp. (11)
4.17	Addendum to Option Agreement and Definitive Agreement, dated December 1, 2021, with Canopy Management, LLC (11)
4.18	Lars Lease Amendment, dated December 20, 2021 (11)
4.19	Morton Annex Amendment, dated December 21, 2021 (11)
4.20	Definitive Agreement, dated June 20, 2022 (11)
4.21	Subscription Agreement - Debentures and Warrants, dated December 5, 2022, with Mindset Value Fund (11)
4.22	Debentures Certificate, dated December 5, 2022, with Mindset Value Fund (11)
4.23	Warrants Certificate, dated December 5, 2022, with Mindset Value Fund (11)
4.24	Subscription Agreement - Debentures and Warrants, dated December 5, 2022, with Mindset Value Wellness Fund (11)
4.25	Debentures Certificate, dated December 5, 2022, with Mindset Value Wellness Fund (11)
4.26	Warrants Certificate, dated December 5, 2022, with Mindset Wellness Value Fund (11)
4.27	Ross Lane Lease and Option Purchase, dated December 20, 2022 (11)

4.28	Option Agreement Exercise, dated January 13, 2023, with Grown Rogue Unlimited, LLC (11)
4.29	Consulting Agreement, dated May 25, 2023, with Goodness Growth Holdings, Inc. (11)
4.30	Subscription Agreement - Debentures and Warrants, dated July 13, 2023, with Mindset Value Fund (11)
4.31	Debentures Certificate, dated July 13, 2023, with Mindset Value Fund (11)
4.32	Warrants Certificate, dated July 13, 2023, with Mindset Value Fund (11)
4.33	Subscription Agreement - Debentures and Warrants, dated August 17, 2023, with Mindset Value Fund (11)
4.34	Debentures Certificate, dated August 17, 2023, with Mindset Value Fund (11)
4.35	Warrants Certificate, dated August 17, 2023, with Mindset Value Fund (11)
4.36	Subscription Agreement - Debentures and Warrants, dated August 17, 2023, with Mindset Value Wellness Fund (11)
4.37	Debentures Certificate, dated August 17, 2023, with Mindset Value Wellness Fund (11)
4.38	Warrants Certificate, dated August 17, 2023, with Mindset Wellness Value Fund (11)
4.39	First Amendment to Consulting Agreement, dated September 20, 2023, with Goodness Growth Holdings, Inc. (11)
4.40	Secured Drawn Down Promissory Note, dated October 3, 2023 (11)
4.41	Definitive Option Agreement (21%), dated October 3, 2023, to acquire ABCO Garden State, LLC (11)
4.42	Definitive Option Agreement (49%), dated October 3, 2023, to acquire ABCO Garden State, LLC (11)
4.43	Goodness Growth Holdings, Inc. Warrant Certificate dated October 5, 2023 (11)
4.44	Grown Rogue International Inc. Warrant Certificate dated October 5, 2023 (11)
8.1	Subsidiaries of Grown Rogue International Inc. (11)
12.1	Section 302 Certification of Chief Executive Officer (11)
12.2	Section 302 Certification of Chief Financial Officer (11)
13.1	Section 906 Certification of Chief Executive Officer (11)
13.2	Section 906 Certification of Chief Financial Officer (11)
15.1	First Notice of Change of Auditor dated December 7, 2021; the resignation of DMCL effective November 16, 2021; and the acceptance of appointment of auditors from Turner dated December 6, 2020 (20)

Reference #	**Incorporated by Reference**
(1)	Previously filed on April 29, 2009 by Registrant as part of Registration Statement on Form 20-F (SEC File No. 0-53646)
(2)	Previously Filed by Registrant on Form 6-K on December 1, 2009
(3)	Previously filed by Registrant on Form 6-K on January 27, 2011
(4)	Previously filed by Registrant on Form 6-K on February 1, 2012
(5)	Previously filed by Registrant on Form 6-K on March 9, 2012
(6)	Previously filed by Registrant on Form 6-K on August 20, 2014
(7)	Previously filed by Registrant on Form 6-K on February 4, 2016
(8)	Previously filed by Registrant on Form 6-K on March 9, 2016
(9)	Previously filed by Registrant on Form 6-K on December 29, 2016
(10)	Previously filed by Registrant on Form 6-K on April 28, 2017
(11)	Filed as an Exhibit hereto
(12)	Previously filed by Registrant on Form 6-K on November 6, 2018
(13)	Previously filed by Registrant on Form 6-K on December 2, 2020
(14)	Previously filed by Registrant on Form 6-K on January 22, 2021
(15)	Previously filed by Registrant on Form 6-K on March 11, 2021
(16)	Previously filed by Registrant on Form 6-K on May 24, 2021
(17)	Previously filed by Registrant on Form 6-K on June 22, 2021
(18)	Previously filed by Registrant on Form 6-K on August 27, 2021
(19)	Previously filed by Registrant on Form 6-K on October 14, 2021
(20)	Previously filed by Registrant on Form 6-K on December 7, 2021
(21)	Previously filed by Registrant on Form 6-K on January 10, 2022
(22)	Previously filed by Registrant on Form 6-K on March 16, 2023
(23)	Previously filed by Registrant on Form 6-K on March 11, 2024

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Report on its behalf.

Grown Rogue International Inc.

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: President & Chief Executive Officer

Date: March 13, 2024

INDEX TO FINANCIAL STATEMENTS

Audited Consolidated Financial Statements of Grown Rogue International Inc. for the years ended October 31, 2023, 2022 and 2021, comprised of the following:

Table of Contents

GROWN ROGUE INTERNATIONAL INC.

Consolidated Financial Statements
For the Years ended October 31, 2023, 2022, and 2021
Expressed in United States Dollars

Your Vision Our Focus

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
Grown Rogue International Inc.

Opinion on the Consolidated Financial Statements

We have audited the consolidated statements of financial position of Grown Rogue International Inc. (the "Company") as of October 31, 2023 and 2022, and the related consolidated statements of comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended October 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of October 31, 2023 and 2022, and the consolidated results of its operations and its cash flows for the three years in the period ended October 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Turner, Stone & Company, L.L.P.
Accountants and Consultants
12700 Park Central Drive, Suite 1400
Dallas, Texas 75251
Telephone: 972-239-1660/Facsimile: 972-239-1665
Toll Free: 877-853-4195
Web site: turnerstone.com

INAA GROUP
INTERNATIONAL ASSOCIATION OF ACCOUNTANTS AND AUDITORS

- *Measurement of fair value of biological assets* – as discussed in Note 3 of notes to the consolidated financial statements, the Company measures biological assets at fair value less costs to sell in accordance with IAS 41, *Agriculture*, which we identified as a critical audit matter. The Company uses an income approach to determine the fair value less costs to sell at a specific measurement date, based on the existing cannabis plant's stage of completion up to the point of harvest.

  The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested calculations, including the assumptions used, to determine the fair value of the biological assets. We tested allocation of indirect costs, which formed part of standard cost per unit to complete production, by assessing the allocation method, recalculating the allocations and on a selection basis comparing the underlying allocation to source documents.

- *Stock Based Compensation* – as discussed in Note 2.14 of the notes to the consolidated financial statements, the Company states that transactions with non-employees that are settled in equity instruments are measured at the fair value of the goods or services rendered utilizing the Black-Sholes option pricing model.

  The following are the primary procedures we performed to address this critical audit matter. We compared the listing of the provided share-based payment areas, in equity, options, and warrants to the underlying share-based agreements that reflected the amount of consideration being provided. Utilizing the Black-Sholes option pricing model, we recalculated the remaining lives, expense allocations, forfeitures, and cancellations of the share-based transactions during the year.

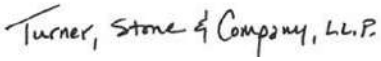
- *Derivative Liability* – as discussed in Note 11 of the notes to the consolidated financial statements, the Company uses the Black-Scholes option pricing model to estimate the fair value of its derivative liabilities which result from the variable conversion terms of their convertible notes payable. The Black-Scholes option pricing model involves the use of several significant estimates such as the expected life of the underlying convertible note payable, expected share price volatility, dividend yield, and risk-free interest rate. Given the significant estimates involved in estimating the fair value of its derivative liabilities, the related audit effort in evaluating management's estimates in determining the fair value of derivative liabilities required a high degree of auditor judgment. We obtained an understanding over the Company's process to estimate the fair value of derivative liabilities, including how the Company develops each of the estimates required to utilize the Black-Scholes option-pricing model. We applied the following audit procedures related to testing the Company's estimates utilized in the Black-Scholes option pricing model:

  - We reviewed the Company's dividend history noting the Company has not issued dividends historically and management indicated that no future dividends were currently anticipated.

  - We compared the Company's risk-free interest rate used to the comparable Canadian three-year bond yield for a term comparable to the expected term of the convertible notes payable.

  - We recalculated the Company's historical share price volatility for a term comparable to the expected term of the convertible notes payable.

  - We recalculated the expected term of underlying convertible note agreement using the simplified method.



We have served as Grown Rogue International Inc.'s auditor since 2021.

Dallas, Texas

March 13, 2024

Turner, Stone & Company, L.L.P.
Accountants and Consultants
12700 Park Central Drive, Suite 1400
Dallas, Texas 75251
Telephone: 972-239-1660/Facsimile: 972-239-1665
Toll Free: 877-853-4195
Web site: turnerstone.com

INTERNATIONAL ASSOCIATION OF ACCOUNTANTS AND AUDITORS

Grown Rogue International Inc.
Consolidated Statements of Financial Position
Expressed in United States Dollars

	October 31, 2023	October 31, 2022
	$	$
ASSETS		
Current assets		
Cash	8,858,247	1,582,384
Accounts receivable (Note 18)	2,109,424	1,643,959
Biological assets (Note 3)	1,566,822	1,199,519
Inventory (Note 4)	4,494,257	3,131,877
Prepaid expenses and other assets	392,787	352,274
Total current assets	**17,421,537**	**7,910,013**
Property and equipment (Note 8)	8,753,266	7,734,901
Notes receivable (Notes 6.2.1 and 6.2.2)	1,430,526	-
Warrants asset (Note 13.2)	1,361,366	-
Intangible assets and goodwill (Note 9)	725,668	725,668
Deferred tax assets (Note 20)	470,358	-
TOTAL ASSETS	**30,162,721**	**16,370,582**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	2,359,750	1,821,875
Current portion of lease liabilities (Note 7)	824,271	1,025,373
Current portion of long-term debt (Note 10)	1,285,604	1,769,600
Business acquisition consideration payable (Note 5)	360,000	360,000
Unearned revenue	-	28,024
Derivative liability (Notes 11.1.1, 11.2 and 11.2.1)	7,808,500	-
Income tax payable	366,056	311,032
Total current liabilities	**13,004,181**	**5,315,904**
Lease liabilities (Note 7)	2,094,412	1,275,756
Long-term debt (Note 10)	102,913	839,222
Convertible debentures (Notes 11.1, 11.2 and 11.2.1)	2,412,762	-
TOTAL LIABILITIES	**17,614,268**	**7,430,882**
EQUITY		
Share capital (Note 12)	24,539,422	21,858,827
Shares issuable (Note 12)	-	35,806
Contributed surplus (Notes 13 and 14)	8,081,938	6,505,092
Accumulated other comprehensive loss	(114,175)	(109,613)
Accumulated deficit	(20,996,449)	(21,356,891)
Equity attributable to shareholders	11,564,736	6,933,221
Non-controlling interest (Note 23)	983,717	2,006,479
TOTAL EQUITY	**12,548,453**	**8,939,700**
TOTAL LIABILITIES AND EQUITY	**30,162,721**	**16,370,582**

Commitments and contingencies (Note 24)
Subsequent events (Note 25)

The accompanying notes form an integral part of these consolidated financial statements.

Grown Rogue International Inc.
Consolidated Statements of Comprehensive Income (Loss)
Expressed in United States Dollars

	Years ended October 31,		
	2023	2022	2021
	$	$	$
Revenue			
Product sales (Note 2.5)	22,424,169	17,757,283	9,034,618
Service revenue (Note 2.5.1)	929,016	-	344,055
Total revenue	**23,353,185**	**17,757,283**	**9,378,673**
Cost of goods sold			
Cost of finished cannabis inventory sold	(11,155,676)	(9,227,439)	(3,997,617)
Cost of service revenues	(308,641)	-	(154,353)
Gross profit, excluding fair value items	**11,888,868**	**8,529,844**	**5,226,703**
Realized fair value amounts in inventory sold	(2,573,151)	(3,685,338)	(950,461)
Unrealized fair value gain on growth of biological assets	3,355,797	3,278,572	1,824,226
Gross profit	**12,671,514**	**8,123,078**	**6,100,468**
Expenses			
Accretion expense	1,026,732	491,781	949,811
Amortization of property and equipment	578,641	750,916	180,015
General and administrative	6,465,877	5,852,236	3,983,250
Share-based compensation	346,113	70,996	280,819
Total expenses	**8,417,363**	**7,165,929**	**5,398,892**
Income from operations	**4,254,151**	**957,149**	**701,576**
Other income and (expense)			
Interest expense	(370,616)	(402,239)	(197,632)
Other income (expense)	441,487	(3,432)	(17,072)
Gain on debt settlement	-	453,858	141,180
Loss on settlement of non-controlling interest	-	-	(189,816)
Unrealized loss on marketable securities	-	(333,777)	(35,902)
Unrealized loss on derivative liability	(4,563,498)	-	(1,258,996)
Unrealized gain on warrants asset	129,113	-	-
Loss on disposal of property and equipment	(182,025)	(6,250)	(7,542)
Total other expense, net	(4,545,539)	(291,840)	(1,565,780)
Income (loss) from operations before taxes	**(291,388)**	**665,309**	**(864,204)**
Income tax (Note 20)	(370,932)	(245,358)	(150,543)
Net income (loss)	**(662,320)**	**419,951**	**(1,014,747)**
Other comprehensive income (items that may be subsequently reclassified to profit and loss):			
Currency translation	(4,562)	(19,235)	(78,181)
Total comprehensive income (loss)	**(666,882)**	**400,716**	**(1,092,928)**
Gain (loss) per share attributable to shareholders – basic and diluted	(0.00)	0.00	(0.02)
Weighted average shares outstanding – basic and diluted	172,708,792	169,193,812	135,231,802
Net income (loss) for the year attributable to:			
Non-controlling interest	(129,279)	(27,507)	1,395,558
Shareholders	(533,041)	447,458	(2,410,305)
Net income (loss)	(662,320)	419,951	(1,014,747)
Comprehensive income (loss) for the year attributable to:			
Non-controlling interest	(129,279)	(27,507)	1,395,558
Shareholders	(537,603)	428,223)	(2,488,486)
Total comprehensive income (loss)	(666,882)	400,716	(1,092,928)

The accompanying notes form an integral part of these consolidated financial statements.

Grown Rogue International Inc.
Consolidated Statements of Changes in Equity
Expressed in United States Dollars

	Number of common shares	Share capital	Shares issuable	Contributed surplus	Currency translation reserve	Accumulated deficit	Non-controlling interests	Total equity
	#	$	$	$	$	$	$	$
Balance - October 31, 2022	170,632,611	21,858,827	35,806	6,505,092	(109,613)	(21,356,891)	2,006,479	8,939,700
Issuance of shares underlying shares issuable (Note 12.1)	200,000	35,806	(35,806)	-	-	-	-	-
Stock option vesting expense	-	-	-	344,593	-	-	-	344,593
Currency translation adjustment	-	-	-	-	(4,562)	-	-	(4,562)
Exercise of option to acquire 87% of Canopy membership units	-	-	-		-	893,483	(893,483)	-
Goodness Growth warrants swap	-	-	-	1,232,253	-	-	-	1,232,253
Settlement of convertible debentures for common shares (Note 11.1.1)	11,173,275	2,698,789	-		-	-		2,698,789
Net loss	-	-	-	-	-	(533,041)	(129,279)	(662,320)
Balance – October 31, 2023	**182,005,886**	**24,593,422**	**-**	**8,081,938**	**(114,175)**	**(20,996,449)**	**983,717**	**12,548,453**

	Number of common shares	Share capital	Shares issuable	Contributed surplus	Currency translation reserve	Accumulated deficit	Non-controlling interests	Total equity
	#	$	$	$	$	$	$	$
Balance - October 31, 2021	156,936,876	20,499,031	74,338	6,407,935	(90,378)	(21,804,349)	2,033,986	7,120,563
Shares issued for employment, director, and consulting services (Note 12.4)	529,335	59,796	(38,532)	-	-	-	-	21,264
Private placement of shares (Note 12.5)	13,166,400	1,300,000	-	-	-	-	-	1,300,000
Stock option vesting	-	-	-	97,157	-	-	-	97,157
Currency translation adjustment	-	-	-	-	(19,235)	-	-	(19,235)
Net income (loss)	-	-	-	-		447,458	(27,507)	419,951
Balance – October 31, 2022	**170,632,611**	**21,858,827**	**35,806**	**6,505,092**	**(109,613)**	**(21,356,891)**	**2,006,479**	**8,939,700**

The accompanying notes form an integral part of these consolidated financial statements.

Grown Rogue International Inc.
Consolidated Statements of Changes in Equity
Expressed in United States Dollars

	Number of common shares	Share capital	Shares issuable	Contributed surplus	Currency translation reserve	Accumulated deficit	Non-controlling interests	Total equity
	#	$	$	$	$	$	$	$
Balance - October 31, 2020	107,782,397	14,424,341	-	4,070,264	(12,197)	(19,394,044)	(33,383)	(945,019)
Shares issued for employment, director, and consulting services (Note 12.6)	534,294	95,294	-	-	-	-	-	95,294
Shares issuable for employment, director and consulting services	-	-	38,532	-	-	-	-	38,532
Shares issued pursuant to private placement (Notes 12.7)	10,231,784	1,225,000	-	-	-	-	-	1,225,000
Expenses of non-brokered private placement (Note 12.7)	-	(15,148)	-	-	-	-	-	(15,148)
Shares issued to extend payment due date (Note 12.8)	25,000	2,103	-	-	-	-	-	2,103
Shares payments towards acquisition of Golden Harvests and extend due date (Note 12.10)	600,000	107,461	-	-	-	-	-	107,461
Shares issuable for consideration for acquisition of Golden Harvests (Note 5)	-	-	35,806	-	-	-	-	35,806
Shares issued to partner creditor (Note 12.9)	400,000	36,310	-	-	-	-	-	36,310
Shares and warrants issued pursuant to brokered private placement of Special Warrants (Notes 12.11)	23,162,579	3,738,564	-	-	-	-	-	3,738,564
Expenses of brokered private placement of Special Warrants (Note 12.11)	-	(485,722)	-	-	-	-	-	(485,722)
Broker and advisory warrants issued pursuant to Special Warrant financing (Notes 12.11)	-	(210,278)	-	210,278	-	-	-	-
Settlement of convertible debentures for cash and common shares (Note 12.12)	10,488,884	916,290	-	1,883,731	-	-	-	2,800,021
Issuance of non-controlling interest in subsidiary for cash	-	-	-	(475,000)	-	-	475,000	-
Purchase of non-controlling interest in subsidiary	3,711,938	664,816		475,000	-	-	(475,000)	664,816
Change in ownership interests in subsidiaries	-	-	-	-	-	-	671,811	671,811
Stock option vesting expense	-	-	-	243,662	-	-	-	243,662
Currency translation adjustment	-	-	-	-	(78,181)	-	-	(78,181)
Net income (loss)	-	-	-	-	-	(2,410,305)	1,395,558	(1,014,747)
Balance - October 31, 2021	**156,936,876**	**20,499,031**	**74,338**	**6,407,935**	**(90,378)**	**(21,804,349)**	**2,033,986**	**7,120,563**

The accompanying notes form an integral part of these consolidated financial statements.

Grown Rogue International Inc.
Consolidated Statements of Cash Flows
Expressed in United States Dollars

Years ended October 31,	2023	2022	2021
	$	$	$
Operating activities			
Net income (loss)	(662,320)	419,951	(1,014,747)
Adjustments for non-cash items in net income (loss)			
Amortization of property and equipment	578,641	750,916	180,015
Amortization of property and equipment included in costs of inventory sold	1,757,672	1,102,688	733,655
Amortization of intangible assets	-	-	4,997
Unrealized gain on changes in fair value of biological assets	(3,355,797)	(3,278,572)	(1,824,226)
Changes in fair value of inventory sold	2,573,151	3,685,338	950,461
Deferred income taxes	(470,358)	-	-
Share-based compensation	-	21,264	170,136
Stock option expense	344,593	96,649	243,662
Accretion expense	1,026,732	491,781	949,811
Gain on debt settlement	-	(455,674)	-
Loss on disposal of property and equipment	182,025	6,250	7,542
Unrealized loss on marketable securities	-	333,777	35,902
Loss on fair value of derivative liability	4,563,498	-	1,258,996
Gain on warrants asset	(129,113)	-	-
Loss on acquisition of non-controlling interest paid in shares	-	-	189,816
Effects of foreign exchange	(2,210)	918	7,233
	6,406,514	3,175,286	1,893,253
Changes in non-cash working capital (Note 15)	(677,163)	(1,171,111)	(2,131,714)
Net cash provided by (used in) operating activities	5,729,351	2,004,175	(238,461)
Investing activities			
Purchase of property and equipment and intangibles	(1,456,782)	(1,111,283)	(2,047,136)
Net cash acquired	-	-	76,128
Payment of acquisition payable	-	(2,000)	(6,000)
Other investment	-	-	(750,000)
Cash advances and loans made to other parties	(1,430,526)	-	-
Net cash used in investing activities	(2,887,308)	(1,113,283)	(2,727,008)
Financing activities			
Third party investment in subsidiary	-	-	475,000
Proceeds from convertible debentures	8,000,000	-	-
Proceeds from long-term debt	-	100,000	1,125,000
Proceeds from private placement	-	1,300,000	1,225,000
Proceeds from brokered private placement	-	-	3,738,564
Payment of equity and debenture issuance costs	-	-	(500,870)
Repayment of long-term debt	(1,631,830)	(732,803)	(507,715)
Repayment of convertible debentures	(261,006)	-	(1,312,722)
Payments of lease principal	(1,673,344)	(1,089,738)	(380,543)
Net cash provided by (used in) financing activities	4,433,820	(422,541)	3,861,714
Change in cash and cash equivalents	**7,275,863**	**468,351**	**896,245**
Cash and cash equivalents, beginning	1,582,384	1,114,033	217,788
Cash and cash equivalents, ending	**8,858,247**	**1,582,384**	**1,114,033**

The accompanying notes form an integral part of these consolidated financial statements.

Grown Rogue International Inc.
Notes to the Consolidated Financial Statements
For the years ended October 31, 2023, 2022 and 2021
Expressed in United States Dollars, unless otherwise indicated

1. CORPORATE INFORMATION AND DEFINED TERMS

1.1 Corporate Information

These consolidated financial statements for the years ended October 31, 2023, 2022 and 2021, include the accounts of Grown Rogue International Inc. and its subsidiaries. The registered office is located at 40 King St W Suite 5800, Toronto, ON M5H 3S1.

Grown Rogue International Inc.'s subsidiaries and ownership thereof are summarized in the table below.

Company	Ownership	Defined Term
Grown Rogue International Inc.	100% owner of GR Unlimited	The "Company"
Grown Rogue Unlimited, LLC	100% by the Company	"GR Unlimited"
Grown Rogue Gardens, LLC	100% by GR Unlimited	"GR Gardens"
GRU Properties, LLC	100% by GR Unlimited	"GRU Properties"
GRIP, LLC	100% by GR Unlimited	"GRIP"
Grown Rogue Distribution, LLC	100% by GR Unlimited	"GR Distribution"
GR Michigan, LLC	87% by GR Unlimited	"GR Michigan"
Canopy Management, LLC	87% by GR Unlimited	"Canopy"
Golden Harvests LLC	60% by Canopy	"Golden Harvests"

The Company is primarily engaged in the business of growing and selling cannabis products. The primary cannabis product produced and sold is cannabis flower.

1.2 Defined Terms

Term	Defined Term	Reference
General terms:		
International Financial Reporting Standards	"IFRS"	
International Accounting Standards	"IAS"	
International Accounting Standards Board	"IASB"	
International Financial Reporting Interpretations Committee	"IFRIC"	
United States	"U.S."	
United States dollar	"U.S. dollar"	
Fair value less costs to sell	"FVLCTS"	
Fair value through profit or loss	"FVTPL"	
Fair value through other comprehensive income	"FVOCI"	
Other comprehensive income	"OCI"	
Solely payments of principal and interest	"SPPI"	
Expected credit loss	"ECL"	
Cash generating unit	"CGU"	
Internal Revenue Code	"IRC"	
U.S. Securities and Exchange Commission	"SEC"	
Securities Exchange Act of 1934	"1934 Act"	
Federal Deposit Insurance Corporation	"FDIC"	

Grown Rogue International Inc.
Notes to the Consolidated Financial Statements
For the years ended October 31, 2023, 2022 and 2021
Expressed in United States Dollars, unless otherwise indicated

Term	Defined Term	Reference
Terms related to the Company's locations:		
Outdoor grow property located in Trail, Oregon leased from CEO	"Trail"	
Outdoor post-harvest facility located in Medford, Oregon leased from CEO	"Lars"	
Terms related to officers and directors of the Company:		
President & Chief Executive Officer	"CEO"	
Chief Financial Officer	"CFO"	
Senior Vice President of GR Unlimited	"SVP"	
Chief Operating Officer (position eliminated in December 2021)	"COO"	
Michigan General Manager	"GM"	
Terms related to transactions with High Street Capital Partners, LLC:		
High Street Capital Partners, LLC	"HSCP"	Note 6.1
Agreement of the Company to acquire substantially all of the assets of the growing and retail operations of HSCP	"HSCP Transaction"	Note 6.1
Management Services Agreement with HSCP	"HSCP MSA"	Note 6.1
Secured promissory note payable with a principal sum of $1,250,000	"Secured Promissory Note"	Notes 6.1, 10.1
Principal Payment of $500,000 due to HSCP on May 1, 2023	"First Principal Payment"	Note 10.1
Terms related to transactions with Plant-Based Investment Corp.:		
Plant-Based Investment Corp., formerly related party	"PBIC"	
Unsecured promissory note agreement with PBIC of September 9, 2021	"PBIC Note"	Note 10.2
The Company's sun-grown A-flower 2021 harvest, defined in the PBIC Note	"Harvest"	Note 10.2
The Company's former ownership of 2,362,204 shares of PBIC	"PBIC Shares"	Note 10.2
2766923 Ontario Inc., receiver of PBIC Shares from the Company as part of the settlement of the PBIC Note	"Creditor"	Note 10.2
Terms related to Convertible Debentures issued in December 2022:		
Convertible debentures with aggregate principal amount of $2,000,000 issued in December 2022	"December Convertible Debentures"	Note 11.1
Purchasers of Convertible Debentures	"Purchasers"	Note 11.1
6,716,499 warrants issued to the Purchasers	"December Warrants"	Note 11.1
Terms related to Convertible Debentures issued in July 2023:		
Convertible debentures with aggregate principal amount of $5,000,000 issued in July 2023	"July Convertible Debentures"	Note 11.2
Subscribers of Convertible Debentures	"Subscribers"	Note 11.2
13,737,500 warrants issued to the Subscribers	"July Warrants"	Note 11.2
Terms related to Convertible Debentures issued in August 2023:		
Convertible debentures with aggregate principal amount of $1,000,000 issued in August 2023	"August Convertible Debentures"	Note 11.2.1
Subscribers of Convertible Debentures	"Subscribers"	Note 11.2.1

Expressed in United States Dollars, unless otherwise indicated

Term	Defined Term	Reference
Terms related to December 2021 non-brokered private placement of common shares:		
Non-brokered private placement of common shares ("Private Placement") for total gross proceeds of $1,300,000	"Private Placement"	Note 12.3
Terms related to March 2021 brokered private placement of special warrants:		
Agent for March 2021 brokered private placement of special warrants	"Agent"	Note 13.1
March 2021 brokered private placement of special warrants	"Offering"	
An aggregate of 1,127,758 broker warrants of the Company	"Broker Warrants"	Note 13.1
Compensation options, resulting from exercise of Broker Warrants	"Compensation Options"	Note 13.1
Warrants for consideration of advisory services issued to the Agent	"Advisory Warrants"	Note 13.1
The Broker Warrants and Advisory Warrants referred to collectively	"Agent Warrants"	Note 13.1
One unit of the Company resulting from exercise of a Compensation Option, comprised of one common share and one common share purchase warrant	"Compensation Unit"	Note 13.1
Warrant resulting from Compensation Option	"Compensation Warrant"	Note 13.1
Terms related to consulting agreement with Goodness Growth		
Goodness Growth Holdings, Inc. (CSE: GDNS; OTCQX: GDNSF)	"Goodness Growth"	Note 13.2
The consulting agreement under which the Company provides services to Goodness Growth	"Consulting Agreement"	Note 13.2
Volume weighted average price	"VWAP"	Note 13.2
Terms related to ABCO Garden State, LLC secured draw down promissory note		
ABCO Garden State, LLC	"ABCO"	Note 6.2.1
New Jersey Cannabis Regulatory Commission	"CRC"	Note 6.2.1
Secured draw down promissory note	"ABCO Promissory Note"	Note 6.2.1

2. SIGNIFICANT ACCOUNTING POLICIES AND JUDGMENTS

2.1 Statement of Compliance

The Company's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRIC. These consolidated financials are filed on the system for electronic document analysis and retrieval (SEDAR+).

The Board of Directors authorized the issuance of these consolidated financial statements on February 27, 2024.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set forth below.

2.2 Basis of Consolidation

The subsidiaries are those companies controlled by the Company, as the Company is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries by way of its ownership and rights pertaining to the subsidiaries. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date control ceases. All intercompany balances and transactions have been eliminated upon consolidation.

2.3 Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments and biological assets, which are measured at fair value as described herein.

2.4 Functional and Presentation Currency

The Company's functional currency is the Canadian dollar, and the functional currency of its subsidiaries is the United States dollar. These consolidated financial statements are presented in U.S. dollars.

Transactions denominated in foreign currencies are initially recorded in the functional currency using exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using exchange rates prevailing at the end of the reporting period. All exchange gains and losses are included in the consolidated statement of comprehensive income (loss).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company are expressed in U.S. Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income (loss) and reported as currency translation reserve in shareholders' equity.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which, in substance, is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income (loss).

2.5 Revenue

Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied, which is upon the transfer of control of the contracted goods or provision of contracted services. Control of goods is transferred when title and physical possession of the contracted goods have been transferred to the customer, which is determined by the shipping terms and certain additional considerations. The Company does not have performance obligations subsequent to the transfer of title and physical possession of the contracted goods. Revenues from sales of goods are recognized when the transfer of ownership to the customer has occurred and the customer has accepted the product. Revenues from services are recognized when services have been provided, the income is determinable, and collectability is reasonably assured. The Company's contract terms do not include a provision for significant post-service delivery obligations.

2.5.1 Service Revenue

On May 24, 2023, GR Unlimited entered into the Consulting Agreement with Goodness Growth. Under the Consulting Agreement, GR Unlimited supports Goodness Growth in the optimization of its cannabis flower products, with a particular focus on improving the quality and yield of top-grade "A" cannabis flower across its various operating markets, starting with Maryland and Minnesota. The Consulting Agreement and amendments to the Consulting Agreement provide for service revenue earned to be calculated beginning January 2023. Also see Note 13.2 for further discussion on the terms of the Consulting Agreement.

2.6 Inventory

Inventory is valued at the lower of cost and net realizable value. The capitalized cost for produced inventory includes the direct and indirect costs initially capitalized to biological assets before the transfer to inventory. The capitalized cost also includes subsequent costs such as materials, labor, depreciation and amortization expense on equipment involved in packaging, labelling and inspection. The total cost of inventory also includes the fair value adjustment which represents the fair value of the biological asset at the time of harvest and which is transferred from biological asset costs to inventory upon harvest. All direct and indirect costs related to inventory are capitalized as they are incurred; these costs are recorded 'Cost of finished cannabis inventory sold' on the consolidated statement of comprehensive income (loss) at the time cannabis is sold. The realized fair value amounts included in inventory sold are recorded as a separate line on the consolidated statement of comprehensive income (loss).

2.7 Cost of Finished Cannabis Inventory Sold

Cost of finished cannabis inventory sold includes the value of inventory sold, excluding the fair value adjustment carried from biological assets into inventory. Cost of finished cannabis inventory sold also includes the value of inventory write downs.

2.8 Biological Assets

Biological assets are measured at fair value. The Company's biological assets consist of cannabis plants. The Company capitalizes all the direct and indirect costs as incurred related to the biological transformation of the biological assets between the point of initial recognition and the point of harvest, including direct costs, indirect costs, allocated fixed and variable overheads, and depreciation and amortization of equipment used to grow plants through the harvest of the plants. Before planting, the capitalized costs approximate fair value. After planting, fair value is estimated at the fair value of the market sales price of the finished product less costs to complete. Subsequent to harvest, the recognized biological asset amount becomes the cost basis of finished goods inventory. Unrealized gains or losses arising from changes in fair value less costs to sell during the period are included in the consolidated statement of income (loss) as 'Unrealized fair value gain on growth of biological assets.' After sale, the amount of 'Unrealized fair value gain on growth of biological assets' sold is recognized as 'Realized fair value amounts in inventory sold'.

2.9 Income (Loss) per Share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the income (loss) attributable to common shareholders equals the reported income (loss) attributable to owners of the Company. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

2.10 Accounts Payable and Accrued Liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle this obligation are both probable and able to be reliably measured.

2.11 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are members of key management, subject to common control, or can exert significant influence over the company. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2.12 Property and Equipment

Property and equipment are stated at cost less accumulated amortization and accumulated impairment losses, if any. Costs include borrowing costs for assets that require a substantial period of time to become ready for use.

Amortization is recognized so as to recognize the cost of assets less their residual values over their useful lives, using the straight-line method. Amortization begins when an asset is available for use, meaning that it is in the location and condition necessary for it to be used in the manner intended by management. The estimated useful lives, residual values and method of amortization are reviewed at each period end, with the effect of any changes in estimated useful lives and residual values accounted for on a prospective basis.

The Company capitalizes costs incurred to construct assets; when such assets are not available for use as intended by management, amortization expense is not recorded until constructed assets are placed into service.

Amortization is calculated applying the following useful lives:

Furniture and fixtures	7-10	years on a straight-line basis
Computer and office equipment	3-5	years on a straight-line basis
Production equipment and other	5-10	years on a straight-line basis
Leasehold improvements	15-40	years on a straight-line basis

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs of disposal and their value in use. Fair value is the price at which the asset could be bought or sold in an orderly transaction between market participants. In assessing value in use, the estimated cash flows are discounted to their present value using a pre tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Right-of-use leased assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Depreciation is recognized from the commencement date of the lease.

2.13 Impairment of Long-Lived Assets

For all long-lived assets, except for intangible assets with indefinite useful lives and intangible assets not yet available for use, the Company reviews its carrying amount at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. Where such impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss.

Impairment losses may be reversed in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized. A reversal of impairment loss is recognized in profit or loss.

2.14 Share-based Compensation

2.14.1 Share Based Payment Transactions

Transactions with non-employees that are settled in equity instruments of the Company are measured at the fair value of the goods or services rendered. In situations where the fair value of the goods or services received by the entity as consideration cannot be reliably measured, transactions are measured at fair value of the equity instruments granted. The fair value of the share-based payments is recognized together with a corresponding increase in equity over a period that services are provided, or goods are received.

2.14.2 Equity Settled Transactions

The costs of equity settled transactions with employees are measured by reference to the fair value of the equity instruments at the date on which they are granted, using the Black Scholes option pricing model.

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period and the corresponding amount is represented in contributed surplus. No expense is recognized for awards that do not ultimately vest.

2.14.3 Share Issuance Costs

Costs incurred in connection with the issuance of equity are netted against the proceeds received net of tax. Costs related to the issuance of equity and incurred prior to issuance are recorded as deferred equity issuance costs and subsequently netted against proceeds when they are received.

2.15 Income Taxes

Tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income (loss) or equity, in which case the tax expense is recognized in other comprehensive income (loss) or equity respectively.

Current tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. Income taxes are calculated using tax rates and laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized based on temporary differences between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred tax assets and liabilities is included in profit or loss. Deferred tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws that are expected to apply to taxable profit for the periods in which the assets and liabilities will be recovered or settled. Deferred tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The Company recognizes a deferred tax asset or liability for all deductible temporary differences arising from equity securities of subsidiaries, unless it is probable that the temporary difference will not reverse in the foreseeable future and the Company is able to control the timing of the reversal.

2.16 Financial Instruments

2.16.1 Financial Assets

Initial Recognition

The Company initially recognizes financial assets at fair value on the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Classification and measurement

Under *IFRS 9 - Financial Instruments*, financial assets are initially measured at fair value. In the case of a financial asset not categorized as FVTPL, transaction costs are included. Transaction costs of financial assets carried at FVTPL are expensed in net income (loss).

Subsequent classification and measurement of financial assets depends on the Company's business objective for managing the asset and the cash flow characteristics of the asset:

- Amortized cost – Financial assets held for collection of contractual cash flows that meet the SPPI test are measured at amortized cost. Interest income is recognized as Other income (expense) in the financial statements, and gains/losses are recognized in net income (loss) when the asset is derecognized or impaired.

- FVOCI – Financial assets held to achieve a particular business objective other than short term trading are designated at FVOCI. IFRS 9 also provides the ability to make an irrevocable election at initial recognition of a financial asset, on an instrument by instrument basis, to designate an equity investment that would otherwise be classified as FVTPL and that is neither held for trading nor contingent consideration arising from a business combination to be classified as FVOCI. There is no recycling of gains or losses through net income (loss). Upon derecognition of the asset, accumulated gains or losses are transferred from OCI directly to Deficit.

- FVTPL – Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL.

2.16.2 Financial Liabilities

The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The subsequent measurement of financial liabilities is determined based on their classification as follows:

- FVTPL – Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL. Gains or losses on these types of financial liabilities are recognized in net income (loss).

- Amortized cost – All other financial liabilities are classified as amortized cost using the effective interest method. Gains and losses are recognized in net income (loss) when the liabilities are derecognized as well as through the amortization process.

The following table summarizes the original measurement categories for each class of the Company's financial assets and financial liabilities:

Asset/Liability	Classification
Accounts receivable	Amortized cost
Cash and cash equivalents	Amortized cost
Marketable securities	FVTPL
Warrants asset	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost
Interest payable	Amortized cost
Convertible debentures	Amortized cost
Derivative liabilities	FVTPL

Impairment

IFRS 9 introduces a three-stage ECL model for determining impairment of financial assets. The expected credit loss model does not require the occurrence of a triggering event before an entity recognizes credit losses. IFRS 9 requires an entity to recognize expected credit losses upon initial recognition of a financial asset and to update the quantum of expected credit losses at the end of each reporting period to reflect changes to credit risk of the financial asset. The adoption of the ECL model did not have a material impact on the Company's financial statements.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

2.17 Business Combinations

A business combination is a transaction or event in which the acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair values. Goodwill represents the difference between total consideration paid and the fair value of the net identifiable assets acquired. Acquisition costs incurred are expensed within the consolidated statement of comprehensive income (loss).

Contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in a business combination, subject to the applicable terms and conditions. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 *Financial Instruments* with the corresponding gain or loss recognized in profit or loss.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to changed. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-out milestones are expected to be achieved, which is used as the basis for estimating fair value. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Management exercises judgment in determining the entities that it controls for consolidation and associated non-controlling interests. For financial reporting purposes, an entity is considered controlled when the Company has power over an entity and its ability to affect its economic return from the entity. The Company has power over an entity when it has existing rights that give it the ability to direct the relevant activities which can significantly affect the investee's returns. Such power can result from contractual arrangements. However, certain contractual arrangements contain rights that are designed to protect the Company's interest, without direct equity ownership in the entity, in which case non-controlling interests are recognized.

2.18 Intangible Assets and Goodwill

Intangible assets are recorded at cost less accumulated amortization and any impairment losses. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangibles is calculated on a straight-line basis over their estimated useful lives.

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is allocated to the CGU or group of CGUs which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization.

Goodwill and intangible assets with an indefinite life or not yet available for use are tested for impairment annually at year-end, and whenever events or circumstances that make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose all or a portion of a reporting unit. Finite life intangible assets are tested whenever there is an indication of impairment.

Goodwill and indefinite life intangible assets are tested for impairment by comparing the carrying value of each CGU containing the assets to its recoverable amount. Indefinite life intangible assets are tested for impairment by comparing the carrying value of each CGU containing the assets to its recoverable amount. Goodwill is tested for impairment based on the level at which it is monitored by management, and not at a level higher than an operating segment. The Company's goodwill is allocated to the cannabis operating segment and the U.S. cannabis and hemp-derived market CGU. The allocation of goodwill to the CGUs or group of CGUs requires the use of judgment.

An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amounts of the CGUs' assets are determined based on either fair value less costs of disposal or value-in-use method. There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGU, given the necessity of making key economic assumptions about the future. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill, and any excess is allocated to the carrying value of assets in the CGU. Any impairment is recorded in profit and loss in the period in which the impairment is identified. A reversal of an asset impairment loss is allocated to the assets of the CGU on a pro rata basis. In allocating a reversal of an impairment loss, the carrying amount of an asset shall not be increased above the lower of its recoverable amount and the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior period. Impairment losses on goodwill are not subsequently reversed.

2.19 Adoption of New Accounting Pronouncements

Amendments to IAS 41: Agriculture

As part of its 2018-2020 annual improvements to the standards process of IFRS, the IASB issued amendments to IAS 41 *Agriculture*. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flow when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13 *Fair Value Measurement*. The amendment is effective for annual reporting periods beginning on or after January 1, 2022. The Company adopted the Amendments to IAS 41 effective November 1, 2022, which did not have material impact to the Company's consolidated financial statements.

Amendments to IFRS 9: Financial Instruments

As part of its 2018-2020 annual improvements to the standards process of IFRS, the IASB issued amendments to IFRS 9 *Financial Instruments*. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company adopted the Amendments to IFRS 9 effective November 1, 2022, which did not have material impact to the Company's consolidated financial statements.

Expressed in United States Dollars, unless otherwise indicated

Amendments to IAS 37: Onerous Contracts and the Cost of Fulfilling a Contract

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendment is effective for annual periods beginning on or after January 1, 2022 with early application permitted. The Company adopted the amendments to IAS 37 effective November 1, 2022, which did not have material impact to the Company's consolidated financial statements.

2.20 New Accounting Pronouncements

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2024. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

IFRS 17 – Insurance Contracts

IFRS 17 *Insurance Contracts* establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The standard is effective for annual periods beginning on or after January 1, 2023. The Company is evaluating the potential impact of this standard on the Company's consolidated financial statements.

3. BIOLOGICAL ASSETS

Biological assets consist of cannabis plants, which reflect measurement at FVLCTS. changes in the carrying amounts of biological assets at October 31, 2023 and 2022 are as follows:

	October 31, 2023	October 31, 2022
	$	$
Beginning balance	1,199,519	1,188,552
Increase in biological assets due to capitalized costs	6,792,298	5,630,863
Change in FVLCTS due to biological transformation	3,355,797	3,278,572
Transferred to inventory upon harvest	(9,780,792)	(8,898,468)
Ending balance	**1,566,822**	**1,199,519**

Expressed in United States Dollars, unless otherwise indicated

FVLCTS is determined using a model which estimates the expected harvest yield for plants currently being cultivated, and then adjusts that amount for the expected selling price and also for any additional costs to be incurred, such as post-harvest costs.

The following significant unobservable inputs, all of which are classified as level 3 on the fair value hierarchy, were used by management as part of this model:

- Expected costs required to grow the cannabis up to the point of harvest
- Estimated selling price per pound
- Expected yield from the cannabis plants
- Estimated stage of growth – The Company applied a weighted average number of days out of the 60-day growing cycle that biological assets have reached as of the measurement date based on historical evidence. The Company assigns fair value basis according to the stage of growth and estimated costs to complete cultivation.

			Impact of 20% change	
	October 31, 2023	October 31, 2022	October 31, 2023	October 31, 2022
Estimated selling price per pound ($/pound)	$ 945	$ 817	$ 340,390	$ 246,397
Estimated stage of growth (%)	51%	49%	$ 280,663	$ 204,814
Estimated flower yield per harvest (pound)	3,283	2,638	$ 280,663	$ 204,814

4. INVENTORY

The Company's inventory composition is as follows:

	October 31, 2023	October 31, 2022
	$	$
Raw materials	501,433	134,926
Work in process	3,677,502	2,735,000
Finished goods	315,322	261,951
Ending balance	**4,494,257**	**3,131,877**

The cost of inventories, excluding changes in fair value, included as an expense and included in cost of goods sold for the year ended October 31, 2023, was $11,155,676 (2022 - $9,227,439, 2021 - $3,997,617).

Expressed in United States Dollars, unless otherwise indicated

5. BUSINESS COMBINATIONS

5.1 Golden Harvests LLC

On May 1, 2021, the Company acquired a controlling 60% interest in Golden Harvests for aggregate consideration of $1,007,719 comprised of 1,025,000 common shares of the Company with a fair value of $158,181 and cash payments of $849,536. Consideration remaining to be paid at the date of these consolidated financial statements included cash payments of $360,000.

Total consideration	Common shares	$
Cash paid	-	479,000
Cash payable	-	370,537
Common shares issued	825,000	122,376
Common shares issued	200,000	35,806
Total	**1,025,000**	**1,007,719**

During the year ended October 31, 2023, 200,000 common shares with an aggregate fair value of $35,806 were issued.

On December 1, 2021, the Company and the seller of the 60% controlling interest in Golden Harvests agreed to extend the due date of the cash portion of business acquisition consideration payable until December 31, 2024, in exchange for monthly payments at a rate of 18% per annum. The Company may pay all or part of the cash portion of the business acquisition consideration payable prior to December 31, 2024. The following table summarizes the movement in business acquisition consideration payable.

Business acquisition consideration payable	$
Acquisition date fair value	370,537
Payments	(8,000)
Application of prepayments	(4,000)
Accretion	1,463
Balance – October 31, 2023 and 2022	**360,000**

6. OTHER INVESTMENTS, PURCHASE DEPOSITS AND NOTES RECEIVABLE

6.1 Investment in Assets Sold by HSCP

On February 5, 2021, the Company agreed to acquire substantially all of the assets of the growing and retail operations pursuant to the HSCP Transaction, for an aggregate total of $3,000,000 in consideration, payable in a series of tranches, subject to receipt of all necessary regulatory and other approvals. A payment of $250,000 was to be due at closing and the payment of the remaining purchase price was to depend on the timing of the closing. The Company also executed the HSCP MSA, a management services agreement, pursuant to which the Company agreed to pay $21,500 per month as consideration for services rendered thereunder, until the completion of the HSCP Transaction. In accordance with the MSA, the Company owned all production from the growing assets derived from the growing operations of HSCP, and the Company operated the growing facility of HSCP under the MSA until receipt of the necessary regulatory approvals relating to the acquisition by the Company of HSCP's growing assets. The Company had no involvement with the retail operations contemplated in the agreement until the HSCP Transaction was completed.

On April 14, 2022, the HSCP Transaction closed with modifications to the original terms: the retail purchase was mutually terminated, and total consideration for the acquisition was reduced to $2,000,000. Upon closing, the Company had paid $750,000 towards the acquisition, and owed a promissory note payable with a principal sum of $1,250,000, which was fully paid on December 31, 2023 subsequent to the consolidated statement of financial position date, as described in Note 10.1.

6.2 Notes Receivable

6.2.1 ABCO Garden State, LLC Draw Down Promissory Note

On October 4, 2023, the Company announced that it signed a definitive agreement with an option to acquire 70% of ABCO, pending regulatory approval from the CRC. ABCO was granted a conditional cultivation and manufacturing license by the CRC and will receive its annual cultivation license soon. GR Unlimited executed the ABCO Promissory Note with ABCO's affiliate, Iron Flag, LLC, to fund tenant improvements and for general working capital at the 50,000 square foot facility leased by ABCO for use in ABCO's cannabis cultivation operations under construction and estimated to be completed in the second quarter of 2024.

Pursuant to the ABCO Promissory Note, GR Unlimited shall make the maximum amount available to Iron Flag, LLC in one or more advances in an aggregate amount not to exceed $4,000,000. Interest on the outstanding principal borrowed shall accrue at a rate of 12.5% per annum commencing with respect to each advance and accruing until the date the standing advances and all accrued interest is paid in full.

As at October 31, 2023, the outstanding balance of the ABCO Promissory Note was $1,170,101, and the accrued interest receivable was $8,758.

6.2.2 New Jersey Retail Promissory Note

On October 3, 2023, GR Unlimited executed a promissory note and advanced $250,000 to an individual representing the principal amount of the note (the "NJ Retail Promissory Note"). Pursuant to the NJ Retail Promissory Note agreement, interest on the outstanding principal borrowed shall accrue at a rate of 12% per annum provided that, if the extended maturity date of the note is triggered, interest shall accrue on the outstanding balance commencing on the maturity date and ending on the extending maturity date of the promissory note.

As at October 31, 2023, the outstanding balance of the NJ Retail Promissory Note was $250,000, and the accrued interest receivable was $1,667.

Subsequent to the consolidated statement of position dated October 31, 2023, the Company signed a related definitive agreement on January 16, 2024 to invest in the development of an adult-use dispensary in West New York, New Jersey. Also see subsequent event in note 25.2.

Expressed in United States Dollars, unless otherwise indicated

7. LEASES

The following is a continuity schedule of lease liabilities:

Lease liabilities	October 31, 2023	October 31, 2022
	$	$
Balance - beginning	2,301,129	2,360,438
Additions	2,583,661	1,030,429
Disposals	(292,763)	-
Interest expense on lease liabilities	272,521	243,360
Payments	(1,945,865)	(1,333,098)
Balance - ending	**2,918,683**	**2,301,129**
Current portion	824,271	1,025,373
Non-current portion	2,094,412	1,275,756

Set out below are undiscounted minimum future lease payments after October 31, 2023:

	Total future minimum lease payments ($)
Less than one year	1,108,495
Between one and five years	2,572,570
Total	**3,681,065**

8. PROPERTY AND EQUIPMENT

	Computer and Office Equipment	Production Equipment and Other	Leasehold Improvements	Right-of-use Assets	Total
	$	$	$	$	$
COST					
Balance - October 31, 2021	16,283	511,167	4,978,088	3,328,032	8,833,570
Additions	-	34,690	3,014,807	951,377	4,000,874
Disposals	-	(2,825)	(10,375)	-	(13,200)
Balance - October 31, 2022	16,283	543,032	7,982,520	4,279,409	12,821,244
Additions	-	434,736	990,469	2,583,661	4,008,866
Disposals	-	(3,339)	(3,862)	(599,707)	(606,908)
Balance - October 31, 2023	16,283	974,429	8,969,127	6,263,363	16,223,202
ACCUMULATED AMORTIZATION					
Balance - October 31, 2021	16,283	196,103	2,017,029	861,571	3,090,986
Amortization for the period	-	114,197	706,567	1,181,543	2,002,307
Disposals	-	(895)	(6,055)	-	(6,950)
Balance - October 31, 2022	16,283	309,405	2,717,541	2,043,114	5,086,343
Amortization for the period	-	94,518	1,108,228	1,312,968	2,515,714
Disposals	-	(2,584)	(802)	(128,735)	(132,121)
Balance - October 31, 2023	16,283	401,339	3,824,967	3,227,347	7,469,936
NET BOOK VALUE					
Balance - October 31, 2022	-	233,627	5,264,979	2,236,295	7,734,901
Balance - October 31, 2023	**-**	**573,090**	**5,144,160**	**3,036,016**	**8,753,266**

Expressed in United States Dollars, unless otherwise indicated

For the years ended October 31, 2023, amortization capitalized was $1,937,073 (2022 - $1,251,391) and expensed amortization was $578,641 (2022 - $750,916; 2021 - $180,015).

9. INTANGIBLE ASSETS AND GOODWILL

Indefinite lived intangible assets and goodwill	October 31, 2023	October 31, 2022
	$	$
Balance – beginning	725,668	399,338
Additions – grower licenses	-	326,330
Balance – ending	**725,668**	**725,668**

Additions during the year ended October 31, 2022, resulted from the HSCP Transaction (Note 6.1).

10. LONG-TERM DEBT

Transactions related to the Company's long-term debt during the years ended October 31, 2023 and 2022, include the following:

	Note							
Movement in long-term debt	**10.1**	**10.2**	**10.3**	**10.4**	**10.5**	**10.6**	**10.7**	**Total $**
Balance - October 31, 2021	-	600,572	249,064	280,567	150,000	142,997	786,461	2,209,661
Additions to debt	1,250,000	100,000	-	-	-	-	-	1,350,000
Settlement of debt	-	(706,352)	-	-	-	-	-	(706,352)
Interest accretion	-	5,780	79,046	71,443	-	36,594	295,453	488,316
Debt payments	-	-	(25,000)	(25,000)	(150,000)	(12,500)	(520,303)	(732,803)
Balance - October 31, 2022	1,250,000	-	303,110	327,010	-	167,091	561,611	2,608,822
Interest accretion	-	-	96,985	83,752	-	43,006	187,782	411,525
Debt payments	(900,000)	-	(25,000)	(25,000)	-	(12,500)	(669,330)	(1,631,830)
Balance - October 31, 2023	**350,000**	**-**	**375,095**	**385,762**	**-**	**197,597**	**80,063**	**1,388,517**
Current portion	*350,000*	-	*334,395*	*344,118*	-	*177,028*	*80,063*	*1,285,604*
Non-current portion	-	-	*40,700*	*41,644*	-	*20,569*	-	*102,913*

10.1 0% Stated Rate Note Payable to PBIC with Original Principal Amount of $800,000 and Harvest-based Payments (Settled)

On April 14, 2022, the Company purchased indoor growing assets from HSCP (Note 6.1). Purchase consideration included a Secured Promissory Note payable with a principal sum of $1,250,000, of which $500,000 was due on August 1, 2022 and $750,000 was due on May 1, 2023, before amendment of the agreement, which is described below. Collateral for the Secured Promissory Note payable is comprised of the assets purchased.

On August 1, 2022, the terms of the Secured Promissory Note between GR Distribution and HSCP, were amended. As amended, the Secured Promissory Note will be fully settled by two principal amounts of $500,000 and $750,000 due on May 1, 2023. Beginning on August 1, 2022, and continuing until repaid in full, the unpaid portion of the First Principal Amount will accrue simple interest at a rate per annum of 12.5%, payable monthly. In the event the Company raises capital, principal payments shall be made as follows. If the capital raise is less than or equal to $2 million, then 25% of the capital raise shall be paid against the First Principal Payment; if the capital raise is greater than $2 million and less than or equal to $3 million, then $250,000 shall be paid against the First Principal Payment; and if the capital raise is greater than $3 million, then $500,000 shall be paid against the First Principal Payment.

On May 1, 2023, the terms of the Secured Promissory Note were amended for a second. Under the second amendment, the Secured Promissory Note will be fully settled in two principal amounts. On May 1, 2023, the $500,000 principal payment plus all accrued but unpaid interest under the first amendment was due and payable. The remaining principal balance of $500,000, which bears no interest, is due and payable as follows: $150,000 due and payable on August 1, 2023; $150,000 due and payable on November 1, 2023; and $200,000 due and payable on December 31, 2023. The Company paid $900,000 during the year ended October 31, 2023.

10.2 0% Stated Rate Note Payable to PBIC with Original Principal Amount of $800,000 and Harvest-based Payments (Settled)

On September 9, 2021, the Company entered into the PBIC Note, an unsecured promissory note agreement with PBIC, a formerly related party, in the amount of $800,000, which was to be fully advanced by September 30, 2021. During the year ended October 31, 2022, $100,000 was received (through October 31, 2021 - $600,000). The PBIC Note was to mature on December 15, 2022, with payments commencing January 15, 2022, and continuing through and including December 15, 2022. The terms required the Company to make certain participation payments to the lender based on a percentage monthly sales of cannabis flower sold from the Company's Harvest (sun-grown A-flower 2021 harvest), less 15% of such amount to account for costs of sales. The percentage was determined by dividing 2,000 by the total volume of pounds of the Harvest, proportionate to principal proceeds. A portion of these payments were to be used to pay down the outstanding principal on a monthly basis. The PBIC Note would have automatically terminated when the full amount of any outstanding principal plus the applicable participation payments were paid prior to the maturity date. Should the participation payments have fully repaid the principal amount prior to the maturity date then the PBIC Note would have automatically terminated. The PBIC Note bore no stated rate of interest, and in the event of default, would have born interest at 15% per annum. The PBIC Note was reported at amortized cost using an effective interest rate of approximately 1.9%.

On June 20, 2022, the Company announced the settlement of the PBIC Note, which had a principal balance owing of $700,000. The Company agreed to transfer its PBIC Shares (the Company's ownership of 2,362,204 common shares of PBIC), to the Creditor (2766923 Ontario Inc.), to which PBIC sold and assigned the PBIC Note. In exchange, the Creditor provided forgiveness and settlement of all amounts owing in connection with the PBIC Note. The Company reported a gain on debt settlement of $449,684 as a result of the settlement.

10.3 10% Note Payable Owed by Golden Harvests with Original Principal Amount of $250,000

On May 1, 2021, the Company assumed a note payable owed by Golden Harvests (Note 5) with a carrying value of $227,056. The note is for a principal amount of $250,000, interest paid monthly at 10% per annum, and a maturity date of January 14, 2024. After the maturity date, additional interest payments are due quarterly, at amounts that cause total interest paid over the life of the debt to equal $250,000. The note is reported at amortized cost using an effective interest rate of approximately 33%. During each of the years ended October 31, 2023 and 2022, the Company made principal payments of $25,000.

10.4 10% Note Payable Owed by GR Distribution with Original Principal Amount of $250,000

On January 27, 2021, debt was issued by GR Distribution with a principal amount of $250,000, interest paid monthly at 10% per annum, and a maturity date of January 27, 2024. After the maturity date, additional interest payments are due quarterly, at amounts that cause total interest paid over the life of the debt to equal $250,000. The note is reported at amortized cost using an effective interest rate of approximately 27%. During each of the years ended October 31, 2023 and 2022, the Company made principal payments of $25,000.

10.5 10% Note Payable Owed by GR Gardens with Original Principal Amount of $150,000 (SETTLED)

On December 2, 2020, debt was issued by GR Gardens with a principal amount of $150,000, interest accrued at 10% per annum, and a maturity date of December 31, 2021. Interest and principal are payable upon maturity. The maturity date was extended by six-months for a fee of $1,000 per $10,000 of principal extended, which was $75,000. The balance was fully paid during the year ending October 31, 2022.

10.6 10% Note Payable Owed by GR Distribution with Original Principal Amount of $125,000

On November 23, 2020, debt was issued by GR Distribution with a principal amount of $125,000, interest paid monthly at 10% per annum, and a maturity date of November 23, 2023. After the maturity date, additional interest payments are due quarterly, at amounts that cause total interest paid over the life of the debt to equal $125,000. The note is reported at amortized cost using an effective interest rate of approximately 27%. During each of the years ended October 31, 2023 and 2022, the Company made principal payments of $12,500.

10.7 0% Stated Rate Note Payable by Canopy with Original Principal Amount of $60,000 and Royalty Payments to Lenders

On March 20, 2020, debt with a principal amount of $600,000 was received under a secured debt investment of $600,000. It carries a two-year term, with monthly payments of principal commencing June 15, 2020, and with payments calculated at 1% of cash sales receipts of Golden Harvests. Once the principal is repaid, each investor receives a monthly royalty of 1% per $100,000 invested of cash receipts for sales by Golden Harvests. The royalty commenced in December 2021, at which time principal was repaid, and is payable monthly a period of two years. The royalty maximum is two times the amount of principal invested, and the royalty minimum is equal to the principal loaned. The Company has the right, but not the obligation, to terminate royalty payments from any lender by paying an amount equal to the original principal invested by such lender. The debt is reported at the carrying value of the probability-weighted estimated future cash flows of all payments under the agreement at amortized cost using the effective interest method, at an effective interest rate of approximately 73%. A portion of this debt is due to related parties (Note 17.4). During the years ended October 31, 2023 and 2022, the Company made principal payments of $669,330 and $520,303, respectively.

Expressed in United States Dollars, unless otherwise indicated

10.8 Accrued Interest Payable

Accrued interest payable on long-term debt at October 31, 2023 was $Nil (October 31, 2022 - $Nil).

11. CONVERTIBLE DEBENTURES

Movement in convertible debt	$ Note 11.1	$ Note 11.2	$ Total
Balance - October 31, 2022	**-**	-	-
Additions to debt	2,000,000	6,000,000	8,000,000
Derivative liability recognition	(783,856)	(3,982,944)	(4,766,800)
Debt settlement through conversion of shares (Note 11.1.1)	(1,174,639)	-	(1,174,639)
Interest accretion	343,556	271,651	615,207
Debt payments	(137,745)	(123,261)	(261,006)
Balance - October 31, 2023	**$ 247,316**	**$ 2,165,446**	**$ 2,412,762**
Current portion	-	-	-
Non-current portion	247,316	2,165,446	2,412,762

11.1 9% Convertible Debentures with Original Principal Amount of $2,000,000

On December 5, 2022, the Company announced the closing of a non-brokered private placement of the December Convertible Debentures with an aggregate principal amount of $2,000,000. The December Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 36 months from the date of issue. The December Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.20 per common share. Additionally, on closing, the Company issued to the Purchasers of the December Convertible Debentures an aggregate of 6,716,499 Warrants, that represents 50% coverage of each Purchaser's Convertible Debenture investment. The December Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of $0.25 CAD per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of 10 consecutive trading days. The December Convertible Debentures and December Warrants issued pursuant to the private placement (and the underlying common shares) were subject to a statutory hold period of four months and one day from the closing date.

11.1.1 Debt Settlement Through Conversion of Shares

During the year ended October 31, 2023, Purchasers of the December Convertible Debentures converted an aggregate total of convertible debenture principal of $1,040,662 and $133,977 at CAD$0.20 per share into 10,151,250 and 1,022,025 common shares respectively.

Expressed in United States Dollars, unless otherwise indicated

The conversion feature of the December Convertible Debentures gives rise to the derivative liability reported on the statement of financial position at October 31, 2023. The derivative liability is remeasured at fair value through profit and loss at each reporting period using the Black-Scholes option pricing model. The fair value of the derivative liability at October 31, 2023, was estimated to be $490,195 (October 31, 2022 - $Nil) using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	4.67%
Expected life	2.09 years
Expected volatility	99%

11.2 9% Convertible Debentures with Original Principal Amount of $5,000,000

On July 13, 2023, the Company announced the closing of a non-brokered private placement of unsecured the July Convertible Debentures with an aggregate principal amount of $5,000,000. The Convertible Debentures accrue interest at 9% per year, paid quarterly, and mature 48 months from the date of issue. The July Convertible Debentures are convertible into common shares of the Company at a conversion price of CAD$0.24 per common share, at any time on or prior to the maturity date. Additionally, on closing, the Company issued to the Subscribers of the July Convertible Debentures an aggregate of 13,737,500 July Warrants, that represents one-half of one warrant for each CAD$0.24 of Principal amount subscribed. The July Warrants are exercisable for a period of three years from issuance into common shares at an exercise price of CAD$0.28 per common share. The Company has the right to accelerate the warrants if the closing share price of the common shares on the CSE is CAD$0.40 or higher for a period of 10 consecutive trading.

The conversion feature of the July Convertible Debentures gives rise to the derivative liability reported on the statement of financial position at October 31, 2023. The derivative liability is remeasured at fair value through profit and loss at each reporting period using the Black-Scholes option pricing model. The fair value of the derivative liability at October 31, 2023, was estimated to be $6,053,927 (October 31, 2022 - $Nil) using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	4.18%
Expected life	3.70 years
Expected volatility	99%

11.2.1 9% Convertible Debentures with Original Principal Amount of $1,000,000

On August 17, 2023, the Company announced that it had closed the second and final tranche of a non-brokered private placement of unsecured convertible debentures for gross proceeds of $1,000,000 (the August Convertible Debentures), for a total aggregate principal amount under both tranches of $6,000,000 with the July Convertible Debentures. Additionally, on closing, the Company issued to Subscribers under the second tranche an aggregate of 2,816,250 common share purchase warrants. The terms of the August Convertible Debentures and warrants issued as part of this second tranche are the same as those issued in the July Convertible Debentures and July Warrants.

Expressed in United States Dollars, unless otherwise indicated

The conversion feature of the August Convertible Debentures gives rise to the derivative liability reported on the statement of financial position at October 31, 2023. The derivative liability is remeasured at fair value through profit and loss at each reporting period using the Black-Scholes option pricing model. The fair value of the derivative liability at October 31, 2023, was estimated to be $1,264,378 (October 31, 2022 - $Nil) using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	4.18%
Expected life	4.00 years
Expected volatility	99%

12. SHARE CAPITAL AND SHARES ISSUABLE

The Company is authorized to issue an unlimited number of common shares at no par value and an unlimited number of preferred shares issuable in series.

During the year ended October 31, 2023, the following share transactions occurred:

12.1 200,000 Common Shares Issued to Settle Shares Issuable

On January 10, 2023, the Company issued 200,000 common shares with an aggregate fair value of $35,806, which was reported as issuable as at October 31, 2022, which represented a portion of consideration for the acquisition of Golden Harvests (Note 5).

12.2 10,151,250 Common Shares Issued to Settle Convertible Debentures

On July 13, 2023, the Company issued 10,151,250 common shares with an aggregate fair value of $2,428,656, as holders opted to convert their convertible debentures (Note 11.1.1).

12.3 1,022,025 Common Shares Issued to Settle Convertible Debentures

On August 30, 2023, the Company issued 1,022,025 common shares with an aggregate fair value of $270,133, as holders opted to convert their convertible debentures.

During the year ended October 31, 2022, the following share transactions occurred:

12.4 529,335 Common Shares Issued to Employees, Directors, and/or Consultants

The Company issued 529,335 common shares with a fair value of $59,796 for employment compensation, director services and consulting services.

12.5 13,166,400 Common Shares Issued in Private Placement for Proceeds of $1,300,000

On December 9, 2021, the Company closed the Private Placement, a non-brokered private placement of common shares, for total gross proceeds of $1,300,000 (CAD$1,645,800). The Private Placement resulted in the issuance of 13,166,400 common shares of Grown Rogue at a purchase price of CAD$0.125 per share. All common shares issued pursuant to the Private Placement were subject to a hold period of four months and one day. The CEO of Grown Rogue invested $300,000 in the Private Placement and received 3,038,400 common shares of the Company.

During the year ended October 31, 2021, the following share transactions occurred:

12.6 The Company issued 534,294 common shares with a fair value of $95,294 for employment compensation, director services and consulting services.

12.7 On February 5, 2021, the Company closed a non-brokered private placement of an aggregate total of 10,231,784 common shares with a fair value of $1,225,000. The private placement was raised in two tranches. In the first tranche, 2,031,784 common shares were issued for proceeds of $200,000. In the second tranche, 8,200,000 common shares and 8,200,000 warrants to purchase one common share were issued for proceeds of $1,025,000. All proceeds of the private placement were allocated to share capital, and costs of $15,148 incurred for this private placement were allocated to share capital.

12.8 The Company issued 25,000 shares with a fair value of $2,103 in order to extend an option payment as part of the Company's acquisition of Golden Harvests (Note 8).

12.9 On January 14, 2021, the Company agreed to issue 400,000 shares with a fair value of $36,310 to a lender of Golden Harvests to support Golden Harvests' business development.

12.10 The Company issued 600,000 common shares with an aggregate fair value of $107,461 to make payments towards the acquisition of Golden Harvests. Of the 600,000 common shares issued, 400,000 common shares were issued to satisfy milestone payments, and 200,000 common shares were issued to extend the due date of a milestone payment.

12.11 On March 5, 2021, The Company announced the completion of a brokered private placement offering through the issuance of an aggregate of 21,056,890 special warrants (each a "Special Warrant"), before the adjustment to 23,162,579 Special Warrants described below, at a price of CAD$0.225 (the "Issue Price") per Special Warrant for aggregate gross proceeds of approximately $3,738,564 (CAD$4,737,800) (the "Offering"). Each Special Warrant entitled the holder thereof to receive, for no additional consideration, one unit of the Company (each, a "Unit") on the exercise or deemed exercise of the Special Warrant. Each Unit was comprised of one common share of the Company and one warrant to purchase one common share of the Company. Each Special Warrant entitled the holder to receive upon the exercise or deemed exercise thereof, at no additional consideration, 1.10 Units (instead of one (1) Unit), if the Company had not received a receipt for a final short form prospectus qualifying distribution of the common shares and warrants (the "Qualifying Prospectus") from the applicable securities regulatory authorities (the "Securities Commissions") on or before April 5, 2021.

Each Special Warrant was to be deemed exercised on the date that was the earlier of: (i) the date that was three (3) days following the date on which the Company obtained receipt from the Securities Commissions for the Qualifying Prospectus underlying the Special Warrants and (ii) July 6, 2021. The Company obtained receipt for the Qualifying Prospectus on April 26, 2021. Accordingly, on April 30, 2021, the Company issued 23,162,579 Units, comprised of 23,162,579 common shares and 23,162,579 warrants to purchase one common share. The warrants entitle the holder to purchase one common share at an exercise price of CAD$0.30 for a period of two years.

Proceeds of $3,738,564 and expenses of $485,722 were allocated to share capital; also allocated to share capital were the expenses for fair value of Agent Warrants of $210,278.

12.12 The holders of convertible debentures converted an aggregate total of convertible debenture principal of $1,042,951 (CAD$1,311,111) at CAD$0.125 per share into 10,488,884 common shares with an aggregate fair value of $916,290. The value of derivative liabilities settled with the conversions allocated to equity was $1,833,731.

Expressed in United States Dollars, unless otherwise indicated

13. WARRANTS

The following table summarizes the warrant activities for the years ended October 31, 2023, 2022 and 2021:

	Number	Weighted Average Exercise Price (CAD$)
Balance - October 31, 2020	44,158,331	0.33
Issuance pursuant to private placement	8,200,000	0.20
Issuance pursuant to the Offering	23,162,579	0.30
Expiration of broker warrants	(757,125)	0.44)
Expiration of warrants	(17,843,998)	0.55
Balance - October 31, 2021	**56,919,787**	**0.22**
Expiration of warrants pursuant to convertible debt deemed re-issuance	(8,409,091)	0.16
Expiration of warrants issued pursuant to private placement to PBIC	(15,000,000)	0.13
Balance - October 31, 2022	**33,510,696**	**0.28**
Issuance pursuant to the December Convertible Debentures (Note 11.1)	6,716,499	0.25
Issuance pursuant to the July Convertible Debentures (Note 11.2)	13,737,500	0.28
Issuance pursuant to the August Convertible Debentures (Note 11.2.1)	2,816,250	0.28
Issued pursuant to the Consulting Agreement with Goodness Growth (Note 13.2)	8,500,000	0.33
Expiration of warrants pursuant to Feb 2021 subscription	(8,200,000)	0.20
Expiration of warrants pursuant to the Offering (Special warrant issue)	(23,162,579)	0.30
Expiration of warrants pursuant to terminate purchase agreement	(2,148,117)	0.44
Balance - October 31, 2023	**31,770,249**	**0.29**

At October 31, 2023, the following warrants were issued and outstanding:

Exercise price (CAD$)	Warrants outstanding	Life (years)	Expiry date
0.25	6,716,499	2.09	December 2, 2025
0.28	13,737,500	2.70	July 13, 2026
0.28	2,816,250	2.80	August 17, 2026
0.33	8,500,000	4.93	October 05, 2028
0.29	**31,770,249**	**3.18**	

Expressed in United States Dollars, unless otherwise indicated

13.1 Agent Warrants

On March 5, 2021, as consideration for the services rendered by the agent (the "Agent") to a brokered placement of special warrants (the "Offering"), the Company issued to the Agent an aggregate of 1,127,758 broker warrants of the Company (the "Broker Warrants") exercisable to acquire 1,127,758 compensation options (the "Compensation Options") for no additional consideration. As consideration for certain advisory services provided in connection with the Offering, the Company issued to the Agent an aggregate of 113,500 advisory warrants (the "Advisory Warrants") exercisable to acquire 113,500 Compensation Options for no additional consideration. The Broker Warrants and Advisory Warrants are collectively referred to as the "Agent Warrants."

Each Compensation Option entitles the holder thereof to purchase one unit of the Company (a "Compensation Unit") at the Issue Price of CAD$0.225 for a period of twenty-four (24) months. Each Compensation Unit is comprised of one common share and one common share purchase warrant of the Company (a "Compensation Warrant"). Each Compensation Warrant shall entitle the holder thereof to purchase one common share in the capital of the Company at a price of CAD$0.30 for twenty-four (24) months. The Agent Warrants expired on March 5, 2023.

13.2 Goodness Growth Consulting Agreement

The Consulting Agreement with Goodness Growth was executed as of May 24, 2023, whereby GR Unlimited will support Goodness Growth in the optimization of its cannabis flower products, with a particular focus on improving the quality and yield of top-grade "A" cannabis flower across its various operating markets, starting with Maryland and Minnesota (Note 2.5.1).

As part of this strategic agreement, Goodness Growth is obligated to issue 10,000,000 warrants to purchase 10,000,000 subordinate voting shares of Goodness Growth to the Company, with a strike price equal to CAD$0.317 (U.S.$0.233), being a 25.0 percent premium to the 10-day VWAP of Goodness Growth's subordinate voting shares prior to the effective date of the Consulting Agreement. Similarly, the Company will issue 8,500,000 warrants to purchase 8,500,000 common shares of the Company to Goodness Growth, with a strike price equal to CAD$0.225 (U.S.$0.166), being a 25.0 percent premium to the 10-day VWAP of the Company's common shares prior to the effective date of the Consulting Agreement.

The Company first measured and recognized the fair value ($1,232,253) of the warrants using a Black-Scholes option pricing model as of the warrants' deemed issuance date, which was the effective date of the Consulting Agreement (May 24, 2023). The Company and Goodness Growth issued and exchanged the warrants on October 5, 2023, at which time the carrying value ($1,232,253) of the warrants issued and received was recorded to equity and Warrants Asset, respectively.

The Warrants Asset is remeasured at fair value through profit and loss at each reporting period using the Black-Scholes option pricing model. The fair value of the Warrants Asset at October 31, 2023, was estimated to be $1,361,366 (October 31, 2022 - $Nil) using the following assumptions:

Expected (strike) price	0.328
Risk-free interest rate	4.18%
Expected life	4.94 years
Expected volatility	99%

Expressed in United States Dollars, unless otherwise indicated

14. STOCK OPTIONS

The following table summarizes the stock option movements for the years ended October 31, 2023, October 31, 2022, and October 31, 2021:

	Number	Exercise price (CAD$)
Balance - October 31, 2020	3,720,000	0.19
Granted to employees	3,085,000	0.20
Forfeitures by service providers	(65,000)	0.15
Forfeitures by employees	(965,000)	0.15
Forfeitures by employees	(10,000)	0.22
Balance - October 31, 2021	**5,765,000**	**0.20**
Granted to employees	605,000	0.15
Forfeitures by service provider	(500,000)	0.44
Forfeitures by employees	(960,000)	0.15
Balance - October 31, 2022	**4,910,000**	**0.18**
Granted to employees	3,650,000	0.15
Granted to employees	400,000	0.30
Granted to service providers	2,750,000	0.15
Expiration of options to employees	(430,000)	0.15
Expiration of options to employees	(75,000)	0.22
Balance - October 31, 2023	**11,205,000**	**0.17**

14.1 During the year ended October 31, 2023, 6,800,000 options were granted to employees.

The fair value of the options granted during the year ended October 31, 2023, was approximately $450,325 (CAD$611,439), which was estimated at the grant dates based on the Black-Scholes option pricing model, using the following assumptions:

Expected dividend yield	Nil%
Risk-free interest rate	3.89%
Expected life	4.0 years
Expected volatility	86%

Expressed in United States Dollars, unless otherwise indicated

The vesting terms of options granted during the year ended October 31, 2023, are set out in the table below:

Vesting terms Number Granted	Description
200,000	1/3 on each anniversary of grant date
200,000	50% on one year anniversary of grant date, 50% on second anniversary of grant date
400,000	Fully vested on grant date
6,000,000	Vest on one year anniversary of grant date
6,800,000	

14.2 During the year ended October 31, 2022, 605,000 options were granted to employees.

The fair value of the options granted during the year ended October 31, 2022, was approximately $23,260 (CAD$29,924) which was estimated at the grant dates based on the Black-Scholes option pricing model, using the following assumptions:

Expected dividend yield	Nil%
Risk-free interest rate	2.2%
Expected life	4.0 years
Expected volatility	86%

14.3 During the year ended October 31, 2021, 3,085,000 options were granted to employees.

The fair value of the options granted during the year ended October 31, 2021, was approximately $272,918 (CAD$343,034), which was estimated at the grant dates based on the Black-Scholes option pricing model, using the following assumptions:

Expected dividend yield	Nil%
Risk-free interest rate	0.55%
Expected life	4.0 years
Expected volatility	98%

Expressed in United States Dollars, unless otherwise indicated

At October 31, 2023, the following Stock Options were issued and outstanding:

Exercise price (CAD$)	Options outstanding	Number exercisable	Remaining Contractual Life (years)	Expiry period
0.15	1,845,000	1,782,500	0.7	July 2024
0.15	200,000	200,000	1.1	November 2024
0.30	1,000,000	850,000	1.5	April 2025
0.16	1,150,000	1,150,000	1.6	May 2025
0.15	85,000	85,000	2.0	November 2025
0.15	300,000	150,000	2.5	April 2026
0.15	6,225,000	400,000	3.2	January 2027
0.30	400,000	-	3.9	September 2027
0.17	**11,205,000**	**4,617,500**	**2.4**	

15. CHANGES IN NON-CASH WORKING CAPITAL

The changes to the Company's non-cash working capital for the years ended October 31, 2023, 2022 and 2021 are as follows:

Years ended October 31,	2023	2022	2021
	$	$	$
Accounts receivable	(465,465)	(904,711)	(412,060)
Inventory and biological assets	(767,636)	(94,595)	(1,359,567)
Prepaid expenses and other assets	(40,513)	5,267	(196,261)
Accounts payable and accrued liabilities	569,451	(124,334)	(294,846)
Interest payable	-	(13,750)	4,383
Unearned revenue	(28,024)	(95,389)	-
Deferred rent	-	-	(10,494)
Income taxes payable	55,024	56,401	137,131
Total	**(677,163)**	**(1,171,111)**	**(2,131,714)**

16. SUPPLEMENTAL CASH FLOW DISCLOSURE

Years ended October 31,	2023	2022	2021
	$	$	$
Interest paid	358,154	400,630	168,924
Fair value of common shares issued and issuable for services	-	59,796	133,826
Fair value of common shares issued to Golden Harvests	-	-	109,564
Fair value of common shares issued to Golden Harvests creditor	-	-	36,310
Right-of-use assets acquired through leases (Note 7)	2,583,660	1,030,429	2,642,588
Conversion of debenture into common shares	2,698,789	-	916,290
Derivative liability recognized as contributed surplus upon debenture conversion	-	-	1,833,731
Note payable to HSCP used to acquire assets (Note 10.1)	350,000	1,250,000	-

17. RELATED PARTY TRANSACTIONS

During the year ended October 31, 2023, 2022 and 2021, the Company incurred the following related party transactions:

17.1 Transactions with the CEO

Through its wholly owned subsidiary, GRU Properties, LLC, the Company leased a property located in Trail, Oregon ("Trail") owned by the Company's President and CEO. The lease was extended during the year ended October 31, 2021, with a term through December 31, 2025. Lease charges of $72,000 were incurred for the year ended October 31, 2023 (2022 – 72,000 and 2021 - $72,000). The lease liability balance for Trail at October 31, 2023, was $139,014 (October 31, 2022 - $193,312).

During the year ended October 31, 2021, the Company leased a property which is beneficially owned by the CEO and is located in Medford, Oregon ("Lars") with a term through June 30, 2026. Lease charges of $190,035 (2022 - $184,500 and 2021 - $60,000) were incurred for the year ended October 31, 2023. The lease liability for Lars at October 31, 2023, was $470,134 (2022 - $607,900).

During the year ended October 31, 2021, the CEO leased equipment to the Company, which had a balance due of $nil at October 31, 2023 (2022 – 9,433). Payments of $9,971 were made against the equipment leases during the year ended October 31, 2023 (2022 - $28,871 and 2021 – 17,802).

Leases liabilities payable to the CEO were $609,147 in aggregate at October 31, 2021 (October 31, 2022 - $810,645).

The CEO earns a royalty of 2.5% of sales of flower produced at Trail through December 31, 2021, at which time the royalty terminated. The CEO earned royalties of $nil during the year ended October 31, 2023 (2022 - $305 and 2021 - $19,035).

During the year ended October 31, 2022, the Company settled $62,900 in long-term liabilities due to the CEO as part of the CEO's total $300,000 subscription to a non-brokered private placement of common shares (Note 12.3). During the year ended October 31, 2021, the Company settled $162,899 in long-term accrued liabilities due to the CEO by way of a payment of $62,899 and $100,000 attributed to the CEO's subscription to a non-brokered private placement on February 5, 2021.

During the year ended October 31, 2023, the Company, through GR Unlimited, acquired 87% of the membership units of Canopy from the CEO. All payments necessary for GR Unlimited to exercise its option to acquire 87% of Canopy were equal to payments made by Canopy to purchase a controlling 60% interest of Golden Harvests.

17.2 Transactions with Spouse of the CEO

During the year ended October 31, 2023, the Company incurred expenses of $98,846 (2022 - $60,000 and 2021 - $58,020) for salary paid to the spouse of the CEO. At October 31, 2021, accounts and accrued liabilities payable to this individual were $2,692 (October 31, 2022 - $1,154). The spouse of the CEO was granted 500,000 options during the year ended October 31, 2023.

Expressed in United States Dollars, unless otherwise indicated

17.3 Transactions with Key Management Personnel

Key management personnel consists of the President and CEO; the Senior Vice President of GR Unlimited (formerly the CFO of GR Unlimited); the former Chief Market Officer ("CMO"); the former Chief Operating Officer ("COO")*; the Chief Accounting Officer ("CAO")**; the Michigan General Manager ("GM"); and the CFO of the Company. The compensation to key management is presented in the following table:

Year ended October 31,	2023	2022	2021
	$	$	$
Salaries and consulting fees	880,195	1,118,694	875,058
Share-based compensation	-	13,043	70,040
Stock option expense	161,422	20,082	64,436
Total	1,041,617	1,151,819	1,009,534

* COO was appointed subsequent to April 30, 2021, and was paid and compensated prior to appointment; compensation for the year ended October 31, 2021, is included in the table above for comparability to past and ongoing expenses. COO's final date of employment was December 27, 2021.

** CAO was promoted to CFO in September 2021.

Stock options granted to key management personnel and close family members of key management personnel include the following. During the year ended October 31, 2023, 1,500,000 options were granted to the CEO; 750,000 options were granted to the CFO; 750,000 options were granted to the SVP; and 175,000 options to the GM. During the year ended October 31, 2022, no options were granted to key management personnel. During the year ended October 31, 2021: 500,000 options were granted to the COO, which expired following the COO's resignation.

During the year ended October 31, 2023, 1,250,000 stock options were granted to three Board of Directors.

During the year ended October 31, 2023, the SVP purchased December Convertible Debentures with a principal balance of $50,000 and was issued 167,912 December Warrants.

During the year ended October 31, 2023, the Company issued 200,000 shares to the GM, which represented a portion of consideration for the acquisition of Golden Harvests (Note 5 and 12.1).

Compensation to the Board of Directors during the year ended October 31, 2023 (2022 - $18,000 and common share issuances of 273,750 common shares with a fair value of $20,562; 2021 - fees of $18,000 and common share issuances of 100,908 common shares with a fair value of $14,187).

Through its subsidiary, Golden Harvests, the Company leased Morton, owned by the Company's GM, and is located in Michigan, with a lease term through January 2026. Lease charges of $180,000 (2022 - $152,000; 2021 - $140,000) were incurred during the year ended October 31, 2023. The lease liability of Morton at October 31, 2023 was $377,043 (2022 - $428,476).

Expressed in United States Dollars, unless otherwise indicated

Through its subsidiary, Golden Harvests, the Company also leased Morton Annex, located in Michigan, which is owned by the Company's GM. The lease term was extended during the year ended October 31, 2023, through November 2023. Lease charges of $740,000 (2022 - $330,000 and 2021 - $nil) were incurred during the year ended October 31, 2023. The lease liability of Morton Annex at October 31, 2023, was $29,774 (2022 - $211,991).

Accounts payable, accrued liabilities, and lease liabilities due to key management at October 31, 2023, totaled $1,118,763 (2022 - $1,587,700).

17.4 Debt balances and movements with related parties

The following table sets out portions of debt pertaining to related parties:

	CEO	Senior VP - GR Unlimited LLC	Director	COO	GM	Total
	$	$	$	$	$	$
Balance - October 31, 2021	65,539	131,078	196,617	163,750	358,537	915,521
Interest	24,621	49,242	73,863	1,250	62,863	211,839
Payments	(43,361)	(86,717)	(130,076)	(165,000)	(61,400)	(486,554)
Balance - October 31, 2022	46,799	93,603	140,404	-	360,000	640,806
Interest	15,649	31,297	46,947	-	64,800	158,693
Payments	(55,778)	(111,555)	(167,333)	-	(64,800)	(399,466)
Balance - October 31, 2023	**6,670**	**13,345**	**20,018**	**-**	**360,000**	**400,033**

Pursuant to the loan and related agreements transacted during the year ended October 31, 2020, the CEO, CFO of GR Unlimited LLC, and a director obtained 5.5%; 1%; and 2.5% ownership interests in GR Michigan LLC, respectively; third parties obtained 4% as part of the agreements, such that GR Michigan has a 13% non-controlling interest (Note 23.2). These parties, except the CEO, obtained the same interests in Canopy; the CEO obtained 92.5% of Canopy (Note 23.3); all payments necessary for the Company to exercise its option to acquire 87% of Canopy were equal to payments made by Canopy to purchase a controlling 60% interest of Golden Harvests. Interest payments of $59,400 were made on the business acquisition payable of $360,000 (Note 5.1)

17.5 On November 23, 2020, a director, prior to his directorship, purchased 6.25 newly issued equity units of Grown Rogue Distribution, LLC (Note 26) for $250,000, out of the total of 11.875 such units issued during the year ended October 31, 2021. On April 30, 2021, the Company purchased these units for consideration of 1,953,125 common shares with a fair value of $349,809.

Expressed in United States Dollars, unless otherwise indicated

17.6 Related party subscriptions to February 5, 2021, non-brokered private placement

The following table sets out related party subscriptions to the February 5, 2021, non-brokered private placement described at Note 15.4.

	Subscription amount ($)	Shares	Warrants
Chief Operating Officer	125,000	1,000,000	1,000,000
Chief Financial Officer of GR Unlimited	250,000	2,000,000	2,000,000
Chief Executive Officer	200,000	1,600,000	1,600,000
PBIC	250,000	2,000,000	2,000,000
Total	**825,000**	**6,600,000**	**6,600,000**

17.7 On March 5, 2021, under the Offering (Note 15.8), PBIC invested proceeds of $394,546 which resulted in the issuance to PBIC of 2,444,444 common shares and 2,444,444 warrants to purchase common shares. Each warrant is exercisable at CAD$0.30 for a period of two years.

18. FINANCIAL INSTRUMENTS

18.1 Market Risk (Including Interest Rate Risk and Currency Risk)

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

18.1.1 Interest Rate Risk

At October 31, 2023 and 2022, the Company's exposure to interest rate risk relates to long-term debt, convertible promissory notes, and finance lease obligations, but its interest rate risk is limited as the aforementioned financial instruments are fixed interest rate instruments.

18.1.2 Currency Risk

At October 31, 2023, the Company had accounts payable and accrued liabilities of CAD$190,169 (2022 - CAD$616,345). The Company is exposed to the risk of fluctuation in the rate of exchange between the Canadian Dollar and the United States Dollar.

18.1.3 Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk and a change in the price of cannabis. The Company is not exposed to significant other price risk.

Expressed in United States Dollars, unless otherwise indicated

18.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.

Credit risk to the Company is derived from cash and trade accounts receivable. The Company places its cash in deposit with United States financial institutions. The Company has established a policy to mitigate the risk of loss related to granting customer credit by primarily selling on a cash-on-delivery basis.

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the FDIC up to $250,000. At October 31, 2023 and October 31, 2022, the Company had $8,108,247 and $832,384 in excess of the FDIC insured limit, respectively.

Accounts receivable primarily consist of trade accounts receivable and sales tax receivable. The Company provides credit to certain customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk. Credit risk is assessed on a case-by-case basis and a provision is recorded where required.

The carrying amount of cash, accounts receivable, and other receivables represent the Company's maximum exposure to credit risk; the balances of these accounts are summarized in the following table:

	October 31, 2023	October 31, 2022
	$	$
Cash	8,858,247	1,582,384
Accounts Receivable	2,109,424	1,643,959
Notes Receivable	1,430,526	-
Total	**12,398,197**	**3,226,343**

The allowance for doubtful accounts at October 31, 2023, was $165,346 (October 31, 2022 - $264,719).

At October 31, 2023 and 2022, the Company's trade accounts receivable and other receivable were aged as follows:

	October 31, 2023	October 31, 2022
	$	$
Current	1,079,657	872,100
1-30 days	475,909	336,149
31 days-older	616,574	614,022
Total trade accounts receivable	**2,172,140**	**1,822,271**
GST /HST	102,631	86,407
Provision for bad debts	(165,347)	(264,719)
Total accounts receivable	**2,109,424**	**1,643,959**

Major customers are defined as customers that each individually account for greater than 10% of the Company's annual revenues. During the year ended October 31, 2023, there was no major customer that accounted for greater than 10% of revenues (2022 – one major customer accounted for 14% of revenues; 2021 – one major customer accounted for 11% of revenues). There were no customers with accounts receivable balances greater than 10% at October 31, 2023 and 2022.

Expressed in United States Dollars, unless otherwise indicated

18.3 Liquidity Risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. At October 31, 2023, the Company's working capital accounts were as follows:

	October 31, 2023	October 31, 2022
	$	$
Cash	8,858,247	1,582,384
Current assets excluding cash	8,563,290	6,327,629
Total current assets	17,421,537	7,910,013
Current liabilities	(13,004,181)	(5,315,904)
Working capital	**4,417,356**	**2,594,109**

The contractual maturities of the Company's accounts payable and accrued liabilities, long-term debt, and lease payable occurs over the next three years as follows:

	Year 1	Over 1 Year - 3 Years	Over 3 Years - 5 Years
	$	$	$
Accounts payable and accrued liabilities	2,359,750	-	-
Lease liabilities	824,271	1,116,399	978,013
Convertible debentures	-	-	2,412,762
Debt	1,285,604	102,913	-
Business acquisition consideration payable	360,000	-	-
Total	**4,829,625**	**1,219,312**	**3,390,775**

18.4 Fair Values

The carrying amounts for the Company's cash, accounts receivable, accounts payable and accrued liabilities, amounts due to employee/director, promissory notes and convertible promissory notes approximate their fair values because of the short-term nature of these items.

18.5 Fair Value Hierarchy

A number of the Company's accounting policies and disclosures require the measurement of fair valued for both financial and nonfinancial assets and liabilities. The Company has an established framework, which includes team members who have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. The Company regularly assesses significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; or

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Expressed in United States Dollars, unless otherwise indicated

The carrying values of the financial instruments at October 31, 2023 are summarized in the following table:

	Level in fair value hierarchy	Amortized Cost	FVTPL
Financial Assets			
Cash	Level 1	$ 8,858,247	$ -
Accounts receivable	Level 2	2,109,424	-
Warrants asset	Level 1	-	1,361,366
Financial Liabilities			
Accounts payable and accrued liabilities	Level 2	$ 2,359,750	$ -
Debt	Level 2	1,388,517	-
Convertible debentures	Level 2	2,412,762	
Business acquisition consideration payable	Level 2	360,000	-
Derivative liability	Level 2		7,808,500

During the year ended October 31, 2023, there were no transfers of amounts between levels.

19. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended October 31, 2023, 2022 and 2021 are as follows:

	Years ended October 31,		
	2023	2022	2021
	$	$	$
Office, banking, travel, and overheads	1,960,696	1,929,385	1,158,975
Professional services	585,342	456,532	767,050
Salaries and benefits	3,919,839	3,466,319	2,057,225
Total	**6,465,877**	**5,852,236**	**3,983,250**

20. INCOME TAXES

As the Company operates in the legal cannabis industry, certain subsidiaries of the Company are subject to the limits of IRC Section 280E for U.S. federal income tax purposes. Under IRC Section 280E, these subsidiaries are generally only allowed to deduct expenses directly related to the Cost of Goods Sold. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E. Therefore, the effective tax rate can be highly variable and may not necessarily correlate with pre-tax income or loss recognized for financial reporting purposes.

The Company is treated as a U.S. corporation for U.S. federal income tax purposes under IRC Section 7874 and is subject to U.S. federal income tax on its worldwide income. However, for Canadian tax purposes, the Company, regardless of any application of IRC Section 7874, is treated as a Canadian resident company for Canadian income tax purposes as defined in the ITA. As a result, the Company is subject to taxation both in Canada and the United States. The Company is also subject to state income taxation in various state jurisdictions in the United States. The Company's income tax is accounted for in accordance with IAS 12 *Income Taxes*.

Expressed in United States Dollars, unless otherwise indicated

For the tax years ending October 31, 2023, 2022 and 2021, income tax expense consisted of:

	Years ended October 31,		
	2023	2022	2021
	$	$	$
Current expense:			
Federal	498,435	217,571	113,699
State	68,861	27,787	36,844
Adjustment to prior years provision versus statutory tax returns	273,994	-	-
Total current expense:	841,290	245,358	150,543
Deferred expense (benefit):			
Federal	(1,354,696)	(990,452)	(1,288,637)
State	(389,828)	(350,374)	(322,400)
Change in unrecognized deductible temporary differences	1,274,166	1,340,826	1,611,037
Total deferred (benefit):	(470,358)	-	-
Total income tax expense:	**370,932**	**245,358**	**150,543**

The difference between the income tax expense for the years ended October 31, 2023, 2022 and 2021, and the expected income taxes based on the statutory tax rate applied to income (loss) before income tax is as follows:

	Years ended October 31,		
	2023	2022	2021
	$	$	$
Income (loss) before income taxes and noncontrolling interest	(291,388)	665,309	(864,202)
Statutory tax rates	24.46%	27.25%	27.25%
Expected income tax (recovery)	(71,275)	181,297	(235,495)
Change in statutory tax rates and FX rates	21,890	92,662	84,952
Nondeductible expenses	1,069,536	38,802	(42,264)
Deferral adjustments	(1,189,931)	(1,374,372)	(1,260,938)
Change in unrecognized deductible temporary differences	1,274,166	1,340,826	1,611,038
Net operating loss	(1,323,949)	-	-
Fiscal year to calendar year adjustment	316,501	(33,856)	(6,749)
Adjustment to prior years provision versus statutory tax returns	273,994	-	-
Total income tax expense:	**370,932**	**245,358**	**150,543**

The following tax assets arising from temporary differences and non-capital losses have been recognized in the consolidated financial statements for the years ended October 31, 2023, 2022 and 2021:

	Years ended October 31,		
	2023	2022	2021
	$	$	$
Property, plant and equipment	127,305	-	-
Inventory	127,846	-	-
ROU Leases	(108,206)	-	-
Net Operating Loss Carryforward (federal)	318,614	-	-
Net Operating Loss Carryforward (state)	4,799	-	-
Net deferred tax assets:	**470,358**	**-**	-

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred income tax liabilities result primarily from amounts not taxable until future periods. Deferred income tax assets result primarily from operating tax loss carry forwards and temporary differences related to property, plant and equipment and inventory, and have been offset against deferred income tax liabilities. As of October 31, 2023, Grown Rogue International Inc. has estimated Canadian non-capital losses of CAD$9,000,490. These Canadian non-capital losses are available to be carried forward, to be applied against Grown Rogue International Inc.'s taxable income earned in Canada over the next 20 years and expire between 2030 and 2042. The deferred tax benefit of these Canadian tax losses has not been set up as an asset as it is not probable that sufficient taxable profits will be available for Canadian tax purposes to realize the carryforward of unused tax losses. Additionally, the deferred tax benefit of capitalized transaction costs and startup costs have not been setup as a deferred tax asset since it is not probable that the Company would be able to realize these deductible temporary differences for U.S. tax purposes.

The Company operates in various U.S. state tax jurisdictions and is subject to examination of its income tax returns by tax authorities in those jurisdictions who may challenge any item on these returns. Because the tax matters challenged by tax authorities are typically complex, the ultimate outcome of these challenges is uncertain. In accordance with IAS 12, the Company recognizes the benefits of uncertain tax positions in our financial statements only after determining that it is more likely than not that the uncertain tax positions will be sustained. For the years ended October 31, 2023, 2022 and 2021, the Company did not record an accrual for uncertain tax positions.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes. There are no positions for which it is reasonably possible that the uncertain tax benefit will significantly increase or decrease within twelve months. The Company files income tax returns in the United States, including various state jurisdictions, and in Canada, which remain open to examination by the respective jurisdictions for the 2018 tax year to the present.

U.S. Federal and state tax laws impose restrictions on net operating loss carryforwards in the event of a change in ownership of the Company, as defined by the IRC Section 382. The Company does not believe that a change in ownership, as defined by IRC Section 382, has occurred but a formal study has not been completed.

U.S. Congress passed the Inflation Reduction Act in August 2022. The Company does not anticipate any impact to its income tax provision as a result of the new U.S. legislation.

21. CAPITAL DISCLOSURES

The Company includes equity, comprised of share capital, contributed surplus (including the fair value of equity instruments to be issued), equity component of convertible promissory notes and deficit, in the definition of capital.

The Company's objectives when managing capital are as follows:

- to safeguard the Company's assets and ensure the Company's ability to continue as a going concern;
- to raise sufficient capital to finance the construction of its production facility and obtain license to produce recreational marijuana; and
- to raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it, based on the general economic conditions, the Company's short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

Expressed in United States Dollars, unless otherwise indicated

The Company's principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

The Company does not have any externally imposed capital requirements.

22. SEGMENT REPORTING

Geographical information relating to the Company's activities is as follows:

Geographical segments	Oregon	Michigan	Other	Services	Total
	$	$	$	$	$
Non-current assets other than financial instruments					
At October 31, 2023	6,640,932	4,016,861	1,361,366	-	12,019,159
At October 31, 2022	4,719,260	3,741,309	-	-	8,460,569
Year ended October 31, 2023					
Net revenue	11,001,261	11,422,908	-	929,016	23,353,185
Gross profit	5,259,439	6,791,700	-	620,375	12,671,514
Gross profit before fair value adjustment	4,615,259	6,653,234	-	620,375	11,888,868
Year ended October 31, 2022					
Net revenue	8,852,104	8,905,179	-	-	17,757,283
Gross profit	3,039,159	5,083,919	-	-	8,123,078
Gross profit before fair value adjustments	3,089,302	5,440,542	-		8,529,844
Year ended October 31, 2021					
Net revenue	5,152,286	3,882,332	344,055	-	9,378,673
Gross profit	2,325,304	3,585,462	189,702	-	6,100,468

23. NON-CONTROLLING INTERESTS

The changes to the non-controlling interest for the years ended October 31, 2023, 2022 and 2021, and are as follows:

	October 31, 2023	October 31, 2022	October 31, 2021
	$	$	$
Balance, beginning of year	2,006,479	2,033,986	(33,383)
Non-controlling interest's 13% share of GR Michigan	-	-	5,743
Non-controlling interest's 100% share of Canopy	(129,279)	(27,507)	2,065,718
Acquisition of 87% of Canopy	(893,483)	-	2,065,718
Balance, end of year	**983,717**	**2,006,479**	**2,033,986**

Expressed in United States Dollars, unless otherwise indicated

23.1 Non-controlling interest in GR Michigan

The following is summarized financial information for GR Michigan:

	October 31, 2023	October 31, 2022	October 31, 2021
	$		$
Current assets	-	-	1,453
Non-current assets	-	-	-
Current liabilities	-	-	-
Non-current liabilities	-	-	-
Net loss for the year	-	-	48,867

Nine percent (9%) of GR Michigan is owned by officers and directors of the Company; this ownership is pursuant to an agreement that included their loans made to GR Michigan (Note 17.4), and 4% of GR Michigan owned by a third party. The total non-controlling ownership, including ownership by officers and directors, is 13%.

23.2 Non-controlling interest in Canopy

The following is summarized financial information for Canopy, reflecting consolidation of Golden Harvests, of which Canopy is a 60% owner:

	October 31, 2023	October 31, 2022	October 31, 2021
	$	$	$
Current assets	4,192,902	3,200,701	3,093,330
Non-current assets	4,016,860	3,741,309	4,023,521
Current liabilities	2,048,167	2,337,695	1,708,330
Non-current liabilities	253,340	715,461	1,225,804
Advances due to parent	-	-	530,020
Net income (loss) for the year	(129,279)	(27,507)	2,196,479

In January of 2023, GR Unlimited exercised its option to acquire 87% of the membership units of Canopy from the CEO. Prior to this, ninety-six percent (96%) of Canopy was owned by officers and directors of the Company, and four percent (4%) was owned by a third party. Ownership by officers and directors, excluding the CEO, was pursuant to agreements which caused their ownership of Canopy to be equal to their ownership in GR Michigan (Note 23.2), which total 3.5%. The CEO owned 92.5% of Canopy, which was analogous to the CEO's 5.5% ownership of GR Michigan, and an additional 87% of Canopy, which was and is equal to the Company's 87% ownership of GR Michigan. Following GR Unlimited's acquisition of 87% of the membership units of Canopy in January of 2023, Canopy became owned 87% by GR Unlimited; 7.5% by officers and directors; and 5.5% by the CEO.

24. LEGAL MATTERS

On September 22, 2022, the SEC issued an Order Instituting Proceedings pursuant to Section 12(j) of the 1934 Act, against the Company alleging violations of the 1934 Act, as amended, and the rules promulgated thereunder, by failing to timely file periodic reports. Section 12(j) authorizes the SEC as it deems necessary or appropriate for the protection of investors to suspend for a period not exceeding 12 months, or to revoke, the registration of a security if the SEC finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of the 1934 Act, as amended, or the rules promulgated thereunder. The Company has filed an answer to the Order Instituting Proceedings and is seeking a hearing in the matter. The Company is currently fully compliant with all of their filings, is vigorously defending itself in the matter, and is preparing to re-register its security if necessary.

25. SUBSEQUENT EVENTS

25.1 Purchase of Ross Lane, Oregon farm property

On January 12, 2024, the Company executed the option to purchase the Ross Lane outdoor farm property located in Central Point, Oregon for total consideration of $1,525,000.

25.2 New Jersey retail investment

On January 17, 2024, the Company announced that it formed GR Retail and signed a definitive agreement on January 16, 2024, to invest in and support Nile of NJ LLC, a company that is developing an adult-use dispensary in West New York, New Jersey. The investment is in the form of a secured note, in which the Company advanced $500,000 pursuant to this secured note on February 13, 2024. These retail operations will be supported with products from a cultivation facility under development.

25.3 Warrants Acceleration

On March 1, 2024, the Company announced it has accelerated the expiry date of an aggregate of 23,270,249 common share purchase warrants comprised of the December Warrants, July Warrants and August Warrants. The Company issued the notice of acceleration required by the warrant certificates governing these warrants on March 1, 2024, thereby accelerating the expiry date to 90 days from the date of notice. Should all these warrants be exercised, the Company would collect proceeds of approximately CAD$6.3 million.

25.4 Illinois Expansion

On March 5, 2024, the Company announced it signed a definitive agreement to form Rogue EBC, LLC, a joint venture with EBC Ventures. The joint venture has entered into a definitive agreement to acquire 100% of CannEquality, LLC, which holds a craft growers license with the Illinois Department of Agriculture. Grown Rogue will own 70% of the joint venture and has agreed to contribute up to US$6,000,000 to support the development of the facility. The joint venture agreement includes multiple purchase options, which ultimately give Grown Rogue the ability to acquire 100% of the membership interests of the joint venture.

EXHIBIT 2.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of the date of the Annual Report on Form 20-F of which this Exhibit 2.1 is a part Grown Rogue International Inc. (the "**Company**", "**we**", "**us**" or "**our**") has only one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: the Company's common shares (the "**Common Shares**").

Description of Common Shares

*The following description of our Common Shares is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our articles of incorporation (the "**Articles**"), as amended, which are incorporated by reference as an exhibit to the Annual Report on Form 20-F of which this Exhibit 2.1 is a part.*

We have 182,005,886 Common Shares outstanding as of February 28, 2024, and we are authorized to issue an unlimited number of Common Shares, without par value. We are also authorized to issue an unlimited number of Preference Shares, without par value.

Basic Rights of our Common Shares

The holders of Common Shares are entitled to receive notice of and to attend all annual and special meetings of the Company's shareholders and to one vote in respect of each Common Share held at the record date for each such meeting, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.

Subject to the prior rights of the holders of the Preference Shares and to any other shares ranking senior to the Common Shares with respect to priority in the payment of dividends, the holders of the Common Shares are entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company, out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine and all dividends which the directors may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding.

In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Preference Shares and to any other shares ranking senior to the Common Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Common Shares shall be entitled to receive the remaining property and assets of the Company.

Common Shares are issued only as fully paid and are non-assessable.

There are no provisions in our Articles discriminating against any existing or prospective shareholder as a result of such shareholder owning a substantial number of our Common Shares, and non-resident or foreign holders of our Common Shares are not limited in having, holding or exercising the voting rights associated with Common Shares.

Also, no provision or rights exist in our Articles regarding our Common Shares in connection with exchange, redemption, retraction, purchase for cancellation, surrender or sinking or purchase funds.

Pre-emptive Rights

Our Common Shares do not contain any pre-emptive purchase rights to any of our securities.

Transferability of Common Shares

Our Articles do not impose restrictions on the transfer of Common Shares by a shareholder.

Action(s) to change Rights attaching to our Common Shares

The rights, privileges, restrictions and conditions attaching to our shares are contained in our articles and such rights, privileges, restrictions and conditions may be changed by amending our articles. In order to amend our articles, the *Business Corporations Act* (Ontario) (the "**OBCA**") requires a resolution to be passed by a majority of not less than two-thirds of the votes cast by the shareholders entitled to vote thereon. In addition, if we resolve to make particular types of amendments to our articles, a holder of our shares may dissent with regard to such resolution and, if such shareholder so elects, we would have to pay such shareholder the fair value of the shares held by the shareholder in respect of which the shareholder dissents as of the close of business on the day before the resolution was adopted. The types of amendments that would be subject to dissent rights include without limitation: (i) to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of our shares; (ii) to add, remove or change any restriction upon the business that we may carry on or upon the powers that we may exercise; (iii) to amalgamate with another corporation in accordance with the OBCA; (iv) to continue under the laws of another jurisdiction in accordance with the OBCA; and (v) to sell, lease or exchange all or substantially all of our property other than in the ordinary course of our business in accordance with the OBCA.

Change of Control restrictions for our Common Shares

There are no provisions in our articles or By-laws that would have the effect of preventing a change in control of the Company.

Ownership disclosure threshold for our Common Shares

Neither our By-laws nor our articles contain any provisions governing the ownership threshold above which shareholder ownership must be disclosed. In addition, securities legislation in Canada requires that we disclose in our proxy information circular for our annual meeting and certain other disclosure documents filed by us under such legislation, holders who beneficially own more than 10% of our issued and outstanding shares.

Exhibit 4.2

PROMISSORY NOTE

US $150,000.00 December 2, 2020

This Promissory Note ("**Note**") is made by Grown Rogue Gardens, LLC, an Oregon limited liability company (the "**Company**"), in favor of Thomas Fortner ("**Holder**"). Holder has loaned or will loan cash to the Company of one hundred and fifty thousand dollars ($150,000), and this Note is the full agreement between the parties regarding the repayment of any advances made by Holder to the Company.

1) **Definitions**. As used in this Note:

"**Control**" means (i) the holding, whether directly or indirectly, as owner or other beneficiary securities or ownership interests of the Company carrying votes or ownership interests sufficient to elect to appoint fifty (50%) or more of the individuals who are responsible for the supervision or management of the Company, or (ii) the exercise of de facto control of the Company, whether direct or indirect and whether through the ownership of securities or ownership interests by contract, trust or otherwise.

"**Disqualifying Event**" means any event which results in the Company or its affiliates from obtaining, maintaining, or renewing: (a) any necessary or desired license, registration, or permit from the Oregon Health Authority, the Oregon Liquor Control Commission, or any other Oregon governmental authority; or (b) any material license, registration, or permit from any governmental authority due to Purchaser's status as a Holder.

"**Obligations**" means all loans, advances, debts, liabilities and obligations owed by the Company to Holder arising under, pursuant to, or to construe, enforce or interpret the terms of, this Note, including all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U.S.C. Section 101 *et seq.*), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

2) **Maturity**. All unpaid principal, together with any unpaid and accrued interest, shall be due and payable on the earlier of (a) December 31, 2021; or (b) the occurrence a change of Control of the Company (the "Maturity Date"). The Company shall have the right to extend the Maturity Date of up to 50% of the principal for an additional six months. In all events the Company shall pay all unpaid principal, together with any unpaid and accrued interest, no later than the Maturity Date, unless so extended.

Holder has, or is planning, to enter into an Employment Agreement (Agreement) with the Parent entity (Parent) of the Company. Should Parent terminate without cause (as cause is defined under the Agreement) or lay off Holder with regards to the Agreement (Termination Date) all unpaid principal, together with any unpaid and accrued interest, shall be due and payable within thirty days of said Termination Date.

3) **Interest Rate**. Interest will accrue on the outstanding principal under this Note at an annual rate of 10 percent (10%), calculated on the basis of a year of 365 days, commencing on the Effective Date. Should the Company choose to extend up to 50% of the principal for an additional 6 months, the Company shall pay an extension fee equal to $1,000 for every $10,000 extended. For example, should Company choose to extend $50,000 for an additional six (6) months, Company would pay a one time extension fee to Holder of $5,000.

4) **Payments**. The Company shall have the right to prepay the Note in part or in full at any time, in which case only the interest on the remaining balance of the Note shall be due on each of the payment dates set forth herein, with the balance (if any) being due on the Maturity Date.

5) **Affirmative Covenants**. So long as the principal of or interest on the Note remains outstanding, the Company covenants and agrees with the Holder that it will observe and fulfill, or cause to be observed and fulfilled, each and all of the following covenants:

(a) **Existence**. The Company shall at all times preserve and maintain in full force and effect its existence as a limited liability company under the laws of the State of Oregon and all of its powers, rights, privileges and franchises necessary for its operations.

(b) **Compliance with Laws**. The Company shall comply with all applicable laws (OTHER THAN THE Federal Controlled Substances Act) in respect of the conduct of its business.

(c) **Books of Record and Access**. The Company shall keep proper books of record and accounts that fairly present all dealings and transactions in relation to its business and activities. Upon Holder's reasonable notice to the Company, the Company shall permit the Holder and its agents and consultants to enter the Company's place of business, for one business day during normal business hours and in a manner which does not unreasonably interfere with the Company's business, and afford them free access to permit them to inspect the books, contracts, records, and papers of the Company. Such inspection shall be scheduled on a day that is mutually convenient to the Holder and the Company and scheduled with no less than fourteen days advance notice.

(d) **Taxes**. Company shall file all required Federal, state and local tax and information returns that each is required to file and shall pay or cause to be paid all taxes due in respect of such tax and information returns on or prior to the date due (other than taxes that it is contesting in good faith and by appropriate proceeding). Company shall promptly provide copies of all Federal, state and local tax and information returns to the Holder, if any, upon request.

6) **Negative Covenants**. So long as the principal of or interest on the Note shall be unpaid, the Company shall not, without the prior written consent of the Holder, use the proceeds of the Note for any purpose materially inconsistent with the business operations of the Company.

7) **Events of Default**. Each of the following is an event of default (each, an "**Event of Default**") under this Note: (a) the Company fails to make any payment required by this Note within ten (10) days after the payment is due, and such failure continues for five (5) days after Holder notifies the Company in writing of the failure to make the payment when due; (b) the Company voluntarily dissolves or ceases to exist, or any final and nonappealable order or judgment is entered against the Company ordering its dissolution; (c) the Company: (i) makes an assignment for the benefit of creditors; (ii) commences a voluntary bankruptcy case; (iii) files a petition or answer seeking for the Company any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or rule; (iv) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company in any proceeding of this nature; or (v) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Company or of all or any substantial part of the Company's properties; (d) an involuntary bankruptcy case against the Company is commenced and is not dismissed on or before the 120th day

after the commencement of the case; and (e) a court: (i) adjudicates the Company as bankrupt or insolvent; or (ii) appoints, without the Company's consent, a trustee, receiver, or liquidator either of the Company or of all or any substantial part of the Company's properties that is not: (A) vacated or stayed on or before the 90th day after appointment; or (B) vacated on or before the 90th day after expiration of a stay.

8) **Remedies**. On and after an Event of Default, Holder may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently: (a) upon notice to the Company, the right to accelerate the due dates under this Note so that the unpaid principal amount, together with accrued interest, is immediately due in its entirety; or (b) any other remedy available to Holder at law or in equity.

9) **Assignment**. This Note may be sold, assigned, or otherwise negotiated to any person without the prior written consent of the Company. This Note may not be assigned by the Company without the prior written consent of Holder.

10) **Binding Effect**. This Note will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

11) **Amendment**. This Note may be amended only by a written document signed by the party against whom enforcement is sought.

12) **Waiver**. The Company waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Holder may extend or postpone the due date of any payment required by this Note without affecting the Company's liability. No waiver will be binding on Holder unless it is in writing and signed by Holder. Holder's waiver of a breach of a provision of this Note will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

13) **Severability**. If a provision of this Note is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Note will not be impaired.

14) **Notices**. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall in writing and faxed, mailed or delivered to each party at the respective addresses or facsimile numbers of the parties as set forth in the Note Purchase Agreement, or at such other address or facsimile number as the parties shall have furnished to each other in writing. All such notices and communications will be deemed effectively given the earlier of (a) when received, (b) when delivered personally, (c) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (d) one (1) business day after being deposited with an overnight courier service of recognized standing or (e) three (3) days after being deposited in the U.S. mail, first class with postage prepaid.

15) **Governing Law**. This Note is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Note.

16) **Venue**. Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in Jackson County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Jackson County, Oregon.

17) **Attorney's Fees**. If any collection action or efforts whatsoever are instituted by Holder against the Company, including any suit, action or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code), the Company shall pay all of Holder's attorney, paralegal, accountant, and/or other experts' fees, and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, such sum to be added to the principal balance due hereunder.

Company:

GROWN ROGUE GARDENS, LLC

By: /s/ Obie Strickler
Name: Obie Strickler
Title: Manager

Accepted by Holder:

/s/ Thomas Fortner
Thomas Fortner

Exhibit 4.3

EXECUTION VERSION

COMMERCIAL LEASE

This Commercial Lease ("Lease") is made and entered into as of February 1, 2020, ("Effective Date"), by and between David Pleitner, LLC ("Lessor"), and Golden Harvests, LLC ("Lessee"). Lessee and Lessor are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, Lessor owns certain real property, including land and improvements, commonly known as 333 Morton St, Bay City, Michigan 48706 (the "Property"), as legally described on Exhibit A; and

WHEREAS, Lessee desires to lease the Property from Lessor, and Lessor desires to lease the Property to Lessee, subject to the terms and conditions set forth herein;

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

Article 1
AGREEMENT TO LEASE

Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the Property, subject to the terms and conditions of this Lease.

Article 2
PREMISES

2.1 **Description.** Lessor hereby leases to Lessee, on the terms and conditions stated below, the Property, together with all improvements located therein, or to be made thereto by either Lessor or Lessee (collectively the "Premises"), as identified on Exhibit B. Any unidentified areas on the Property are reserved for the continued and exclusive use of Lessor and are excluded from this Lease.

2.2 **Permitted Uses.** Lessee will use the Premises to produce, process, and make wholesale and retail sales of marihuana under Michigan law and ancillary uses customarily associated with agricultural production, processing, and sales ("Permitted Uses"). No other use may be made of the Premises without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

2.3 **Compliance with Laws and Regulations.** Lessee will comply with all applicable laws, ordinances, rules, and regulations of the United States, the State of Michigan, and all other government authorities with jurisdiction over the Premises, including but not limited to, local fire codes, zoning regulations, and occupancy codes; provided, however, that federal laws and regulations prohibiting the production, processing wholesaling and retailing of marihuana are expressly excluded from the legal requirements with which Lessee is required to comply herein. Lessee will promptly provide to Lessor copies of all communications to or from any government entity that relate to Lessee's noncompliance, or alleged noncompliance, with any laws or other government requirements impacting the Premises.

2.4 **Limits on Use.** Lessee will not use, nor permit anyone else to use, the Premises in a manner, nor permit anything to be done in the Premises, that creates a condition that may

increase the rate of fire insurance for the Premises or the Property or would prevent Lessor from taking advantage of any ruling of an insurance rating bureau that would allow Lessor to obtain reduced rates for its insurance policies, or violates any requirements of Lessee's insurance carrier.

2.5 **Condition of Premises / No Warranties.** Lessor makes no warranties or representations regarding the condition of the Premises or the Property, including, without limitation, the suitability of the Premises for intended uses or the condition of the improvements. Lessee has inspected and accepts the Premises in its "AS IS" condition upon taking possession. Lessor will have no liability to Lessee, and Lessee will have no claim against Lessor, for any damage, injury, or loss of use caused by the condition of the Premises or the Property. Lessee is solely responsible for thoroughly inspecting the Premises and ensuring that it is in compliance with all laws.

Article 3
TERM

3.1 **Initial Term.** The term of this Lease will commence on February 1, 2020 (the "Commencement Date"), and continue for a lease term of two years, expiring on January 31, 2022 ("Expiration Date"), unless sooner terminated under the terms of this Lease ("Initial Lease Term"). As used herein "Lease Term" means the Initial Lease Term and any Extension Term. No Rent will be due from Lessee until possession of the Premises has been delivered to Lessee.

3.2 **Extension Option.** If the Lessee is not then in Default of this Lease (as defined in Article 12), Lessee will have the option, in its sole discretion, to extend the Initial Lease Term ("Extension Option") as follows: (a) for two (2) two-year renewal terms on the same terms and conditions as herein; and (b) for two (2) five-year renewal term on the same terms and conditions as herein, except for Basic Rent, which will be as described in Section 4.1 (each, an "Extension Term"). An Extension Option may be exercised by written notice given to Lessor not less than 60 days, nor more than 270 days before the expiration of the Initial Lease Term or any Extension Term. Failure to exercise any Extension Option will terminate any subsequent Extension Option(s).

Article 4
RENT

4.1 **Basic Rent Amount and Due Date.**

(a) The base monthly rent ("Basic Rent" or "Rent") for the Initial Lease Term and each Two Year Extension Term shall be as follows: (a) commencing on February 1, 2020 the Basic Rent shall be $10,000/monthly. Basic Rent is due and payable commencing on February 5, 2020 and on the fifth day of each and every month thereafter during the Lease Term. Lessor, at Lessor's sole and absolute discretion, may allow Lessee to defer Basic Rent, on terms that must be in writing and signed by Lessor to be enforceable.

(b) Basic Rent shall increase by $1,000/month as follows: (a) for each additional Class C marihuana cultivation license Lessee obtains at the Premises that results in total flowering cultivation square footage at the Premises greater than 10,000 sq ft; (b) for each retail license the Lessee obtains at the Premises; and (c) for each processing license the Lessee obtains at the Premises.

4.2 **Additional Rent.** This Lease is a "triple net lease," meaning that unless otherwise specifically provided herein, Lessee is responsible to pay all insurance, utilities, taxes, and other costs associated with the Premises, except for landscaping costs, which shall be borne by Lessor. All amounts due hereunder in addition to the Basic Rent are deemed "Additional Rent." Any reference to "Rent" herein includes Basic Rent and Additional Rent. Lessee will pay all utilities associated with the Premises.

4.3 **Taxes.** Lessee agrees to pay, on or before the date they become due all real property taxes, assessments, special assessments, user fees, and other charges, however named, that, after the Effective Date and before the expiration of this Lease, may become a lien or that may be levied by any state, county, city, district, or other governmental authority on the Premises, any interest of Lessee acquired under this Lease, or any possessory right that Lessee may have in or to the Premises by reason of its occupancy thereof, as well as all taxes, assessments, user fees, or other charges on all property, real or personal, owned or leased by Lessee in or about the Premises (collectively, "Taxes"), together with any other charge levied wholly or partly in lieu thereof. Taxes are considered Additional Rent under this Lease. Lessee may contest the validity of an assessment against the Premises as long as Lessee deposits with an escrow agent approved by Lessor, with irrevocable instructions to pay to the taxing authority on written instruction from Lessor, sufficient funds to satisfy any amount determined to be owing at the conclusion of the proceeding to contest the assessment. Not later than 14 days after the date any Tax is due, Lessee will provide Lessor with written proof that payment has been made, as required by this Section 4.3. If Lessee fails to pay Taxes before any delinquency, then, in addition to all other remedies set forth in this Section 4.3, Lessor will automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, any time after Lessor gives Lessee 5 days' written notice that Taxes are past due and Lessee continues to fail to pay the past due Taxes within that 5-day period. Lessee will immediately reimburse Lessor for any sums so paid.

4.4 **Operating Expenses and Utilities.** Lessee will promptly pay any and all charges for gas, electricity, telephone, garbage, Internet, and all other charges for utilities or services that may be furnished directly to the Premises. Lessor has no responsibility to provide any utility services to the Premises that are not already in place. If additional services are required, Lessee will obtain Lessor's permission for their installation, at Lessee's sole cost and expense. Lessor will not unreasonably withhold such permission.

4.5 **Late Charge.** If Lessee fails to pay any Rent required under this Lease within 10 days after it is due, Lessor may elect to impose a late charge of 5-percent of the overdue payment. Lessor's election not to impose a late charge in any instance will not be a waiver of Lessor's other rights and remedies for the late payment nor of Lessor's right to later charge and collect a late charge for the late payment or any other overdue amount. Acceptance of payment of a late charge by Lessor will not constitute a waiver of Lessee's default with respect to the overdue amount in question, nor will it prevent Lessor from exercising any other rights or remedies granted under this Lease, by law, or in equity. In addition to the late charge, all amounts of Rent past due will bear interest at a "Delinquency Rate" of 12 percent per annum, or the highest rate allowed by law, if it is less, from the due date until paid in full.

4.6 **Time and Place of Payments.** Lessee will pay Lessor Basic Rent monthly, in advance, and on the fifth day of the month without abatement, deduction, or offset. Payment of all Rent will be made to Lessor to the address set forth in Section 16.9 or such other place as Lessor may designate in accordance with the requirements of Section 16.9.

4.7 **Acceptance of Rent.** Lessor's acceptance of a partial payment of Rent will not constitute a waiver of any Event of Default (defined in Section 11.1), nor will it prevent Lessor from exercising any of its other rights and remedies granted to Lessor under this Lease, by law, or in equity. Any endorsements or statements on checks of waiver, compromise, payment in full, or any other similar restrictive endorsement will have no legal effect. Lessee will remain in violation of this Lease and will remain obligated to pay all Rent due, even if Lessor has accepted a partial payment of Rent. Acceptance of a late but full payment of Rent (including Rent plus all interest due thereon at the Delinquency Rate) will constitute a waiver and satisfaction of that late payment, violation, or Default only and will not constitute a waiver of any other late payment, violation, or Default.

Article 5
LESSEE OBLIGATIONS

5.1 **Repairs and Maintenance.** The Lessee will maintain the Property in good condition and will not commit, permit, or suffer any waste of the Property. The Lessee will maintain the Property, improvements, and fixtures on the Property (other than structural components, including foundation and weight bearing walls, which shall be Lessor's responsibility) and fences, in as good a condition and repair as they were in at the commencement of this Lease, reasonable wear and tear excepted. During the term of this Lease, the Lessee will regularly monitor the irrigation equipment that is utilized by Lessee. Lessee shall be responsible for the full cost of any maintenance, repair, replacement or modification of the Property or any equipment or irrigation equipment that services the Property, except for landscaping costs, which shall be borne by Lessor.

5.2 **Alterations and Improvements**

(a) *Alterations*. Lessee, at Lessee's expense, shall have the right following Lessor's written consent, which shall not to be unreasonably withheld, conditioned or delayed, to make additions, improvements and replacements of and to all or any part of the Property from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials (collectively, the "Alterations"). All alterations will be made in a lien-free and good and competent manner, and in compliance with applicable laws and building codes and applicable LARA administrative rules. Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Property, and fasten the same to the Premises, which such personal property, trade fixtures, equipment and other temporary installations shall not constitute Alterations.

(b) *Ownership and Removal of Alterations.* All improvements and alterations performed on the Property by either the Lessor or the Lessee will be the property of the Lessor when installed. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Lessee at the commencement of the Lease term or placed or installed on the Property by Lessee thereafter, shall remain Lessee's property free and clear of any claim by Lessor. Lessee shall have the right to remove the same at any time during the term of this Lease provided that Lessee shall repair all damage to the Property caused by such removal at Lessee's expense.

(c) *Condition at Termination of Lease*. At the termination of this Lease, with the exception of permitted alterations and except as otherwise expressly agreed to in writing by the Lessor, the Property will be returned to the Lessor in the same condition as it was in at the commencement of this Lease, all repairs being completed as required in this Lease, reasonable wear to the fixtures being excepted (except for repair obligations).

5.3 **Intentionally deleted.**

5.4 **No Liens.** Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment that have been provided or ordered with Lessee's consent to the Premises. If any lien is filed against the Premises that Lessee wishes to protest, then Lessee will immediately notify Lessor of the basis for its protest and must deposit cash with Lessor, or procure a bond acceptable to Lessor, in an amount sufficient to cover the cost of removing the lien from the Premises. Failure to remove the lien or furnish the cash or a bond acceptable to Lessor within 14 days will constitute an Event of Default (defined in Section 11.1) under this Lease, Lessor will be entitled to satisfy the lien without further notice to Lessee, and Lessee will immediately reimburse Lessor for any sums paid to remove any such lien.

5.5 **Lessor Access to Premises.** Subject to applicable law governing the Permitted Uses, Lessor and its respective agents have the right to enter the Premises for the purposes of: (a) confirming the performance by Lessee of all obligations under this Lease, (b) doing any other act that Lessor may be obligated or have the right to perform under this Lease, and (c) for any other lawful purpose. Such entry will be made on not less than 24 hours' advance notice and during normal business hours, when practical, except in cases of emergency or a suspected violation of this Lease or the law. Lessee waives any claim against Lessor for damages for any injury or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by the entry except to the extent caused by the gross negligence or willful misconduct of Lessor.

5.6 **Signs.** Except as may be required by applicable law, Lessee will not erect, install, nor permit on the Premises any sign or other advertising device without first having obtained Lessor's written consent, which Lessor may not unreasonably withhold. Lessee will remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless Lessor, in its sole option, elects to retain all or any portion of the signage.

Article 6
INSURANCE REQUIREMENTS

6.1 **Insurance Amounts.** Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage that Lessor is willing to accept to help ensure full performance of all terms and conditions of this Lease. All insurance required of Lessee by this Lease must meet all minimum requirements set forth in this Article 6.

6.2 **Certificates; Notice of Cancellation.** Lessee will provide Lessor with certificates of insurance establishing the existence of all insurance policies required under this Lease promptly upon request. Lessor must receive notice of the expiration or renewal of any policy at least 10 days before the expiration or cancellation of any insurance policy. No insurance policy may be canceled, revised, terminated, or allowed to lapse without at least 10 days' prior written notice to Lessor. Insurance must be maintained without any lapse in coverage continuously for the duration of this Lease. Cancellation of insurance without Lessor's consent will be deemed an immediate Event of Default (defined in Section 11.1) under this Lease. Lessee will give Lessor certified copies of Lessee's policies of insurance promptly upon request.

6.3 **Additional Insured.** Lessor will be named as an additional insured in each required liability policy and, for purposes of damage to the Premises, as a loss payee. The insurance will not be invalidated by any act, neglect, or breach of contract by Lessee. On or before the Commencement Date, Lessee must provide Lessor with a policy endorsement naming Lessor as an additional insured as required by this Lease.

6.4 **Primary Coverage and Deductible.** The required policies will provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance carried by Lessor.

6.5 **Required Insurance.** At all times during this Lease, Lessee will provide and maintain the following types of coverage:

(a) **General Liability Insurance.** Lessee will maintain a commercial general liability policy insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations or actions of Lessee. All such coverage must name Lessor as an additional insured. All such coverage must be in an amount not less than $1,000,000 combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

(b) **Personal Property Insurance.** Lessee will be responsible to insure all Lessee's own Personal Property (as defined in Section 9.2), improvements, betterments, and trade fixtures, which items will not be covered by Lessor's insurance and for which Lessor and its insurance carriers will have no liability.

(c) **Workers' Compensation Insurance.** Lessee will maintain, in full force and effect, Workers' Compensation insurance for all Lessee's employees, including coverage for employer's liability, as required by Michigan law.

6.6. **Waiver of Subrogation.** Lessee and Lessor each waive any right of action that they and/or their respective insurance carriers might have against the other for any loss, cost, damage, or expense (collectively "Loss") to the extent that the Loss is covered by any property insurance policy or policies maintained or required to be maintained under this Lease. Lessee and Lessor also waive any right of action they and/or their insurance carriers might have against Lessor or Lessee (including their respective employees, officers, or agents) for any Loss to the extent the Loss is a property loss covered under any applicable policies required by this Lease. If any of Lessee's or Lessor's insurance policies do not allow the insured to waive the insurer's rights of subrogation before a Loss, each will cause the policies to be endorsed with a waiver of subrogation that allows the waivers of subrogation required by this Section 6.6. Nothing contained herein will be construed to relieve Lessee from any Loss suffered by Lessor that is not fully covered by Lessor's insurance described in Article 7. Lessee will be liable for any uninsured Loss (including any deductible) if the Loss was caused by any negligent act or omission of Lessee or any of Lessee's employees, agents, contractors, or invitees.

Article 7
LESSOR INSURANCE

Lessor will obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor insuring loss or damage to the Property, Premises and any Lessor-owned improvements located therein. Lessee-owned or installed improvements, alterations, utility installations, trade fixtures, and personal property will all be insured by Lessee as provided in Section 6.5. If the coverage is available and commercially appropriate, the policy or policies must insure against all risks of direct physical loss or damage, including coverage for debris removal and the enforcement of any applicable requirements for the upgrading, demolition, reconstruction, or replacement of any portion of the Property as the result of a covered loss.

Article 8
DAMAGE OR DESTRUCTION

In the event of partial or full damage or destruction to the Premises or the Property, the following will apply:

8.1 **Definitions.**

(a) "Partial Damage" means damage or destruction that will cost 30% or less of the then-applicable pre-damage value of the Premises to repair. Lessor will notify Lessee in writing within 30 days from the date of the damage or destruction about whether the damage is partial or total. Partial Damage does not include damage to windows, doors, or other similar improvements, or systems that Lessee has the responsibility to repair or replace under the provisions of this Lease.

(b) "Total Destruction" means damage or destruction that will cost more than 30% of the then-applicable pre-damage value of the Premises to repair. Lessor will notify Lessee in writing within 30 days from the date of the damage or destruction about whether the damage is partial or total.

(c) "Insured Loss" means damage or destruction to improvements on the Premises that was caused by an event required to be covered by Lessor's insurance described in Article 7, irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" means the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto (or to a higher standard if required by current applicable law), including demolition and debris removal and without deduction for depreciation.

(e) "Hazardous Substance Condition" means the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Section 10.1, in, on, or under the Premises, that requires repair, remediation, or restoration.

8.2 **Partial Damage—Insured Loss.** If a Partial Damage that is an Insured Loss occurs, then Lessor will, at Lessor's expense, repair the damage (but not to Lessee's trade fixtures or Lessee's other improvements) as soon as reasonably possible, and this Lease will continue in full force and effect. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect the repair, Lessor will have the option to (a) promptly contribute the shortage in proceeds as and when required to complete the repair; or (b) have this Lease terminate 30 days thereafter. Lessee will be responsible to make any repairs to any of its own improvements to the Premises, including all of its trade fixtures.

8.3 **Partial Damage—Uninsured Loss.** If a Partial Damage that is not an Insured Loss occurs to the Building, unless caused by a negligent or willful act of Lessee (in which event Lessee will make all the repairs at Lessee's expense), Lessor may either: (a) repair the damage as soon as reasonably possible at Lessor's expense, in which event this Lease will continue in full force and effect; or (b) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of the damage. The termination will be effective 60 days following the date of the notice. If Lessor elects to terminate this Lease, Lessee will have the right within 15 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of the damage without reimbursement from Lessor. Lessee will provide Lessor with the funds or satisfactory assurance thereof within 30 days after making such commitment. In that event, this Lease will continue in full force and effect, and Lessor will proceed to make the repair as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease will terminate as of the date specified in the termination notice. If the uninsured damage was caused by the negligence or misconduct of Lessee, Lessor will have the right to recover Lessor's full damages from Lessee.

8.4 **Total Destruction.** If Total Destruction occurs, this Lease will terminate 30 days following the destruction. If the damage or destruction was caused by the negligence or misconduct of Lessee and it is not an Insured Loss, Lessor will have the right to recover all of Lessor's damages from Lessee, except as provided in the waiver of subrogation as set forth in Section 6.7, less any deductible, and including all Basic Rent that would otherwise have been due through the end of the Lease Term, mitigated only to the extent required by state law.

8.5 **Damage near End of Lease.** If at any time during the last six months of this Lease there is damage for which the cost to repair exceeds one month's Basic Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of the damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of the damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by exercising the option. If Lessee duly exercises the option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor will, at Lessor's commercially reasonable expense, repair the damage as soon as reasonably possible, and this Lease will continue in full force and effect. If Lessee fails to exercise the option and provide the funds or assurance during such period, then this Lease will terminate on the date specified in the termination notice and Lessee's option will be extinguished.

8.6 **Abatement of Rent; Lessee's Remedies**

(a) *Abatement.* In the event of Partial Damage, Total Destruction, or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Basic

Rent payable by Lessee for the period required for the repair, remediation, or restoration of the damage will be abated in proportion to the degree to which Lessee's use of the Premises is impaired. All other obligations of Lessee hereunder will be performed by Lessee, and Lessor will have no liability for any such damage, destruction, remediation, repair, or restoration, except as provided in this Section 8.6.

(b) *Remedies*. If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, the repair or restoration within 30 days after the obligation accrues, Lessee may, at any time before the commencement of the repair or restoration, give written notice to Lessor of Lessee's election to terminate this Lease on a date not less than 30 days following the giving of the notice. If Lessee gives the notice and the repair or restoration is not commenced within 10 days thereafter, this Lease will terminate as of the date specified in the notice. If the repair or restoration is commenced within 10 days, this Lease will continue in full force and effect. "Commence" means either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

8.7 **Waiver of Certain Alternative Rights.** To the extent allowed by law, Lessor and Lessee agree that the terms of this Lease will govern the effect of any damage to or destruction of the Premises and Property with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

Article 9
TERMINATION OF LEASE

Upon termination of this Lease, Lessee will deliver all keys to Lessor and surrender the Premises broom clean, in good condition, ordinary wear and tear excepted. Alterations constructed by Lessee with permission from Lessor are not to be removed or restored to the original condition unless required by Lessor, as provided in Section 9.1. All repairs for which Lessee is responsible will be completed before the surrender.

9.1 **Title to Lessee Improvements upon Termination.** All improvements, excluding Personal Property (and the Alterations) and Lessee trade fixtures, located on the Premises at the expiration or earlier termination of this Lease, will, at Lessor's option, become the sole property of Lessor.

9.2 **Lessee's Personal Property.** Furnishings, trade fixtures, and other personal property, and any fuel tanks placed on the Premises by Lessee ("Personal Property") will remain the property of Lessee. At or before the termination of this Lease, Lessee, at Lessee's expense, will remove from the Premises any and all of Lessee's Personal Property and will repair any damage to the Premises resulting from the installation or removal of the Personal Property. Any items of Lessee's Personal Property that remain on the Premises after the termination date of this Lease may either be: (a) retained by Lessor without any requirement to account to Lessee therefor; or (b) removed and disposed of by Lessor, without any requirement to account to Lessee therefor, with Lessor being entitled to recover all costs thereof from Lessee.

9.3 **Time for Removal.** The time for removal of any Personal Property or improvements made by Lessee that Lessee is required to remove from the Premises on termination will be as follows: (a) by the Expiration Date; or (b) if this Lease is terminated unexpectedly before the Expiration Date, then all removal must occur within 60 days following the actual termination date, and Lessee must continue to pay all Rent due until such time as all of Lessee's Personal Property and the improvements required to be removed have been properly and completely removed.

9.4 **Holdover.** Lessee has no holdover rights. If Lessee fails to vacate the Premises at the time required, Lessor will have the option to treat Lessee as a holdover Lessee from month to month, subject to all the provisions of this Lease except that the Basic Rent will be 125 percent of the then-current Basic Rent, or to eject Lessee from the Premises and recover damages caused by wrongful holdover. If a month-to-month holdover tenancy results, it will be terminated at the end of any monthly rental period on 30 days' written notice from Lessor, and Lessee waives any notice that would otherwise be provided by law with respect to such tenancy.

9.5 **Special Termination Rights.** Either Lessor or Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to the other party in the event that any of the following shall occur (each, a "Termination Event"): (a) the Permitted Uses become illegal due to any revocation or modification of applicable State or local law; (b) governmental requirements and/or the enforcement of such governmental requirements change such that Lessee cannot operate its business from the Premises; or (c) the United States Department of Justice issues any enforcement policy memoranda, or communications of a similar nature, indicating an adverse shift or change in or increase of its current enforcement priorities pursuant to the federal Controlled Substances Act. Notwithstanding the foregoing, Lessee shall not have the right to terminate this Lease if an act or omission of Lessee or default by Lessee under this Lease, including, without limitation, a violation by Lessee of any governmental requirements caused the Termination Event. Upon any termination pursuant to this Section 9.5, (x) Lessee shall immediately vacate and surrender the Premises and (y) this Lease shall terminate and the Parties shall be released hereunder, except for such obligations that expressly survive the expiration or earlier termination of this Lease.

Article 10
ENVIRONMENTAL OBLIGATIONS OF LESSEE

10.1 **Definitions.** As used in this Lease, the following terms are defined as follows:

(a) "Environmental Laws" will be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances (including those of the Michigan Department of Environment, Great Lakes & Energy ("EGLE") or any successor agency) now or hereafter in effect, as they may be amended from time to time, that in any way govern materials, substances, or products and/or relate to the protection of health, safety, or the environment.

(b) "Hazardous Substances" will be interpreted in the broadest sense to include any substance, material, or product defined or designated as hazardous, toxic, radioactive, or dangerous, regulated wastes or substances, or any other similar term in or under any Environmental Laws, but excluding marihuana and legal products under Michigan law made from marihuana and/or its constituent compounds.

(c) "Hazardous Substance Release" includes the spilling, discharge, deposit, injection, dumping, emitting, releasing, placing, leaking, migrating, leaching, and seeping of any Hazardous Substance into the air or into or on any land, sediment, or waters, except any release in

compliance with Environmental Laws and specifically authorized by a current and valid permit issued under Environmental Laws with which Lessee is in compliance at the time of the release, but not including within the exception any such release in respect of which the State of Michigan has determined that application of the State's Hazardous Substance removal and remedial action rules might be necessary to protect public health, safety, or welfare, or the environment.

10.2 **Limited Business Use of Hazardous Substances.** Lessee is permitted to use, handle, and store Hazardous Substances as necessary to conduct the Permitted Uses and in quantities needed to conduct the Permitted Uses, in compliance with applicable Environmental Laws, best management practices related to the Permitted Uses, and the provisions of this Lease.

10.3 **Soil or Waste.** Lessee will not store, treat, deposit, place, or dispose of treated or contaminated soil, industry by-products, or any other form of waste on the Premises, without the prior written consent of Lessor, which consent may be granted or denied in Lessor's sole discretion.

10.4 **Safety.** As a part of this Section, Lessee will maintain material safety data sheets for each and every Hazardous Substance used by Lessee, or Lessee's agents, employees, contractors, licensees, or invitees on the Property or Premises, as required under the Hazard Communication Standard in 29 CFR Section 1910.1200, as it may be amended, redesignated, or retitled from time to time, and comparable state and local statutes and regulations.

10.5 **Disposal of Hazardous Substances.** Lessee will not dispose of any Hazardous Substance, regardless of the quantity or concentration, within the storm or sanitary sewer drains or plumbing facilities within the Premises or the Property. Any disposal of Hazardous Substances will be in approved containers, and Hazardous Substances will be removed from the Property or Premises only in accordance with the law. If Lessee knows, or has reasonable cause to believe, that any Hazardous Substance Release has come to be located on or beneath the Property or Premises, Lessee must immediately give written notice of that condition to Lessor, whether or not the Hazardous Substance Release was caused by Lessee.

10.6 **Lessee's Liability**

(a) *Hazardous Substance Releases*. Except as provided in otherwise provided in this Lease, Lessee will be responsible for any Hazardous Substance Release on the Property or Premises, on other properties, in the air, or in adjacent or nearby waterways (including groundwater) that results from or occurs in connection with Lessee's occupancy or use of the Property or Premises.

(b) *Limitation of Lessee's Liability*. Notwithstanding anything to the contrary provided in this Lease, Lessee will have no responsibility for, and Lessor shall indemnify, defend, and hold Lessee harmless from, any Hazardous Substances or Hazardous Substance Releases that: (i) existed on the Property or Premises before the Effective Date; (ii) were caused by Lessor or the agents, employees, contractors or invitees of Lessor; or (iii) Lessee can demonstrate migrated into the Premises from a source off-Premises that was not caused by Lessee.

(c) *Environmental Remediation*. Lessee will promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release caused by Lessee is remediated and that any violation of any applicable Environmental Laws or environmental provision of this Lease is corrected. Lessee will remediate, at Lessee's sole expense, any Hazardous

Substance Release for which Lessee is responsible under this Lease. Lessee will also remediate any Hazardous Substance Release for which it is responsible under this Lease on any other impacted property or bodies of water. The obligations of Lessee under this Section 10.6(c) are subject to the limitations on Lessee's liability set forth in Section 10.6(b).

(d) *Report to Lessor*. Within 30 days following completion of any investigatory, containment, remediation, or removal action required by this Lease, Lessee will provide Lessor with a written report outlining, in detail, what has been done and the results thereof.

(e) *Lessor's Approval Rights*. Except in the case of an emergency or an agency order requiring immediate action, Lessee will give Lessor advance notice before beginning any investigatory, remediation, or removal procedures. Lessor will have the right to approve or disapprove the proposed investigatory, remediation, or removal procedures and the company or companies and individuals conducting the procedures that are required by this Lease or by applicable Environmental Laws, whether on the Property, Premises, or any affected property or water. Lessor will have the right to require Lessee to contract for and fund oversight by any governmental agency with jurisdiction over any investigatory, containment, removal, remediation, and restoration activities and to require Lessee to seek and obtain a determination of no further action or an equivalent completion-of-work statement from the governmental agency.

10.7 **Notice to Lessor.** Lessee will immediately notify Lessor upon becoming aware of: (a) a violation or alleged violation of any Environmental Law; (b) any leak, spill, release, or disposal of a Hazardous Substance on, under, or adjacent to the Property or Premises or threat of or reasonable suspicion of any of the same; and (c) any notice or communication to or from a governmental agency or any other person directed to Lessee or any other person relating to such Hazardous Substances on, under, or adjacent to the Property or Premises or any violation or alleged violation of, or noncompliance or alleged noncompliance with, any Environmental Laws with respect to the Property or Premises.

10.8 **Certification.** Not later than 30 days after receipt of written request from Lessor, Lessee will provide a written certification to Lessor, signed by Lessee, that certifies that Lessee has not received any notice from any governmental agency regarding a violation of or noncompliance with any Environmental Law; or, if such a notice was received, Lessee will explain the reason for the notice, explain what has been done to remedy the problem, and attach a copy of the notice. Lessee will also certify that Lessee has obtained and has in force all permits required under Environmental Law. Lessee will make copies of all such permits available to Lessor upon request.

Article 11
LESSEE DEFAULT

11.1 **Events of Default.** The following will constitute an "Event of Default" if not cured within the applicable cure period as set forth below:

(a) *Default in Rent*. Failure of Lessee to pay any Rent or other charge within 10 days after written notice from Lessor.

(b) *Default in Other Covenants*. Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other charges) within 30 days after written notice by Lessor specifying the nature of the default with reasonable

particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, Lessee will be in compliance with this provision if Lessee begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

(c) *Insolvency*. An assignment by Lessee for the benefit of creditors; filing by Lessee of a voluntary petition in bankruptcy; adjudication that Lessee is bankrupt or the appointment of receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within 90 days after filing; or attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within 30 days.

11.2 **Remedies on Default.** If an Event of Default occurs, Lessor, at Lessor's sole option, may terminate this Lease by notice, in writing, in accordance with Section 16.9. The notice may be given before or within any of the above-referenced cure periods or grace periods for default and may be included in a notice of failure of compliance, but the termination will be effective only on the expiration of the above-referenced cure periods or grace periods. If the Premises is abandoned by Lessee in connection with a default, termination may be automatic and without notice, at Lessor's sole option.

11.3. **Termination and Damages** If this Lease is terminated, Lessor will be entitled to recover promptly, without waiting until the due date, any past due Rent together with future Rent that would otherwise become due and owing up to and through the date fixed for expiration of the Lease Term; any damages suffered by Lessor as a result of the Event of Default, including without limitation all obligations of Lessee; and the reasonable costs of reentry and reletting the Premises, including without limitation, the cost of any cleanup, refurbishing, removal of Lessee's Personal Property including fixtures, or any other expense occasioned by Lessee's failure to quit the Premises upon termination and to leave them in the condition required at the expiration of this Lease, any remodeling costs, reasonable attorney fees, court costs, broker commissions, and advertising costs. Lessor will have no obligation to mitigate damages except as required by Michigan law at the time of termination.

11.4 **Reentry after Termination** If the Lease is terminated or abandoned for any reason, Lessee's liability for damages will survive the termination, and the rights and obligations of the Parties will be as follows: (a) Lessee will vacate the Premises immediately; remove any Personal Property of Lessee, including any fixtures that Lessee is required to remove at the end of the Lease Term; perform any cleanup, alterations, or other work necessary to leave the Premises in the condition required at the end of the term; and deliver all keys to Lessor. (b) Lessor may reenter, take possession of the Premises, and remove any persons or Personal Property by legal action or by self-help with the use of reasonable force and without liability for damages.

11.5 **Reletting.** Following termination, reentry, or abandonment, Lessor may relet the Premises and in that connection may: (a) make any suitable alterations, refurbish the Premises, or both, or change the character or use of the Premises, but Lessor will not be required to relet for any use or purpose (other than that specified in the Lease) that Lessor may reasonably consider injurious to the Premises, or to any Lessee that Lessor may reasonably consider objectionable; or (b) relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other commercially reasonable rent concession.

11.6 **Right to Sue More Than Once.** In an Event of Default, Lessor may elect to continue this Lease and to sue periodically to recover damages, and no action for damages will bar a later action for damages subsequently accruing.

11.7 **Equitable Relief.** Lessor may seek injunctive relief or an order of specific performance from any court of competent jurisdiction requiring that Lessee perform its obligations under this Lease.

11.8 **No Waiver of Default.** No failure by Lessor to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of partial Rent during the continuance of any breach, will constitute a waiver of the breach or of the agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, will be waived, altered, or modified except by a written instrument executed by Lessor. No waiver of any breach will affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach.

11.9 **Remedies Cumulative and Nonexclusive.** Each right and remedy of Lessor contained in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity, including without limitation suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Lessor of any such rights or remedies will not preclude the simultaneous or later exercise by Lessor of any other such rights or remedies. All such rights and remedies are nonexclusive.

11.10 **Curing Lessee's Default.** If Lessee fails to perform any of Lessee's obligations under this Lease, Lessor, without waiving the failure, may (but will not be obligated to) perform the same for the account of and at the expense of Lessee (using Lessor's own funds, when required), after the expiration of the applicable cure period set forth in Section 11.1(b), or sooner in the case of an emergency. Lessor will not be liable to Lessee for any claim for damages resulting from such action by Lessor. Lessee agrees to reimburse Lessor, on demand, for any amounts Lessor spends in curing Lessee's Default. Any sums to be so reimbursed will bear interest at the Delinquency Rate.

Article 12
LESSOR DEFAULT

12.1 **Breach by Lessor**

(a) *Notice of Breach.* Lessor will not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Section 12.1(a), a reasonable time will in no event be less than 20 days after receipt by Lessor, and any Lender whose name and address have been furnished to Lessee in writing for such purpose, of written notice specifying what obligation of Lessor has not been performed; however, a Lessor event of default will not occur if Lessor's performance is commenced within the 20-day period and thereafter diligently pursued to completion.

(b) *No Self-Help.* In the event that neither Lessor nor any Lender of Lessor cures any breach within the applicable cure period, Lessee will be entitled to seek any of the remedies provided in Section 12.1(c) but will not be entitled to take self-help action.

(c) *Remedies in the Event of a Lessor Default.* If an uncured event of default is committed by Lessor, Lessee will be entitled to any remedies available at law or in equity for breach of lease; however, damages will be limited to Lessor's interest in the Property unless caused by the gross negligence or intentional acts of the Lessor, its employees, agents, contractors or invitees.

Article 13
INDEMNITIES AND REIMBURSEMENT

13.1 **General Indemnity.** Each Party agrees to defend (using legal counsel reasonably acceptable to Lessor, taking into account insurance defense requirements), indemnify, and hold harmless the other Party from and against any and all actual or alleged claims, damages, expenses, costs, fees (including but not limited to attorney, accountant, paralegal, expert, and escrow fees), fines, liabilities, losses, penalties, proceedings, and/or suits (collectively "Costs") that may be imposed on or claimed against such Party, in whole or in part, directly or indirectly, arising from or in any way connected with (a) any act, omission, or negligence by the other Party or its partners, officers, directors, members, managers, agents, employees, invitees, or contractors; (b) any use, occupation, management, or control of the Premises or Property by indemnifying Party, whether or not due to such Party's own act or omission; (c) any condition created in or about the Premises or Property by the indemnifying Party, including any accident, injury, or damage occurring on or about the Premises or Property during this Lease as a result of indemnifying Party's use thereof; (d) any breach, violation, or nonperformance of any of indemnifying Party's obligations under this Lease; or (e) any damage caused on or to the Premises or Property by Lessee's use or occupancy thereof.

13.2 **Reimbursement for Damages.** Lessee will fully compensate Lessor for harm to the Property caused by the acts or omissions of Lessee. This compensation will include reimbursement to Lessor for any diminution in value of or lost revenue from the Premises or other areas of the Property or adjacent or nearby property caused by a Hazardous Substance Release, including damages for loss of, or restriction on use of, rentable or usable property or of any amenity of the Premises or Property, including without limitation damages arising from any adverse impact on the leasing or sale of the Premises or Property as a result thereof.

13.4 **Survival.** This Article 13 will survive the termination of this Lease with respect to all matters arising or occurring before surrender of the Premises by Lessee.

Article 14
ASSIGNMENT AND ESTOPPELS

14.1 **Consent Required.** This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor, which consent may not be unreasonably, withheld or delayed. An assignment or sublet to an entity owned or controlled by, or under common ownership with, Lessee shall not be considered a transfer under this Section 14.1. If Lessee proposes to assign or otherwise transfer this Lease in connection with selling all or substantially all of Lessee's assets,

or if GR Michigan, LLC, a Michigan limited liability company ("GR"), proposes to sell all of its ownership interests in Lessee (if acquired pursuant to that certain Option to Purchase Controlling Interest, dated on or about the Effective Date, among GR and the members of Lessee (the "Option Agreement") and the other agreements and documents contemplated thereby) to an unrelated third party, then, in either such case, (a) such sale shall constitute a transfer under this Section 14.1, (b) Lessor may withhold its consent to such transfer for any or no reason, and (c) if Lessor so withholds its consent, Lessee shall have the right to exercise the Purchase Option under and pursuant to Section 16.30 and the Purchase Price in such sale of the Premises to Lessee upon exercising the Purchase Option shall, notwithstanding anything in Section 16.30 to the contrary, be $2,000,000.

14.2 **Estoppel Certificate.** Each Party agrees to execute and deliver to the other, at any time and within 10 days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) whether the other Party is in default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such default; and (d) whether any event has occurred that, with the giving of notice, the passage of time, or both, would constitute a default and, if so, specifying the nature of each such event. Each Party will also include any other information concerning this Lease as is reasonably requested. The Parties agree that any statement delivered under this Section 14.2 will be deemed a representation and warranty by the Party providing the estoppel that may be relied on by the other Party and by its potential or actual purchasers and lenders, regardless of independent investigation. If either Party fails to provide the statement within 10 days after the written request therefor, and does not request a reasonable extension of time, then that Party will be deemed to have given the statement as presented and will be deemed to have admitted the accuracy of any information contained in the request for the statement.

Article 15
CONDEMNATION

If the Premises or any interest therein is taken as a result of the exercise of the right of eminent domain or under threat thereof (a "Taking"), this Lease will terminate with regard to the portion that is taken. If either Lessee or Lessor determines that the portion of the Property or Premises taken does not feasibly permit the continuation of the operation of the facility by either the Lessee or Lessor, this Lease will terminate. The termination will be effective 30 days from the date of the Taking. Any condemnation award relating to the Property or Premises will be the property of Lessor. Lessee will not be entitled to any proceeds of any such award, except Lessee will be entitled to any compensation attributed by the condemning authority to Lessee's relocation expense, trade fixtures, or loss of business.

Article 16
GENERAL PROVISIONS

16.1 **Covenants, Conditions, and Restrictions.** This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, rights of way, and any other matters of record imposed on the Property and to any applicable land use or zoning laws or regulations.

16.2 **Nonwaiver.** Waiver by either Party of strict performance of any provision of this Lease will not be a waiver of or prejudice the Party's right to require strict performance of the same provision in the future or of any other provision.

16.3 **Attorney Fees.** If any suit, action, or other proceeding (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing Party will be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. Payment of all such fees also applies to any administrative proceeding, petition for review, trial, and appeal. Whenever this Lease requires one Party to defend the other Party, the defense will be by legal counsel reasonably acceptable to the Party to be defended, understanding that claims are often covered by insurance with the insurance carrier designating the defense counsel.

16.4 **Time of Essence.** Time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

16.5 **No Warranties or Guarantees.** Lessor makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises or Property, or suitability of the Premises or Property for Lessee's use. Lessor will not be responsible for any loss, damage, or costs that may be incurred by Lessee by reason of any such condition.

16.6 **No Implied Warranty.** In no event will any approval, consent, acquiescence, or authorization by Lessor be deemed a warranty, representation, or covenant by Lessor that the matter approved, consented to, acquiesced in, or authorized is appropriate, suitable, practical, safe, or in compliance with any applicable law or this Lease. Lessee will be solely responsible for such matters, and Lessor will have no liability therefor.

16.7 **Construction.** In construing this Lease, all headings and titles are for the convenience of the Parties only and are not considered a part of this Lease. Whenever required by the context, the singular includes the plural and vice versa.

16.8 **Lessor Consent or Action.** If this Lease is silent on the standard for any consent, approval, determination, or similar discretionary action, the standard is the sole discretion of Lessor, rather than any standard of implied good faith or reasonableness.

16.9 **Notices.** All notices required under this Lease will be deemed to be properly served when actually received or on the third Business Day (defined in Section 16.17) after mailing, if sent by certified mail, return receipt requested, to the last address previously furnished by the Parties hereto in accordance with the requirements of this Section 16.9. Until hereafter changed by the Parties by notice in writing, sent in accordance with this Section 16.9, notices must be sent to the following addresses:

If to Lessor:
David Pleitner, LLC
3613 Bobcat Court
Midland, MI 48642

If to Lessee:
Golden Harvests, LLC
333 Morton St
Bay City, MI 48706

With email copy sent to obie@grownrogue.com.

The addresses to which notices are to be delivered may be changed by giving notice of the change in address in accordance with this Notice provision.

16.10 **Governing Law.** This Lease is governed by and will be construed according to the laws of the State of Michigan, without regard to its choice-of-law provisions. Any dispute arising out of or related to this Lease shall be resolved by binding arbitration in Bay County, in front of a single arbitrator (who must be a member in good standing of the Michigan State Bar with no fewer than 10 years' experience as a licensed attorney), in accordance with such arbitrator's rules.

16.11 **Survival.** Any covenant or condition (including, but not limited to, environmental obligations and all indemnification agreements) set forth in this Lease, the full performance of which is not specifically required before the expiration or earlier termination of this Lease, and any covenant or condition that by its terms is to survive, will survive the expiration or earlier termination of this Lease and will remain fully enforceable thereafter.

16.12 **Partial Invalidity.** If any provision of this Lease is held to be unenforceable or invalid, it will be adjusted rather than voided, if possible, to achieve the intent of the Parties to the extent possible. In any event, all the other provisions of this Lease will be deemed valid and enforceable to the fullest extent.

16.13 **Modification.** This Lease may not be modified except by a writing signed by the Parties.

16.14 **Successors.** The rights, liabilities, and remedies provided in this Lease will extend to the heirs, legal representatives, and, as far as the terms of this Lease permit, successors and assigns of the Parties. The words "Lessor," "Lessee," and their accompanying verbs or pronouns, whenever used in the Lease, apply equally to all persons, firms, or corporations that may be or become parties to this Lease.

16.15 **Limitation on Liability.** The obligations under this Lease do not constitute any personal obligation of Lessor or any of its owners, members, partners, shareholders, officers, directors, or employees, and Lessee has no recourse against any of them. Except when damages are caused by Lessor's gross negligence or willful misconduct, liability under this Lease is strictly limited to whatever interest Lessor holds in the Premises, subject to and subordinate to any rights of the lenders or secured creditors of Lessor.

16.16 **No Light or View Easement.** The reduction or elimination of Lessee's light or view will not affect Lessee's obligations under this Lease, nor will it create any liability of Lessor to Lessee.

16.17 **Calculation of Time.** Unless referred to in this Lease as Business Days, all periods of time referred to in this Lease include Saturdays, Sundays, and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday, or Legal Holiday, then the period extends to include the next day that is not a Saturday, Sunday, or Legal Holiday. "Legal Holiday" means any holiday observed by the federal government. "Business Day" means any day Monday through Friday, excluding Legal Holidays.

16.18 **Exhibits Incorporated by Reference.** All exhibits attached to this Lease are incorporated by reference herein.

16.19 **Brokers.** Lessee and Lessor each represent to one another that they have not dealt with any leasing agent or broker in connection with this Lease, and each agrees to indemnify and hold harmless the other from and against all damages, costs, and expenses (including attorney, accountant, and paralegal fees) arising in connection with any claim of an agent or broker alleging to have been retained by the other in connection with this Lease.

16.20 **Interpretation of Lease; Status of Parties.** This Lease is the result of arms-length negotiations between Lessor and Lessee and will not be construed against either Party by reason of that Party having, in whole or in part, prepared this Lease. Nothing contained in this Lease will be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar relationship, between the Parties hereto.

16.21 **No Recordation of Lease.** This Lease will not be recorded.

16.22 **Force Majeure.** The time for performance of any of Lessee's or Lessor's obligations hereunder will be extended for a period equal to any hindrance, delay, or suspension in the performance of that Party's obligations, beyond the Party's reasonable control and directly impacting the Party's ability to perform, caused by any of the following events: unusually severe acts of nature, including floods, earthquakes, hurricanes, and other extraordinary weather conditions; civil riots, war, terrorism, or invasion; any delay occurring in receiving approvals or consents from any governmental authority, including but not limited to EGLE or other agency review of environmental reports (as long as an application for the approval or consent was timely filed and thereafter diligently pursued); major fire or other major unforeseen casualty; labor strike that precludes the Party's performance of the work in progress; or extraordinary and unanticipated shortages of materials (each a "Force Majeure Event"). Lack of funds or willful or negligent acts of a Party will not constitute a Force Majeure Event. Further, it will be a condition to any extension of the time for a Party's performance hereunder that the Party notify the other Party in writing within five Business Days following the occurrence of the Force Majeure Event and diligently pursue the delayed performance as soon as is reasonably possible.

16.23 **Subordination.** Except as described under Section 16.25, this Lease is not subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device, now or hereafter placed on the Property, or to any advances made on the security thereof, or to any renewals, modifications, or extensions thereof.

16.24 **Attornment.** If Lessor transfers title to the Property, or the Property is acquired by another upon the foreclosure or termination of any security interest to which this Lease is subordinated, (a) Lessee will, subject to the nondisturbance provisions of Section 16.25, attorn to the new owner and, on request, enter into a new lease containing all the terms and provisions of this Lease, with the new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and the new owner; and (b) Lessor will thereafter be relieved of any further obligations hereunder and the new owner will assume all of Lessor's obligations, except that the new owner will not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring before acquisition of ownership; (ii) be subject to any offsets or defenses that Lessee might have against any prior lessor; (iii) be bound by prepayment of more than one month's rent, or (iv) be liable for the return of any security deposit paid to any prior lessor but not transferred to the new Lessor.

16.25 **Nondisturbance.** With respect to any loan agreement or other security agreement entered into by Lessor after the execution of this Lease (a "Subsequent Loan"), Lessee's subordination of this Lease will be subject to Lessee's receipt of a commercially reasonable nondisturbance agreement (a "Nondisturbance Agreement") from the lender of the Subsequent Loan that provides that Lessee's possession of the Premises, including any options to extend the term hereof, will not be disturbed as long as Lessee is not in default of this lease and attorns to the record owner of the Premises.

16.26 **Capacity to Execute; Mutual Representations** Lessor and Lessee each warrant and represent to one another that this Lease constitutes a legal, valid, and binding obligation of that Party. Without limiting the generality of the foregoing, the individuals executing this Lease each warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

16.27 **Entire Agreement.** This Lease, together with all exhibits attached hereto and by this reference incorporated herein, constitutes the entire agreement between Lessor and Lessee with respect to the leasing of the Premises.

16.28 **Counterparts.** This Lease may be executed in one or more counterparts.

16.29 **Waiver of Illegality Defense**. Each Party agrees that this Lease's invalidity for public policy reasons and/or its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Lease. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Lease.

16.30 **Option to Purchase**.

16.30.1 *Grant of Purchase Option*. On the terms and subject to the conditions set forth in this Section 16.30, Lessor hereby bargains, gives, and grants to Lessee, and Lessee shall have, the sole, exclusive, and irrevocable right and option (the "Purchase Option") to purchase the Premises from Lessor for the Purchase Price (as determined pursuant to, and defined in, Section 16.30.3).

16.20.2 *Exercise of Purchase Option*. Form and after the third anniversary of the Effective Date, Lessee may exercise the Purchase Option at any time during the Lease Term (including, for the avoidance of doubt, any extension of the Lease Term) by giving Lessor written notice of Lessee's election to exercise the Purchase Option (the "Exercise Notice"). Upon exercising the Purchase Option, Lessor shall become obligated to convey, and Lessee shall become obligated to purchase, the Premises, on the terms and subject to the conditions set forth in this Section 16.30. Notwithstanding the foregoing, Lessee shall have the right to rescind its exercise of the Purchase Option at any time prior to closing of the sale as set forth in Section 16.30.5 by giving Lessor notice thereof and reimbursing Lessor for all appraiser expenses (if any) that Lessor incurred in accordance with Section 16.30.4, and if so rescinded, Lessee must wait at least six months before being entitled to exercise the Purchase Option.

16.30.3 *Purchase Price*. The purchase price (the "Purchase Price") for the Premises shall be the greater of (a) $4,000,000, and (b) the fair market value of the Premises (as determined pursuant to Section 16.30.4) as of the date of the Exercise Notice; *provided*, *however*, that if Lessee is exercising the Purchase Option concurrently with, or at any time within six months before or after, the exercise by GR of its call option under Section 9.04 of the Amended and Restated Operating Agreement of Lessee (the "A&R Operating Agreement") that will be entered into among GR, Lessee, and the other members of Lessee upon the exercise by GR of its option to purchase a controlling interest in Lessee under the Option Agreement, then, in that case, (x) the sum of the Purchase Price and the Call Price (as defined in the A&R Operating Agreement) shall be, notwithstanding anything in this Section 16.30 or the A&R Operating Agreement to the contrary, the greater of (i) $7,000,000, and (ii) the sum of (1) the fair market value of the Premises, as determined pursuant to Section 16.30.4, and (2) the fair market value of the Minority Member's entire Membership Interest (each as defined in the A&R Operating Agreement) as determined pursuant to the A&R Operating Agreement; (y) if the "greater of" pursuant to subsection (x) of this Section 16.30.3 is $7,000,000, then, in that case, for allocation purposes, the Purchase Price for the Premises under this Section 16.30 shall be $3,000,000 and the Call Price shall be $4,000,000; and (z) for the avoidance of doubt, the minimum purchase price of $4,000,000 set forth in subsection (a) of this Section 16.30.3 and the minimum call price of $4,000,000 set forth in Section 9.04(a) of the A&R Operating Agreement shall be disregarded and shall have no effect (for illustrative purposes, if: (1) the fair market value of the Premises is $3,000,000 and the fair market value of the Minority Member's entire Membership Interest is $3,000,000, then the purchase price for both would be $7,000,000 (the minimum aggregate purchase price under subsection (x)(i) of this Section 16.30.3) and not $8,000,000, and (2) the fair market value of the Premises is $3,000,000 and the fair market value of the Minority Member's entire Membership Interest is $5,000,000, then the purchase price for both would be $8,000,000 (the sum of the fair market value of both) and not $9,000,000).

16.30.4 *Fair Market Value*. Lessor and Lessee will attempt in good faith to agree upon the fair market value of the Premises. If Lessor and Lessee have not agreed to the fair market value of the Premises within 30 days after the date of the Exercise Notice, then Lessor and Lessee will each appoint a real estate appraiser with at least five years full-time commercial appraisal experience in the By County, Michigan, area to appraise the then-current fair market value of the Premises. If the appraisals prepared by the two appraisers appointed by Lessor and Lessee are within 5% of each other, then the Purchase Price will be established by the average of the two appraisals. If the two appraisals are more than 5% apart, then the two appraisers will elect a third appraiser who meets the qualifications set forth above within ten days after the submission of the two initial appraisals. The third appraiser will not be permitted to review the appraisals prepared

by Lessor's appraiser or Lessee's appraiser until such time as the third appraiser has rendered his or her final decision. Within 30 days after appointment, the third appraiser will submit his or her appraisal and the Purchase Price will be the average of the two appraisals which are closest in value. Lessor and Lessee will each bear the cost of the appraiser selected by that Party and one-half of the cost of the third appraisal.

16.30.5 *Closing*.

(a) The purchase of the Premises will be closed in escrow at MBS Title Agency LLC (the "Title Company") in Bay County, Michigan. Lessor and Lessee will each pay one-half of the escrow fee. Closing will occur on a date selected by Lessee, which will be no sooner than 30 days after the date of the Exercise Notice and no later than 150 days after the date of the Exercise Notice (the "Closing" or "Closing Date"). At Closing, Lessor will deliver to Lessee a duly executed and acknowledged Special Warranty Deed conveying the Premises to Lessee free and clear of all liens and encumbrances, except for rights reserved in federal patents, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, covenants, conditions, and restrictions of record, taxes for the current year not yet due and payable, rights-of-way and easements established or of record, and anything done or suffered by Lessee (the "Permitted Exceptions"). Notwithstanding the foregoing, Lessor will be obligated to satisfy, on or before the Closing Date, any exception created, or suffered to be created, by Lessor that is security for payment of a sum of money (including mortgages, trust deeds, tax liens, contractor's liens, and judgment liens). If the Closing occurs after the expiration of the Lease Term, Lessee will continue to lease the Premises pursuant to the terms and conditions of this Lease between the expiration date and the Closing Date on the terms then in effect.

(b) At the Closing, Lessee shall pay the Purchase Price by (i) wire transfer of immediately available funds through escrow of at least 60% of the Purchase Price, and (ii) causing Grown Rogue International, Inc. to issue to Lessor (through escrow) shares of its common stock with a value equal to the portion of the Purchase Price not paid in cash pursuant to subsection (i) (using for this purpose a per share price of the 20-day VWAP of Grown Rogue International, Inc. for the twenty day period prior to the Closing).

16.30.6 *Title Insurance*. At least 15 days before Closing, Lessor will cause the Title Company to furnish to Lessee an ALTA standard owner's policy of title insurance insuring Lessee as the owner of the Premises subject only to the standard printed exceptions, exceptions created by and through Lessee, and the Permitted Exceptions (the "Owner's Title Policy"). Lessor will pay the premium for the Owner's Title Policy and Lessee will pay the premium(s) for any endorsements requested by Lessee.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Lease to be effective as of the Effective Date.

LESSOR:

David Pleitner, LLC

By: /s/ David Pleitner
Name: David Pleitner
Title: Sole Member

LESSEE:

Golden Harvests, LLC

By: /s/ David Pleitner
Name: David Pleitner
Title: Member

EXHIBIT A
Legal Description

Exhibit 4.4

LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and entered into as of January 1, 2021, ("Effective Date"), by and between Jesse Strickler ("Lessor"), and Grown Rogue Gardens, LLC an Oregon limited liability company ("Lessee"). Lessee and Lessor are sometimes collectively referred to herein as the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, Lessor owns approximately 41.92 acres of real property in Jackson County, Oregon, including land and improvements, commonly known as 741 West Fork Trail Creek Road, Trail, Oregon 97541 (the "Property"), as legally described on Exhibit A; and

WHEREAS, Lessee desires to lease the Property from Lessor, and Lessor desires to lease the Property to Lessee, subject to the terms and conditions set forth herein;

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

Article 1
AGREEMENT TO LEASE

Lessor agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the Property, subject to the terms and conditions of this Lease.

Article 2
PREMISES

2.1 **Description.** Lessor hereby leases Property, together with all improvements located thereon, to Lessee, on the terms and conditions stated herein, (collectively the "Premises"). Any unidentified areas on the Property are reserved for the continued and exclusive use of Lessor and are excluded from this Lease.

2.2 **Permitted Uses.** Lessee will use the Premises to produce and make wholesale sales of marijuana under Oregon law and ancillary uses customarily associated with agricultural production ("Permitted Uses"). No other use may be made of the Premises without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

2.3 **Compliance with Laws and Regulations.** Lessee will comply with all applicable laws, ordinances, rules, and regulations of the United States, the State of Oregon, and all other government authorities with jurisdiction over the Premises, including but not limited to, local fire codes, zoning regulations, and occupancy codes; provided, however, that federal laws and regulations prohibiting the production, processing wholesaling and retailing of marijuana are expressly excluded from the legal requirements with which Lessee is required to comply herein. Lessee will promptly provide to Lessor copies of all communications to or from any government entity that relate to Lessee's noncompliance, or alleged noncompliance, with any laws or other government requirements impacting the Premises.

Article 3
TERM

3.1 **Initial Term.** The term of this Lease will commence on January 1, 2021 (the "Commencement Date"), and continue until December 31, 2025 ("Expiration Date"), unless sooner terminated under the terms of this Lease ("Lease Term").

3.2 **Extension Option.** If the Lessee is not then in Default of this Lease (as defined in Article 8), Lessee will have the option, in its sole discretion, to extend the Initial Lease Term ("Extension Option") as follows: (a) for two (2) five-year renewal terms on the same terms and conditions as herein except for Basic Rent, which will be as described in Section 4.1 (each, an "Extension Term"). An Extension Option may be exercised by written notice given to Lessor not less than 60 days, nor more than 270 days before the expiration of the Initial Lease Term or any Extension Term. Failure to exercise any Extension Option will terminate any subsequent Extension Option(s).

Article 4
RENT

4.1 **Basic Rent Amount and Due Date.**

(a) The base monthly rent ("Basic Rent") during the Lease Term shall be $6,000 per month.

(b) In the event Lessee exercises its Extension Option of the Lease under Section 3.2, Basic Rent will increase 3% starting in the first year of the Extension Term and continuing for each year for the duration of the Extension Term.

4.2 **Time and Place of Payments.** Lessee will pay Lessor Basic Rent monthly, in advance, and on the first day of the month without abatement, deduction, or offset. Additional Rent will be paid on or before the due date. Payment of all Rent will be made to Lessor to the address set forth in Section 12.3.

4.3 **Additional Rent.** This Lease is a "triple net lease," meaning that unless otherwise specifically provided herein, Lessee is responsible to pay all insurance, utilities, taxes, and other costs associated with the Premises. All amounts due hereunder in addition to the Basic Rent are deemed "Additional Rent." Any reference to "Rent" herein includes Basic Rent and Additional Rent.

4.4 **Taxes.** Lessee agrees to pay, on or before the date they become due, all real property taxes, assessments, special assessments, user fees, and other charges, however named, that, after the Effective Date and before the expiration of this Lease, may become a lien or that may be levied by any state, county, city, district, or other governmental authority on the Premises, any interest of Lessee acquired under this Lease, or any possessory right that Lessee may have in or to the Premises by reason of its occupancy thereof, as well as all taxes, assessments, user fees, or other charges on all property, real or personal, owned or leased by Lessee in or about the Premises (collectively, "Taxes"), together with any other charge levied wholly or partly in lieu thereof. Taxes are considered Additional Rent under this Lease. Lessee may contest the validity of an assessment against the Premises as long as Lessee deposits with an escrow agent approved by Lessor, with

irrevocable instructions to pay to the taxing authority on written instruction from Lessor, sufficient funds to satisfy any amount determined to be owing at the conclusion of the proceeding to contest the assessment. Not later than 14 days after the date any Tax is due, Lessee will provide Lessor with written proof that payment has been made, as required by this Section 4.4. If Lessee fails to pay Taxes before any delinquency, then, in addition to all other remedies set forth in this Section 4.4, Lessor will automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, any time after Lessor gives Lessee 5 days' written notice that Taxes are past due and Lessee continues to fail to pay the past due Taxes within that 5-day period. Lessee will immediately reimburse Lessor for any sums so paid.

4.5 **Operating Expenses and Utilities.** Lessee will promptly pay any and all charges for gas, electricity, telephone, garbage, Internet, and all other charges for utilities or services that may be furnished directly to the Premises. Lessor has no responsibility to provide any utility services to the Premises that are not already in place. If additional services are required, Lessee will obtain Lessor's permission for their installation, at Lessee's sole cost and expense. Lessor will not unreasonably withhold such permission.

4.6 **Late Charge.** If Lessee fails to pay any Rent required under this Lease within 10 days after it is due, Lessor may elect to impose a late charge of 5-percent of the overdue payment. Lessor's election not to impose a late charge in any instance will not be a waiver of Lessor's other rights and remedies for the late payment nor of Lessor's right to later charge and collect a late charge for the late payment or any other overdue amount. Acceptance of payment of a late charge by Lessor will not constitute a waiver of Lessee's default with respect to the overdue amount in question, nor will it prevent Lessor from exercising any other rights or remedies granted under this Lease, by law, or in equity. In addition to the late charge, all amounts of Rent past due will bear interest at a "Delinquency Rate" of 12 percent per annum, or the highest rate allowed by law, if it is less, from the due date until paid in full.

4.7 **Time and Place of Payments.** Lessee will pay Lessor Basic Rent monthly, in advance, and on the fifth day of the month without abatement, deduction, or offset. Additional Rent will be paid on or before the due date. Payment of all Rent will be made to Lessor to the address set forth in Section 12.3 or such other place as Lessor may designate in accordance with the requirements of Section 12.3.

4.8 **Acceptance of Rent.** Lessor's acceptance of a partial payment of Rent will not constitute a waiver of any Event of Default (defined in Section 8.1), nor will it prevent Lessor from exercising any of its other rights and remedies granted to Lessor under this Lease, by law, or in equity. Any endorsements or statements on checks of waiver, compromise, payment in full, or any other similar restrictive endorsement will have no legal effect. Lessee will remain in violation of this Lease and will remain obligated to pay all Rent due, even if Lessor has accepted a partial payment of Rent. Acceptance of a late but full payment of Rent (including Rent plus all interest due thereon at the Delinquency Rate) will constitute a waiver and satisfaction of that late payment, violation, or Default only and will not constitute a waiver of any other late payment, violation, or Default.

Article 5
OBLIGATIONS

5.1 **Repairs and Maintenance.** The Lessee will maintain the Property in good condition and will not commit, permit, or suffer any waste of the Property. The Lessee will maintain the Property, improvements, and fixtures on the Property, including structures and fences, in as good a condition and repair as they were in at the commencement of this Lease, reasonable wear and tear excepted.

5.2 **Alterations and Improvements.** Lessee shall have the right to make additions, improvements and replacements of and to all or any part of the Property from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials (collectively, the "Alterations").

5.3 **Lessor Access to Premises.** Subject to applicable law governing the Permitted Uses, Lessor and its respective agents have the right to enter the Premises for the purposes of: (a) confirming the performance by Lessee of all obligations under this Lease, (b) doing any other act that Lessor may be obligated or have the right to perform under this Lease, and (c) for any other lawful purpose. Such entry will be made on not less than 24 hours' advance notice and during normal business hours, when practical, except in cases of emergency or a suspected violation of this Lease or the law.

5.4 **Signs.** Except as may be required by applicable law, Lessee will not erect, install, nor permit on the Premises any sign or other advertising device without first having obtained Lessor's written consent,

5.5 **Lessor Cooperation**. Lessor agrees to cooperate with Lessee with respect to all governmental permits, licenses and approvals, including without limitation executing documents as may be required by the Oregon Liquor Control Commission.

Article 6
INSURANCE REQUIREMENTS

6.1 **Lessee Insurance.** Lessee shall procure and maintain property and casualty insurance (a) as reasonably necessary to restore the Property in good condition following termination of this Lease and (b) required under rules and regulations applicable to Lessee's business. All policies shall name Lessor as an additional insured.

6.2 **Lessor Insurance** Lessor will obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor insuring loss or damage to the Property, Premises and any Lessor-owned improvements located thereon.

Article 7
TERMINATION OF LEASE

7.1 **Termination**. Upon termination of this Lease, Lessee will surrender the Premises to Lessor in good condition, ordinary wear and tear excepted. All repairs for which Lessee is responsible will be completed before the surrender.

7.2 **Special Termination Rights.** Either Lessor or Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to the other party in the event that any of the following shall occur (each, a "Termination Event"): (a) the Permitted Uses become illegal due to any revocation or modification of applicable State or local law; and (b) governmental requirements and/or the enforcement of such governmental requirements change such that Lessee cannot operate its business from the Premises.

7.3 **Removal of Equipment**. Upon the termination of the Lease, Lessee shall remove all of its equipment from the Property and restore the Property and Premises to good condition. Within 30 days of the receipt of an Oregon Liquor Control production license, Lessee shall post a reclamation deposit of $10,000 to restore the Property which may be drawn on by the Lessor in the event that Lessee fails to restore the Property and Premises after termination, as required by this Lease. Notwithstanding the foregoing, any fixtures installed on the Property shall become the property of Lessor and shall not be removed at the termination of the Lease, unless otherwise required by Lessor.

7.4 **Right of First Offer and Refusal**. In the event Lessor desires to sell the Property, it shall first approach Lessee and allow Lessee to make an offer for the purchase of the Property. In the event Lessor receives a bona fide offer from a third party to purchase the Property, it shall give Lessee 30 days to match such offer. In the event Lessee matches the offer from the third party, the Lessor and Lessee shall in good faith negotiate a purchase agreement for the Property.

Article 8
LESSEE DEFAULT

8.1 **Events of Default.** The following will constitute an "Event of Default" if not cured within the applicable cure period as set forth below:

(a) *Default in Rent*. Failure of Lessee to pay any Rent or other charge within 10 days after written notice from Lessor. However, Lessor will not be required to provide such notice more than 2 times in any calendar year. Thereafter, failure to pay Rent by the due date will be deemed an automatic Event of Default for which no additional notice or cure period need be granted.

(b) *Default in Other Covenants*. Failure of Lessee to comply with any term or condition or fulfill any material obligation of the Lease (other than the payment of Rent or other charges) within 20 days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, Lessee will be in compliance with this provision if Lessee begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

(c) *Insolvency*. An assignment by Lessee for the benefit of creditors; filing by Lessee of a voluntary petition in bankruptcy; adjudication that Lessee is bankrupt or the appointment of receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within 60 days after filing; or attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within 30 days.

8.2 **Remedies on Default.** If an Event of Default occurs, Lessor, at Lessor's sole option, may terminate this Lease by notice, in writing, in accordance with Section 12.3. The notice may be given before or within any of the above-referenced cure periods or grace periods for default and may be included in a notice of failure of compliance, but the termination will be effective only on the expiration of the above-referenced cure periods or grace periods. If the Premises is abandoned by Lessee in connection with a default, termination may be automatic and without notice, at Lessor's sole option.

Article 9
LESSOR DEFAULT

9.1 **Breach by Lessor**

(a) *Notice of Breach.* Lessor will not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Section 9.1(a), a reasonable time will in no event be less than 20 days after receipt by Lessor, and any Lender whose name and address have been furnished to Lessee in writing for such purpose, of written notice specifying what obligation of Lessor has not been performed; however, a Lessor event of default will not occur if Lessor's performance is commenced within the 20-day period and thereafter diligently pursued to completion.

(b) *No Self-Help.* In the event that neither Lessor nor any Lender of Lessor cures any breach within the applicable cure period, Lessee will be entitled to seek any of the remedies provided in Section 9.1(c) but will not be entitled to take self-help action.

(c) *Remedies in the Event of a Lessor Default.* If an uncured event of default is committed by Lessor, Lessee will be entitled to any remedies available at law or in equity for breach of lease; however, damages will be limited to Lessor's interest in the Property unless caused by the gross negligence or intentional acts of the Lessor, its employees, agents, contractors or invitees.

Article 10
INDEMNITIES AND REIMBURSEMENT

Each Party agrees to defend (using legal counsel reasonably acceptable to Lessor, taking into account insurance defense requirements), indemnify, and hold harmless the other Party from and against any and all actual or alleged claims, damages, expenses, costs, fees (including but not limited to attorney, accountant, paralegal, expert, and escrow fees), fines, liabilities, losses, penalties, proceedings, and/or suits (collectively "Costs") that may be imposed on or claimed against such Party, in whole or in part, directly or indirectly, arising from or in any way connected with (a) any act, omission, or negligence by the other Party or its partners, officers, directors, members, managers, agents, employees, invitees, or contractors; (b) any use, occupation, management, or control of the Premises or Property by indemnifying Party, whether or not due to such Party's own act or omission; (c) any condition created in or about the Premises or Property by the indemnifying Party, including any accident, injury, or damage occurring on or about the Premises or Property during this Lease as a result of indemnifying Party's use thereof; (d) any breach, violation, or nonperformance of any of indemnifying Party's obligations under this Lease; or (e) any damage caused on or to the Premises or Property by Lessee's use or occupancy thereof.

Article 11
ASSIGNMENT; SUBLEASE; ESTOPPELS

11.1 **Assignment.**

(a) Lessors Consent This Lease shall not, either voluntarily or by operation of law, sell, assign, or transfer tis Lease or sublet the Premises or any part thereof, or assign any right to use the Premises or any part thereof (each a "Transfer") without the prior written consent of Lessor, which consent shall not be unreasonably withheld, and any attempt to do so without such prior written consent shall be void and, at Lessor's option, shall terminate this Lease. If Lessee requests Lessor's consent to any Transfer, Lessee

shall promptly provide Lessor with a copy of the proposed agreement between Lessee and its proposed transferee as Lessor may request. Lessor may withhold such consent unless the proposed transferee (i) is satisfactory to Lessor as to credit, managerial experience, net worth, character, and business or professional standing, (ii) is a person or entity whose possession of the Premises would not be inconsistent with Lessor's commitments with other tenants or with the mix of uses Lessor desires at the Property, (iii) will occupy the Premises solely for the use authorized under this Lease, and (iv) expressly assumes and agrees in writing to be bound by and directly responsible for all Tenants obligations hereunder. Lessor's consent to any such Transfer shall in no event release Lessee from its liabilities or obligations hereunder, including any renewal term, no relieve Lessee from the requirements of obtaining Lessor's prior written consent to any further Transfer. Lessor's acceptance of rent from any other personal shall not be deemed to be a waiver by Lessor of any provision of this Lease or consent to any Transfer. No modification, amendment, assignment, or sublease shall release Lessee, any assignee, or any guarantor of its liabilities or obligations under this Lease.

(b) Payment to Lessor and Termination of Lease

i. Lessor may, as a condition to its consideration of any request for consent to a proposed Transfer, impose a fee in the amount of one-thousand five-hundred and No/100 Dollars ($1,500) to cover Lessors administrative expenses and Lessee shall also be responsible to promptly pay all Lessor's reasonable legal fees and expenses in connection therewith. Such fee shall be (i) payable by Lessee upon demand, and (ii) retained by Lessor, regardless of whether such consent is granted.

ii. If any such proposed Transfer provides for the payment of, or if Lessee otherwise receives, rent, additional rent, or other consideration for such Transfer that is in excess of the Rent and all other amounts Lessee is required to pay under this Lease (regardless of whether such excess is payable on a lump-sum basis or over a term), then in the event Lessor grants its consent to such proposed Transfer, Lessee shall pay Lessor the amount of such excess as it is received by Lessee. Any violation of this paragraph shall be deemed a material and non-curable breach of this Lease.

iii. If Lessee proposes a sublease or assignment of the entire Premises, Lessor shall have the option to terminate this Lease and deal directly with the proposed sublease, assignee, or any third party with regard to the Premises

iv. If Lessee is a corporation, an unincorporated association, a partnership, a limited partnership, or a limited liability company, the transfer, assignment, or hypothecation of any stock or interest in such entity in the aggregate in excess of fifty percent (50%) shall be deemed a Transfer of this Lease within the meaning and provisions of this Section 11.

11.2 **Estoppel Certificate**. Each Party agrees to execute and deliver to the other, at any time and within 10 days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) whether the other Party is in

default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such default; and (d) whether any event has occurred that, with the giving of notice, the passage of time, or both, would constitute a default and, if so, specifying the nature of each such event.

Article 12
GENERAL PROVISIONS

12.1 **Covenants, Conditions, and Restrictions.** This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, rights of way, and any other matters of record imposed on the Property and to any applicable land use or zoning laws or regulations.

12.2 **Nonwaiver.** Waiver by either Party of strict performance of any provision of this Lease will not be a waiver of or prejudice the Party's right to require strict performance of the same provision in the future or of any other provision.

12.3 **Notices.** All notices required under this Lease will be deemed to be properly served when actually received or on the third business day after mailing, if sent by certified mail, return receipt requested, to the last address previously furnished by the Parties hereto. Notices shall be sent to the following addresses:

If to Lessor: Jesse Strickler
2802 Oakridge Ave
Central Point, OR 97502

If to Lessee: Grown Rogue Gardens, LLC
PO Box 1055
Jacksonville, OR 97530

The addresses to which notices are to be delivered may be changed by giving notice of the change in address in accordance with this Notice provision.

12.4 **Governing Law.** This Lease is governed by and will be construed according to the laws of the State of Oregon, without regard to its choice-of-law provisions. Any dispute arising out of or related to this Lease shall be resolved by binding arbitration in Jackson County, in front of a single arbitrator (who must be a member in good standing of the Oregon State Bar with no fewer than 10 years' experience as a licensed attorney), in accordance with such arbitrator's rules.

12.5 **Survival.** Any covenant or condition (including, but not limited to, environmental obligations and all indemnification agreements) set forth in this Lease, the full performance of which is not specifically required before the expiration or earlier termination of this Lease, and any covenant or condition that by its terms is to survive, will survive the expiration or earlier termination of this Lease and will remain fully enforceable thereafter.

12.6 **Entire Agreement.** This Lease, together with all exhibits attached hereto and by this reference incorporated herein, constitutes the entire agreement between Lessor and Lessee with respect to the leasing of the Premises.

12.7 **Counterparts.** This Lease may be executed in one or more counterparts.

IN WITNESS WHEREOF, the Parties have executed this Lease to be effective as of the Effective Date.

LESSOR:

/s/ J. Obie Strickler
Jesse Strickler

LESSEE:

Grown Rogue Gardens, LLC

By: /s/ Obie Strickler
Name: Obie Strickler
Title: President

EXHIBIT A
Legal Description

10 – LEASE – TRAIL PROPERTY

NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this "**Agreement**") is dated effective January 14, 2021 (the "**Effective Date**") between Jackie Haas & Mario Vassallo ("**Purchaser**") and Golden Harvests, LLC, a Michigan limited liability company (the "**Company**"). The Company and Purchaser are sometimes referred to each individually as a "**Party**" and collectively as the "**Parties**."

SECTION 1. NOTE

1.1 Purchase of Note. Contemporaneously with the signing and delivery of this Agreement, Purchaser will buy from the Company a nonnegotiable promissory note in the principal amount of $250,000 in the form attached as Exhibit A (the "**Note**"). This Agreement is being entered into as part of a series of Note Purchase Agreements (together with this Agreement, the "**NPAs**") being entered into by the Company with certain investors pursuant to which the Company is issuing a series of notes (together with this Note, the "**Notes**") to be issued under the NPAs. The other Notes have substantially similar terms, including interest rate, maturity, and repayment terms, as the Note. There is no minimum or maximum amount the Company may raise through the issuance of Notes pursuant to NPAs and Purchaser's obligation to purchase the Note pursuant to this Agreement is not conditioned upon, or otherwise subject to, the Company selling Notes for a certain minimum or maximum principal amount.

1.2 Purchase Price. The purchase price for the Note is $250,000 (the "**Purchase Price**").

1.3 Purchase Shares. The Company shall cause Grown Rogue International Inc, ("**GRIN**") to issue 400,000 shares of common stock to Purchaser within ninety (90) days of the Effective Date. The shares of common stock of GRIN shall be free and clear of any liens or encumbrances (other than any restrictions under applicable federal, state, or provincial securities laws).

1.4 Payment and Issuance. Contemporaneously with the signing and delivery of this Agreement:

(a) Purchaser shall pay the Purchase Price by delivering it to the Company in immediately available funds; and

(b) the Company shall issue the Note to Purchaser.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Purchaser as follows:

2.1 Organization. The Company is a limited liability company duly organized and validly existing under the laws of the State of Michigar.

2.2 Authority. The Company has all necessary limited liability company power and authority to sign and deliver this Agreement and to perform all of the Company's obligations under this Agreement. The Company has all necessary limited liability company power and authority to conduct the Company's business as it is now being conducted and to own and use the Company's assets as now owned and used.

2.3 **Binding Obligation**. This Agreement is a legal, valid, and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

2.4 **No Conflicts**. The signing and delivery of this Agreement by the Company, and the performance by the Company of all the Company's obligations under this Agreement, will not:

(a) conflict with the Company's articles of organization or operating agreement; or

(b) breach any agreement to which the Company is a party, or give any person the right to accelerate any obligation of the Company.

SECTION 3. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF PURCHASER

Purchaser represents, warrants, and covenants to the Company as follows:

3.1 **Status**. Purchaser is a [ENTER STATUS – I.E. TRUST/INDIVIDUAL/ETC].

3.2 **Binding Obligation**. This Agreement is a legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

3.3 **Accredited Investor**.

(a) **Purchaser is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act").**

(b) **If Purchaser is an individual, Purchaser comes within the categories that are marked "Yes" in the accredited investor questionnaire set forth on Purchaser's signature page to this Agreement.**

(c) **If Purchaser is an entity, all of the equity owners of Purchaser are "accredited investors" as defined in Regulation D under the Securities Act. The statement contained in the accredited investor questionnaire set forth on Purchaser's signature page to this Agreement is accurate in all respects as of the Effective Date.**

3.4 **Documents**. Purchaser has received a copy of, has had a reasonable time to review, and has reviewed, each document listed on Schedule 3.3.

3.5 **Risk Factors**. Purchaser has read and understands the risk factors set forth in Schedule 3.5.

3.6 **Speculative Investment**. Purchaser understands that:

(a) the Note is a speculative investment and involves a high degree of risk of loss of Purchaser's entire investment;

(b) Purchaser may be unable to liquidate Purchaser's investment in the Note because the Note is subject to substantial transfer restrictions and because no public market exists for the Note; and

(c) Purchaser is able, without materially impairing its financial condition, to suffer a complete loss of its investment.

3.7 Sophistication.

(a) Purchaser has the knowledge and experience in financial and business matters necessary to make Purchaser capable of evaluating the merits and risks of an investment in the Note.

(b) Purchaser has had the opportunity to ask questions and receive answers concerning the Company and the terms and conditions of the purchase of the Note, and to obtain any additional information deemed necessary by Purchaser to evaluate the merits and risks of an investment in the Note. Purchaser has obtained all of the information desired in connection with the Note.

3.8 Non-Reliance. In deciding whether to enter into this Agreement, Purchaser has relied solely on the information, statements, and representations contained in this Agreement and in the documents listed on Schedule 3.3. Purchaser has not relied on any information provided by, or on any statements or representations made by, the Company or any member, manager, officer, employee, agent, or representative of the Company, other than the information, statements, and representations contained in this Agreement and in the documents listed on Schedule 3.3.

3.9 Investment Intent.

(a) Purchaser is acquiring the Note solely for Purchaser's own account, for investment, and not with a view to or for resale in connection with any distribution of the Note; and

(b) Purchaser has no oral or written agreement or plan to sell, assign, or otherwise negotiate the Note to any person.

3.10 Negotiation Restrictions.

(a) Purchaser understands that the Note has not been registered under the Securities Act or any state securities laws and that the Company is not obligated to register the Note;

(b) Purchaser will not offer, sell, assign, or otherwise negotiate the Note to any person without the Company's prior written consent and, in any case, unless pursuant to an effective registration statement filed under the Securities Act and applicable state securities laws, or unless the Company receives an opinion of counsel, in form and from counsel acceptable to the Company, that the offer, sale, transfer, pledge, or other disposition is exempt from the registration requirements of the Securities Act of 1933 and applicable state securities laws; and

(c) Purchaser understands that the Note is nonnegotiable and that Purchaser may not sell, assign, or otherwise negotiate the Note to any person without the prior written consent of the Company, which the Company may withhold in the Company's sole discretion.

3.11 Licensing matters.

(a) Upon the request of the Company:

(i) Purchaser will promptly and reasonably cooperate with the Company in connection with the Company's reasonable requests pertaining to the Company obtaining, maintaining, or renewing any license, registration, or permit from any local, state, or federal agency including, but not limited to, the Michigan Department of Licensing and Regulatory Affairs (LARA); and

(ii) Purchaser will promptly sign and deliver to the Company any documents that the Company, based upon the advice of legal counsel, deems reasonably necessary to obtain, maintain, or renew any such license, registration, or permit.

(b) Purchaser acknowledges that:

(i) Purchaser may have to be listed on one or more applications to be filed with one or more state or local governmental authorities;

(ii) such applications may become public documents once filed; and

(iii) Purchaser may have to provide to one or more Michigan or local governmental authorities information and fingerprints for a criminal background check, an individual history form, and other information required in connection with such applications.

(c) Purchaser's status as the holder of the Note would prevent the Company from obtaining, maintaining, or renewing: (i) any necessary or desired license, registration, or permit from the Michigan Department of Licensing and Regulatory Affairs or any other Michigan governmental authority; or (ii) any material license, registration, or permit from any governmental authority; then Purchaser agrees that the Company may pre-pay the Note in full, if such pre-payment is, in the written opinion of counsel to the Company, legally required to make the Company eligible to obtain, maintain or renew any such license, registration or permit.

3.12 Source of Funds. The funds advanced by Purchaser to the Company to pay the Purchase Price for the Note have not been obtained in violation of any federal, state, foreign, or local law.

3.13 No Disqualification Events. Neither Purchaser nor, to the best of Purchaser's knowledge and to the extent Purchaser has them, any of Purchaser's stockholders, members, managers, general or limited partners, directors, affiliates or executive officers (collectively with Purchaser, the "**Purchaser Covered Persons**"), are subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). Purchaser has exercised reasonable care to determine whether any Purchaser Covered Person is subject to a Disqualification Event. To the best of Purchaser's knowledge, the purchase of the Note by Purchaser will not subject the Company to any Disqualification Event.

3.14 No Credit Enhancements. Purchaser acknowledges that: (a) the Note is a general, unsecured obligation of the Company; (b) the only source of repayment of the Note is cash flow generated

from the Company's business operations; (c) there are no credit enhancements for the Note; and (d) the Note is solely the obligation of the Company and is not guaranteed by any party.

3.15 **Tax, Legal and Economic Considerations**. The Purchaser is not purchasing the Note with the expectation of any tax benefit and is not relying on the Company for advice with respect to tax considerations, the suitability of its investment in the Company, or legal or economic considerations.

3.16 **No General Solicitation**. Purchaser has not learned about the proposed investment in the Note through any general solicitation or advertising.

SECTION 4. RELEASE AND INDEMNIFICATION; WAIVER

4.1 **Release and Indemnification.** Purchaser understands that the Company is relying on Purchaser's representations and warranties in this Agreement to issue the Note pursuant to one or more exemptions from the registration and qualification requirements of the Securities Act and applicable state securities laws. Purchaser releases and will defend and indemnify the Company and each present and future member, manager, director, officer, employee, agent, and representative of the Company for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorneys' fees, resulting from or arising out of a breach by Purchaser of any representation or warranty made by Purchaser in this Agreement.

4.2 **Oregon Securities Law Waiver**. To the fullest extent permitted by law, each Party irrevocably waives and releases all claims and rights of action (including, but not limited to, the right to seek rescission) that arise from or relate to the transactions contemplated by this Agreement (including the issuance of the Note or any other securities), whether known or unknown, that such Party may have now or in the future under the participant liability or material aid provisions of Oregon Revised Statutes ("**ORS**") 59.115, ORS 59.137 or any other provision of the Oregon Securities Law that imposes liability on a Person for participating or materially aiding in the sale of securities. Those Persons identified in ORS 59.115(3) and ORS 59.137(2) are intended third-party beneficiaries of the waiver and release set forth in this Section 4.2. Nothing in this Section 4.2 (a) limits or restricts a Party from asserting claims under the federal securities laws or for breach of contract or (b) releases or waives any claim or right of action that Purchaser may have directly against the Company. Purchaser acknowledges and agrees that the protections afforded to Purchaser under the federal securities laws are adequate and appropriate given Purchaser's level of sophistication and investor status.

4.3 **Waiver of Illegality Defense**. Each Party agrees that this Agreement's invalidity for its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Agreement. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Agreement.

SECTION 5. NONDISCLOSURE

5.1 "**Confidential Information**" means information related to the Company, any of its affiliates, or its or their respective businesses that is disclosed to or accessed by Purchaser if: (a) the information is marked or designated – whether orally or in writing – by the Company or the disclosing person as confidential before, at, or promptly after the time of disclosure; or (b) the

information is known or should have been known by the Purchaser as being treated by the Company or the disclosing person as confidential.

5.2 **Use Restrictions and Nondisclosure Obligations**. During such time that Purchaser holds the Note or an equity interest in the Company and for five years thereafter (the "**Nondisclosure Period**"):

(a) Purchaser will not use Confidential Information for any purpose without the Company's specific prior written authorization; and

(b) Purchaser will not disclose Confidential Information to any person without the Company's specific prior written authorization, except that Purchaser may disclose Confidential Information in accordance with a judicial or other governmental order, but only if Purchaser promptly notifies the Company of the order and complies with any applicable protective or similar order.

5.3 **Notification and Assistance Obligations**. During Purchaser's Nondisclosure Period, Purchaser will:

(a) promptly notify the Company of any unauthorized use or disclosure of Confidential Information, or any other breach of this 4.2; and

(b) assist the Company to retrieve any Confidential Information that was used or disclosed by Purchaser or Purchaser's representatives without the Company's specific prior written authorization and to mitigate the harm caused by the unauthorized use or disclosure.

5.4 **Exceptions**. Purchaser will not breach Section 5.2 by using or disclosing Confidential Information if Purchaser demonstrates that the information used or disclosed:

(a) is generally available to the public other than as a result of a disclosure by Purchaser or a representative of Purchaser; or

(b) was received by the Purchaser from another person without any limitations on use or disclosure, but only if the Purchaser had no reason to believe that the other person was prohibited from using or disclosing the information by a contractual or fiduciary obligation.

5.5 **Return of Confidential Information.** Upon the Company's request, Purchaser will promptly return to the Company all materials containing Confidential Information, together with all copies and summaries of Confidential Information, in the possession or under the control of Purchaser.

SECTION 6. GENERAL

6.1 **No Assignment**. Purchaser shall not assign or delegate any of Purchaser's rights or obligations under this Agreement to any person without the prior written consent of the Company, which the Company may withhold in the Company's sole discretion.

6.2 **Binding Effect**. This Agreement shall be binding on the Parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to the benefit of such successors or assigns.

6.3 **Amendment**. This Agreement may be amended only by a written document signed by each Party.

6.4 **Waiver**. No waiver will be binding on a Party unless it is in writing and signed by the Party making the waiver. A Party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

6.5 **Severability**. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

6.6 **Further Assurances**. The Parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.

6.7 **Attachments**. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.

6.8 **Governing Law**. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.

6.9 **Disputes and Venue**. Any dispute, controversy, or claim arising out of the subject matter of this Agreement shall be litigated in a state court located in Multnomah County, Oregon. Each Party consents and submits to the jurisdiction of any state court located in Multnomah County, Oregon.

6.10 **Attorney's Fees**. If any action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, each party thereto shall be responsible for its own attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

6.11 **Entire Agreement**. This Agreement contains the entire understanding of the Parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement.

6.12 **Signatures**. This Agreement may be signed in counterparts. An electronic transmission of a signature page will be considered an original signature page. At the request of a Party, the other Party will confirm an electronically-transmitted signature page by delivering an original signature page to the requesting Party.

6.13 **Attorneys**. Purchaser understands that the law firm of Tonkon Torp LLP has served as legal counsel to the Company in the preparation of this Agreement and does not represent Purchaser in connection with this Agreement. Purchaser acknowledges that it has consulted with its own legal counsel or has knowingly waived its right to do so.

[*signature page follows*]

[*INDIVIDUAL SIGNATURE PAGE – Use this signature page if Purchaser is an individual.*]

Dated effective as of the Effective Date set forth in the preamble.

Purchaser: Jackie Haas

Jackie Haas
[Signature]

Jackie Haas
[Printed Name]

Michigan
[State of Residency]

Purchaser: Mario Vassallo

[Signature]

MARIO VASSALLO
[Printed Name]

MICHIGAN
[State of Residency]

Principal Amount: US$ $250,000

Accredited Investor Questionnaire: ***NOTE: Mark "Yes" or "No" for each category.***	
1. Purchaser is a natural person whose individual net worth, or joint net worth with that person's spouse, exceeds $1,000,000.[1]	Yes ____ No X
2. Purchaser is a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.	Yes ____ No X

[1] For purposes of calculating net worth: (a) the person's primary residence shall not be included as an asset; (b) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.

[*ENTITY SIGNATURE PAGE (1 of 2) – Use this signature page if Purchaser is an entity.*]

Dated effective as of the Effective Date set forth in the preamble.

Purchaser:

_____
[Name of Entity]

_____
[State of Organization]

_____
[Signature]

_____
[Printed Name]

_____
[Title]

Principal Amount: $_____

[ENTITY SIGNATURE PAGE (2 of 2) – Use this signature page if Purchaser is an entity.]

Accredited Investor Questionnaire: ***NOTE: Mark "Yes" if the following statement is accurate in all respects as of the date of this Agreement. Mark "No" if the following statement is not accurate as of the date of this Agreement.*** Each equity owner of Purchaser is: 1. A director or executive officer of Purchaser; *or* 2. A natural person whose individual net worth, or joint net worth with that person's spouse, exceeds $1,000,000;[2] *or* 3. A natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.	Yes ____ No ____

[2] For purposes of calculating net worth: (a) the person's primary residence shall not be included as an asset; (b) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.

Dated effective as of the Effective Date set forth in the preamble.

Company:

Golden Harvests, LLC

By: David Pleitner
Its: Manager

SCHEDULE 3.3

Documents

1. Articles of Organization of the Company filed with the Michigan Secretary of State on December 26, 2017.

2. Operating Agreement of the Company dated as of May 19, 2018.

SCHEDULE 3.5

Risk Factors

For purposes of this Schedule 3.5, the terms "we," "us," "our," and "GH " refer to the Company, and the term "you" refers to Purchaser. You are urged to consider carefully, with your advisers, all of the risks described in this Schedule 3.5 (collectively, these "**Risk Factors**") before deciding whether to purchase the Note. Each of the risks identified in these Risk Factors could have a material adverse effect on your investment in the Note and may result in the loss of your entire investment.

Disclaimers

An investment in GH involves a high degree of risk. In addition to the other information contained in this Agreement, you should carefully consider these Risk Factors before making an investment decision. In addition to the risks specifically identified in these Risk Factors, we may face additional risks and uncertainties not presently known to us or that we currently deem immaterial, which risks or uncertainties may ultimately have a material adverse effect on your investment.

These Risk Factors contain forward-looking statements that are based on our expectations, assumptions, estimates, and projections about our business and its future. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in these Risk Factors.

Nothing contained in these Risk Factors is, or may be relied on as, a promise or representation as to any future performance or event. These Risk Factors speak only as of the Effective Date, and we have no duty to update these Risk Factors. These Risk Factors do not purport to contain all information that might be required to evaluate your decision to purchase the Note, and you must conduct your own independent analysis.

No person has been authorized to give any information or to make any representation other than those contained in this Agreement and in the documents listed on Schedule 3.3. You should not rely on any information or representations other than those contained in this Agreement and in the documents listed on Schedule 3.3.

Company Risks

1. We have a limited operating history. While our management team have operated other successful cannabis companies in Oregon, Golden Harvests, LLC is recently formed and has limited operations history. As a result, we face the general risks associated with any new business operating in a competitive industry, including the ability to fund our operations from unpredictable cash flow and capital-raising transactions. These risks are compounded by the fact that the legal cannabis industry in the State of Michigan is a relatively new industry and is changing and evolving rapidly. There can be no assurance that we will achieve our anticipated investment objectives or operate profitably. We encourage you to consult with your legal and financial advisors to determine whether you have sufficient financial information to evaluate the merits and risks of purchasing the Note.

2. We have limited financial statements. We have limited financial statements, thus your ability to assess the Company's financial condition, results of operations, and cash flow is limited. We encourage you to consult with your legal and financial advisors to determine whether you have sufficient financial information to evaluate the merits and risks of purchasing the Note.

3. Any financial projections that may have been disclosed to you (in writing, orally, or otherwise) were for illustrative purposes only. Any financial projections that may have been disclosed to you were based on a variety of estimates and assumptions which may not be realized and are inherently subject to significant business, economic, legal, regulatory, and competitive uncertainties, some of which are beyond our control. There can be no assurance that any projections that may have been disclosed to you will be realized, and actual results may different materially from such projections.

4. We may need to raise additional financing. Our ability to implement our business plan may depend on our ability to obtain additional financing in the future. We intend to acquire additional funds from persons on terms that are substantially similar to the terms of the Note, as well as raising additional funds through the issuance of equity. However, we cannot assure you that we will be able to do this or that additional financing will be available on terms favorable to us. If adequate funds are not available on acceptable terms, our ability to continue and grow our businesses would be dependent on the cash from your loan and on the cash flow, if any, from our operations, which may not be sufficient.

5. Use of Proceeds. Proceeds of the Note will be used to for the payment of expenses and liabilities and for growth of our business. GH has broad discretion to allocate the use of proceeds from your investment. Accordingly, you will be relying on the judgment of the Management Team (as defined below) with regard to the use of the proceeds and it is possible that the proceeds will be used in a way that does not yield a favorable return on your investment.

6. We may not generate sufficient cash flow to make payments to you. There is no assurance that we will ever have income sufficient to cover our expenses and repay you. Your rights under the Note are unsecured, and your rights as a creditor will be the same as all of our other unsecured creditors, including other noteholders from whom we have borrowed and are borrowing money. If we borrow additional funds from other lenders that are secured with our assets, the secured lenders will have rights senior to yours.

7. Our success depends on the skills and expertise of David Pleitner, Obie Strickler, Adam August, and other members of the executive team ("Executive Team"). Our success substantially depends on the skills, talents, abilities, and continued services of the Executive Team. There is no guarantee that the Executive Team will manage our business successfully. We do not carry life or disability insurance on any member of the Executive Team. The loss of the services of any member of the Executive Team, for any reason, may have a material adverse effect on your investment.

8. Our success depends on our ability to hire and retain additional qualified individuals. Our success substantially depends on our ability to hire and retain individuals to operate our business and implement our business plan. There is no assurance that we will be able to hire or retain qualified individuals, or that the individuals hired will be able to successfully operate our business and implement our business plan.

Marijuana Industry Risks

9. Our business is illegal under federal law and may subject our investors to enforcement action or asset forfeiture. Producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a federal crime. Under the Federal Controlled Substances Act of 1970 (the "**Federal CSA**"), marijuana is classified as a Schedule I drug, which is defined as a drug having a high potential for abuse and no currently accepted medical use. Schedule I drugs are the most tightly restricted category of drugs under the Federal CSA. Additionally, the Supremacy Clause of the United States Constitution establishes that the Constitution, federal laws made pursuant to

the Constitution, and treaties made under the Constitution's authority constitute the supreme law of the land. The Supremacy Clause provides that state courts are bound by the supreme law; in case of conflict between federal and state law, including Oregon and other state law legalizing certain cannabis uses, the federal law must be applied.

Until Congress amends the Federal CSA with respect to marijuana use, there is a risk that federal authorities may enforce current federal law, and we may be deemed to be producing, processing, or selling (or facilitating the same) in violation of federal law or they may seek to bring an action or actions against you as an investor in the Company, including a claim of aiding and abetting another's criminal activities. The Federal aiding and abetting statute provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." 18 U.S.C. §2(a). Such an action would have a material negative effect on our business and operations. As a result of such an action, we may be forced to cease operations and our investors could lose their entire investment. Additionally, even if the federal government does not prove a violation of the Federal CSA, the federal government may seize, through civil asset forfeiture proceedings, certain Company assets such as equipment, real estate, moneys and proceeds, or your assets as an investor in the Company, if the federal government can prove a substantial connection between these assets or your investment and marijuana distribution or cultivation.

Because marijuana is illegal under federal law, investing in cannabis business such as ours could be found to violate the Federal CSA. As a result, individuals involved with the Company, including investors and lenders, may be indicted under federal law. Your investment in the Company may: (a) expose you personally to criminal liability under federal law, resulting in monetary fines and jail time; and (b) expose any real and personal property used in connection with our business to seizure by and forfeiture to the federal government.

10. Our contracts may be unenforceable and property may be subject to seizure. As the Federal CSA currently prohibits the production, processing and use of marijuana, our contracts with third parties (suppliers, vendors, landlords, etc.) pertaining to the production, processing, or selling of marijuana-related products, including any leases for real property, may be unenforceable. In addition, if the federal government begins strict enforcement of the Federal CSA, any property (personal or real) used in connection with a marijuana-related businesses may be seized by and forfeited to the federal government. In this case, our inability to enforce contracts or any loss of business property (whether ours or our vendors') will have a material adverse effect on us

11. We will not be able to deduct many normal business expenses. Under Section 280E of the Internal Revenue Code ("**Section 280E**"), many normal business expenses incurred in the trafficking of marijuana and its derivatives are not deductible in calculating our federal and Oregon income tax liability. A result of Section 280E is that an otherwise profitable business may in fact operate at a loss, after taking into account its income tax expenses. Although we have accounted for Section 280E in our financial projections and models, the application of Section 280E may have a material adverse effect on us.

12. Our success depends on our ability to obtain marijuana licenses from the state authorities.s Our success depends significantly on our ability to obtain marijuana licenses from state and local authorities, including the Michigan Department of Licensing and Regulatory Affairs ("LARA"), including LARA's approval of our acquisition of a controlling interest in GH. If we fail to obtain one or more marijuana licenses from the LARA, or its approval of our acquisition of an interest

in GH, then we will not be able to exercise our option. Our failure to obtain a marijuana license from LARA will have a material adverse effect on us.

13. Our business is highly regulated and we may not be issued necessary licenses, permits, and cards. Our business and products are and will continue to be regulated as applicable laws continue to change and develop. Regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. Even if we obtain one or more licenses from the OLCC, no assurance can be given that we will receive all of the other licenses and permits that will be required to operate our business. Further we cannot predict what kind of regulatory requirements our business will be subject to in the future.

14. The implementation of the Michigan's Marihuana Laws and Regulations are uncertain. In November 2018, the Michigan Bureau of Medical Marihuana Regulation adopted rules to implement the Medical Marihuana Facilities Licensing Act (the "**MMFLA**"), which will govern Michigan's medical marihuana market. On December 6, 2018, the Michigan Regulation and Taxation of Marihuana Act ("**MRTMA**") became effective, which will govern Michigan's recreational marihuana market. Since enacting the MMFLA and MRTMA, the state of Michigan has adopted a series of temporary rules and other laws to help regulate the sale of marihuana. Any additional rules adopted by the State of Michigan, and any additional statutes passes by the Michigan legislature, and any subsequent interpretations of such rules or statutes, could have a material adverse effect on us.

15. Customers for our marijuana production business are limited. The customers of our marijuana production business will be limited to other Michigan-licensed marijuana businesses. We currently may not sell our products to any business or person located outside the State of Michigan. Consequently, our customer base is limited to Michigan.

16. The marijuana industry faces significant opposition. It is believed by many that large well-funded businesses may have strong economic opposition to the marijuana industry. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the marijuana industry. Any inroads the pharmaceutical industry could make in halting or impeding the marijuana industry could have a material adverse effect on us.

17. We have numerous competitors. Our marijuana production business is not, by itself, unique. We have numerous competitors throughout the State of Michigan utilizing a substantially similar business model. Excessive competition may impact our sales and may cause us to reduce our prices. Any material reduction in our prices may have a material adverse effect on our financials.

18. Local laws and ordinances could restrict our business activity. Although legal under Michigan state law, local governments have the ability to limit, restrict, and ban marijuana businesses from operating within their jurisdiction. Land use, zoning, local ordinances, and similar laws could be adopted or changed, and have a material adverse effect on our business.

19. We may not be able to obtain or maintain a bank account. Because producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a crime under the Federal CSA, most banks and other financial institutions are unwilling to provide banking services to marijuana businesses due to concerns about criminal liability under the Federal CSA as well as concerns related to federal money laundering rules under the Bank Secrecy Act. Though guidelines issued in past years allow financial institutions to provide bank accounts to certain cannabis businesses, few banks have taken advantage of those guidelines and many cannabis businesses still operate on an all-cash basis. Operating on an all-cash or predominantly-cash

basis would make it difficult for the Company to manage its business, pay its employees and pay its taxes, and may create serious safety issues for the Company, its employees and its service providers. Although the Company currently has a bank account, our inability to maintain that bank account, or obtain and maintain other bank accounts, could have a material adverse effect on us.

20. The protections of bankruptcy law may be unavailable to us. As discussed above, the use of marijuana is illegal under federal law. Therefore, it may be argued that the federal bankruptcy courts cannot provide relief for parties who engage in marijuana or marijuana-related businesses. Recent bankruptcy court rulings have denied bankruptcies for dispensaries upon the justification that businesses cannot violate federal law and then claim the benefits of federal bankruptcy for the same activity. In addition, some courts have reasoned that courts cannot ask a bankruptcy trustee to take possession of and distribute marijuana assets as such action would violate the Federal CSA. Therefore, we may not be able to seek the protection of the bankruptcy courts for the equal protection of creditors or debtor-in-possession financing or obtain credit from federal-chartered financial institutions.

21. We will not be able to register any federal trademarks for our marijuana products. Because producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a crime under the Federal CSA, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies marijuana products. As a result, we likely will be unable to protect our marijuana product trademarks beyond the geographic areas in which we conduct business, unless we can successfully demonstrate that any of our trademarks is unrelated to producing, manufacturing, processing, possessing, distributing, selling, and using marijuana. The use of our trademarks outside the State of Michigan by one or more other persons could have a material adverse effect on our business.

22. Laws will continue to change rapidly for the foreseeable future. Local, state, and federal laws and enforcement policies concerning marijuana-related conduct are changing rapidly and will continue to do so for the foreseeable future. Changes in applicable law are unpredictable and could have a material adverse effect on our business.

    There is a relatively small body of interpretive guidance and no case law available to understand how certain laws, rules, and regulations will be interpreted or applied by enforcement agencies or the courts. Accordingly, businesses such as GH often operate in a grey area, which subject GH to the risk that it will unintentionally violate laws, rules, or regulations. Any such violations could have significant adverse consequences for GH's business, including the loss of its ability to conduct operations.

23. Due to our involvement in the cannabis industry, we may have a difficult time obtaining insurance which may expose us to additional risk and financial liabilities. Insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, is more difficult for us to find, and more expensive, because we are in the cannabis industry. There are no guarantees that we will be able to find such insurance in the future, or that the cost will be affordable to us. If we are forced to go without such insurance, it may prevent us from entering into certain business sectors, may inhibit our growth, may expose us to additional risk and financial liabilities and could have a material adverse effect on us.

Security Risks

24. The Note is a general, unsecured obligation of the Company. The Note constitutes an unsecured, general obligation of the Company and is not guaranteed by any person. There are no security interests in any assets of the Company securing repayment or other performance by the Company under the Note. As an unsecured, general creditor of the Company, in the event of liquidation of the Company, you would share equally with other general creditors of the Company in the remaining unsecured assets of the Company, if any.

    Additionally, no provision has been made by the Company to establish a sinking fund (i.e., a segregated fund with scheduled payments) to pay the interest and principal on the Note. There is less security for the repayment of the Note upon default than if there were such a sinking fund. There is no assurance that there will be sufficient funds to make the interest and principal payments when due under the Note.

    Further, the Note is payable on its stated maturity date. The Note does not provide for the payment of any principal amount before maturity. Therefore, the Company's inability to repay the Note at its maturity is dependent upon the Company's ability and solvency at the time of the Note's maturity.

25. You will not have any right to control management. You will be a creditor of the Company without any right to control the management of the Company. The Executive Team will have complete control over all of the decisions related to our business, and could cause the Company to take actions over your objections. Additionally, the Executive Team will not be obligated to cause the Company to pursue any alternative course of action that may be suggested or advocated by you.

26. There will be significant restrictions on your ability to assign the Note. The Note is nonnegotiable, and you may not assign the Note to any person. Federal and state securities laws may place additional restrictions on your ability to transfer the Note. Because of these restrictions, you may be unable to liquidate your investment in the event of an emergency or for any other reason. As a result, you should purchase the Note only if you are prepared to hold the Note for an indefinite period of time, or at least until the maturity date of the Note.

27. This Agreement has not been reviewed or approved by the government. No government agency or authority has reviewed or approved this Agreement, the Note, or any of the documents provided to you relating to this Agreement or the Note, including these Risk Factors. You are expected to conduct your own review and analysis before deciding whether to purchase the Note.

28. An investment in the Notes has significant tax consequences. The tax consequences of purchasing the Note are significant and complex, and may vary depending on your particular tax situation. We strongly encourage you to consult with your legal and tax advisors to determine the tax implications of purchasing the Note.

29. Related parties to GH may purchase a note. GH's and its affiliates' shareholders, members, managers, directors, officers, and employees (and their respective family members and related entities and trusts) may, at their option, purchase a Note on the same terms and conditions as other unrelated investors. All Notes purchased by such persons will be subject to the same restrictions on transfer as Notes purchased by other investors. Conflicts of interest could arise between Note holders who are, or are related to, shareholders, members, managers, directors,

officers, or employees of the Company and those Note holders who have no such relationship with or knowledge of GH.

30. The determination of the offering amount was subjective. The amount of Notes that the Company may offer is unlimited and may bear no relationship to the Company's earnings potential or to the Company's asset value, book value, net worth or other established criteria of value. The amount was established by the subjective projections of the Executive Team regarding the Company's potential sales and withdrawals of the Notes. An investor has limited protections under the Notes

31. You have limited protection under the Note. The Note contains no restrictions on the Company's activities. In addition, the Note contains only limited events of default other than the Company's failure to timely pay principal and interest on the Note.

32. The Note may not be a suitable investment. The Note may not be a suitable investment for every investor, and the Company advises you to consult their investment, tax, and other professional financial advisors before deciding whether to purchase the Note. The characteristics of the Note, including the maturity and interest rate, may not satisfy your investment objectives. The Note may not be a suitable investment for you based on your ability to withstand a loss of interest or principal or other aspects of your financial situation, including your income, net worth, financial needs, investment risk profile, return objectives, investment experience and other factors. Before deciding whether to purchase a Note, you should consider your investment allocation with respect to the amount of your contemplated investment in the Note in relation to your other investment holdings and the diversity of those holdings.

EXHIBIT A

This Nonnegotiable Promissory Note has not been registered under the Securities Act of 1933, as amended, or any state securities laws. In addition to other restrictions set forth int his Nonnegotiable Promissory Note, this Nonnegotiable Promissory Note may not be sold, assigned, or otherwise negotiated to any person unless pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, and applicable state securities laws, or unless the Company receives an opinion of counsel, in form and from counsel acceptable to the Company, that the sale, assignment, or other negotiation is exempt from the registration requirements of the Securities Act of 1933, as amended, and applicable state securities laws.

NONNEGOTIABLE PROMISSORY NOTE

US $250,000

January 14, 2021
(the "Effective Date")

This Nonnegotiable Promissory Note (this "**Note**") is made by Golden Harvests, LLC, a Michigan limited liability company (the "**Company**"), in favor of Jackie Haas & Mario Vassallo ("**Holder**").

This Note is issued as part of a series of notes (collectively, the "Notes") issued or to be issued by the Company with substantially similar terms, including interest rate, guaranty to pay, maturity, and repayment terms. All payments of principal and interest under this Note and the other Notes shall be made pro rata among all holders of such Notes. All payments shall be applied first to accrued and unpaid interest and, thereafter, to principal.

1) **Definitions**. As used in this Note:

"**Note Purchase Agreement**" means that certain Note Purchase Agreement between Holder and the Company of even date herewith.

Other capitalized terms used but not defined ir this Note have the meanings given to them in the Note Purchase Agreement.

2) **Maturity**. All unpaid principal, and all accrued but unpaid interest, shall be due and payable 36 months after the Effective Date, unless extended at the sole discretion of Holder (such date, the "**Maturity Date**")

3) **Interest Rate**. Interest on the outstanding principal under this Note shall accrue at the annual rate of 10% simple interest, calculated on the basis of a year of 365 days, commencing on the Effective Date and continuing thereafter until the principal of this Note is repaid in full. Accrued interest shall not compound into the outstanding principal under this Note.

4) **Interest Payments.** The Company shall make monthly payments of accrued but unpaid interest only beginning on February 15, 2021, and continuing on the same day (or the next business day if such day is not a business day) of each month thereafter until the Maturity Date.

5) **Additional Consideration**. In addition to the principal amount and interest under this Note, the Company shall pay Holder an additional amount equal to the original principal amount of this Note

minus the amount of all interest paid by the Company to Holder under this Note through the Maturity Date (such amount, the "**Additional Amount**"). The Company shall pay the Additional Amount to Holder in four equal installments after the Maturity Date, with an installment due and payable on each of the three, six, nine, and 12-month anniversaries of the Maturity Date (or the next business day if any such anniversary is not a business day.

For illustrative purposes only, if Holder purchased a Note with an original principal amount of $100,000 and received interest payments through the Maturity Date totaling $30,000, then the Additional Amount due to Holder under this Section 5 would be $70,000 ($100,000 - $30,000), and the Company would pay the Additional Amount to Holder by paying Holder $17,500 on each of the three, six, nine, and twelve-month anniversaries of the Maturity Date.

6) **Affirmative Covenants**. So long as the principal of, or interest on, this Note remains outstanding, the Company covenants and agrees with the Holder that it will observe and fulfill, or cause to be observed and fulfilled, each and all of the following covenants:

(a) **Existence**. The Company shall at all times preserve and maintain in full force and effect its existence as a limited liability company under the laws of the State of Michigan and all of its powers, rights, privileges and franchises necessary for the continued conduct of its operations as conducted as of the Effective Date.

(b) **Compliance with Laws**. The Company shall comply in all material respects with all applicable laws (other than the Federal Controlled Substances Act) in respect of the conduct of its business.

(c) **Books of Record and Access**. The Company shall keep proper books of record and accounts that fairly present all dealings and transactions in relation to its business and activities. Within 30 days of the end of each fiscal year, the Company shall permit the Holder and its agents and consultants to enter the Company's place of business, for one business day during normal business hours and in a manner which does not unreasonably interfere with the Company's business, and shall permit them to inspect the books, contracts, records, and papers of the Company. Such inspection shall be scheduled on a day that is mutually convenient to the Holder and the Company and scheduled with no less than fourteen days advance notice.

(d) **Taxes**. Company shall file all required Federal, state and local tax and information returns that it is required to file and shall pay or cause to be paid all taxes due in respect of such tax and information returns on or prior to the date due (other than taxes that it is contesting in good faith and by appropriate proceeding). Company shall promptly provide copies of all Federal, state and local tax and information returns to the Holder, if any, upon request.

7) **Negative Covenants**. So long as the principal of or interest on the Note shall be unpaid, the Company shall not, without the prior written consent of the Holder, use the proceeds of the Note for any purpose materially inconsistent with the current and anticipated business operations of the Company.

8) **Events of Default**. Each of the following is an event of default (each, an "**Event of Default**") under this Note: (a) the Company fails to make any payment required by this Note within ten (10) days after the payment is due, and such failure continues for five (5) days after Holder notifies the Company in writing of the failure to make the payment when due; (b) the Company voluntarily dissolves or ceases to exist, or any final and nonappealable order or judgment is entered against the Company ordering its dissolution; (c) the Company: (i) makes an assignment for the benefit of creditors; (ii) commences a voluntary bankruptcy case; (iii) files a petition or answer seeking for the

Company any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or rule; (iv) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company in any proceeding of this nature; or (v) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Company or of all or any substantial part of the Company's properties; (d) an involuntary bankruptcy case against the Company is commenced and is not dismissed on or before the 120th day after the commencement of the case; or (e) a court: (i) adjudicates the Company as bankrupt or insolvent; or (ii) appoints, without the Company's consent, a trustee, receiver, or liquidator either of the Company or of all or any substantial part of the Company's properties that is not: (A) vacated or stayed on or before the 90th day after appointment; or (B) vacated on or before the 90th day after expiration of a stay.

9) **Remedies**. Upon the occurrence and during the continuation of an Event of Default, Holder may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently: (a) upon notice to the Company, the right to accelerate the due dates under this Note so that the unpaid principal amount, together with accrued but unpaid interest, is immediately due in its entirety; or (b) any other remedy available to Holder at law, under agreement, or in equity.

10) **No Negotiation; Assignment**. This Note is nonnegotiable and may not be sold, assigned, or otherwise negotiated to any person without the prior written consent of the Company, which the Company may withhold in the Company's sole discretion. This Note may not be assigned by the Company without the prior written consent of Holder.

11) **Binding Effect**. This Note will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

12) **Amendment**. This Note may be amended only by a written document signed by the party against whom enforcement is sought.

13) **Waiver**. The Company waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Holder may extend or postpone the due date of any payment required by this Note without affecting the Company's liability. No waiver will be binding on Holder unless it is in writing and signed by Holder. Holder's waiver of a breach of a provision of this Note will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

14) **Severability**. If a provision of this Note is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Note will not be impaired.

15) **Notices**. All notices, requests, demands, consents, instructions, or other communications required or permitted hereunder shall be in writing and emailed, mailed, or delivered to each Party at the addresses below or at such other addresses as the Parties shall have furnished to each other in writing.

If to the Holder: [INSERT NOTICE INFORMATION]

If to the Company: Golden Harvests, LLC
333 Morton Street
Bay City, Michigan 48706
E-mail: david@golden-harvests.com
Attn: David Pleitner

All such notices and communications will be deemed effectively given the earlier of (a) when received, (b) when delivered personally, (c) if by email, on the first business day after confirmed transmission, (d) one (business day after being deposited with a nationally recognized overnight courier for next day delivery, or (e) three days after being deposited in the U.S. mail, as evidenced by the postmark, first class with postage prepaid

16) **Governing Law.** This Note is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Note.

17) **Venue.** Any action, suit, or proceeding arising out of the subject matter of this Note will be litigated in courts located in Multnomah County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Multnomah County, Oregon.

18) **Attorney's Fees.** If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Note, or otherwise in connection with the subject matter of this Note, including but not limited to any proceeding brought under the United States Bankruptcy Code, each party thereto shall be responsible for its own attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

[*signature page follows*]

The parties hereto have executed this Note as of the date first above written.

Company:

Golden Harvests, LLC

By: _____
Name: David Pleitner
Title: Manager

Accepted by Holder:

_____
Jackie Haas

_____
Mario Vassallo

Exhibit 4.6

THE SECURITIES TO WHICH THIS PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE, AND WILL BE ISSUED IN RELIANCE UPON AVAILABLE EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE REOFFERED OR RESOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

GROWN ROGUE INTERNATIONAL INC.
(the "**Issuer**")

SUBSCRIPTION AGREEMENT
Common Shares and Warrants

The offering will be completed in two tranches (the "**Offering**"). Under the first tranche, common shares of the Issuer will be offered at a price of $0.125 (each, a "**Offered Share**"). The first tranche Closing shall occur within 5 Business Days of the date of this Agreement.

Under the second tranche, units of the Issuer (each, a "**Unit**") will be offered at a price equal to the greater of $0.125 and the 10 trading day VWAP prior to the date of the second tranche Closing (the "**Second Tranche Issuance Price**"). Each Unit under the second tranche closing will be comprised of one common share of the Issuer and one whole common share purchase warrant (each, a "**Warrant**") entitling the holder to purchase one common share of the Issuer (each, a "**Warrant Share**") at an exercise price equal to the 25% premium to the Second Tranche Issuance Price for a period of two years after the second tranche Closing. The Issuer has the right to accelerate the expiry date of the Warrants to be thirty (30) days following written notice to the holder if during the term the common shares of the Issuer close at or above a price that is double the Second Tranche Issuance Price on each trading day for a period of ten (10) consecutive trading days on the Exchange. The second tranche Closing shall be completed within 120 of the date of this Agreement.

The Offered Shares and Units will be offered in Canada, in the United States and in such other jurisdictions outside of Canada and the United States as the Issuer may determine, pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. The Offered Shares and Units shall further have, and the Offering shall further be conducted on, the terms and conditions specified in Schedules A and B hereto.

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION PRIOR TO DELIVERY TO THE ISSUER

1. The subscriber (the "**Subscriber**") must complete the information required on page 2 with respect to subscription amounts, subscriber details and registration and delivery particulars.

2. The Subscriber must complete the personal information required on page 4. The Subscriber acknowledges and agrees that this information may be provided to the Canadian Securities Exchange (the "**Exchange**") and the applicable securities regulatory authorities, as applicable.

3. The Subscriber must complete the applicable form (the "**Form**") at the end of Schedule B namely **Form 1 – "U.S. Purchaser Certificate".**

4. Return this subscription, together with the Form, to the Corporation, Attn: J. Obie Strickler, 340 Richmond Street West, Toronto, Ontario M5V 1X2or by e-mail to obie@grownrogue.com with payment for the total subscription price for the subscribed securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

TO: GROWN ROGUE INTERNATIONAL INC.

1. The Subscriber irrevocably subscribes for and agrees to purchase from the Issuer the following securities:

No. of Offered Shares at $0.125 each under the first tranche Offering:	●2,031,784
No. of Units at the Second Tranche Issuance Price under the second tranche Offering:	The number of Units equal to US$200,000 divided by the Second Tranche Issuance Price
Total subscription price for the subscribed securities:	US$400,000

2. The Subscriber and the Issuer agree that the Offered Shares and Units shall have, and the Offering thereof shall be conducted on, the terms and conditions specified in this Agreement, which includes Schedules A and B hereto. The Subscriber hereby makes the representations, warranties, acknowledgments and agreements set out in Schedules A and B hereto and in the Form, and acknowledges and agrees that the Issuer and its counsel will and can rely on such representations, warranties, acknowledgments and agreements should this subscription be accepted by the Issuer.

3. Identity of and execution by Subscriber:

BOX A: SUBSCRIBER INFORMATION AND EXECUTION		
Jakob Iotte		
5800 Central Gardens Way Apt 303, Palm Beach Gardens, FL 33418		/s/ Jakob Iotte
920-450-7292	jakobiotte1@gmail.com	Jakob Iotte

Execution hereof by the Subscriber shall constitute an offer and agreement to subscribe for such number of Offered Shares and Units for such total subscription price as set out in Item 1 above pursuant to the provisions of Item 2 above, and acceptance by the Issuer shall effect a legal, valid and binding agreement between the Issuer and the Subscriber. This subscription may be executed and delivered in counterparts and by facsimile, and shall be deemed to bear the date of acceptance below.

4. If the Offered Shares and Units are to be registered other than as set out in Box A, the Subscriber directs the Issuer to register and deliver the Offered Shares and Units as follows:

BOX B: ALTERNATE REGISTRATION INSTRUCTIONS
(name of registered holder)
(address of registered holder – include city, province/state and postal/zip code)
(registered holder: contact name, contact telephone number and contact email address)

5. If the Offered Shares and Units are to be delivered other than as set out in Box A (or if completed, Box B), the Subscriber directs the Issuer to deliver the Offered Shares and Units as follows:

BOX C: ALTERNATE DELIVERY INSTRUCTIONS
(name of recipient)
(address of recipient – include city, province/state and postal/zip code)
(recipient: contact name, contact telephone number and contact email address)

ACCEPTANCE

The Issuer hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

This subscription is accepted and agreed to by the Issuer as of the _____ day of _____, 2020.	)	**GROWN ROGUE INTERNATIONAL INC.**
	)	Per: /s/ J. Obie Strickler
	)	Authorized Signatory

PERSONAL INFORMATION

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercise control or direction over (provide additional details as applicable):

   ☒ 2,031,784 common shares of the Issuer and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Issuer:

   ☐ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status.** The Subscriber either:

   ☐ Is an "Insider" of the Issuer as defined in the *Securities Act* (Ontario), by virtue of being:

   (a) a director or an officer of the Issuer;

   (b) a director or an officer of a person that is an Insider or subsidiary of the Issuer;

   (c) a person that has

   (i) beneficial ownership of, or control or direction over, directly or indirectly, or

   (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

   securities of the Issuer carrying more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

   ☒ Is not an Insider of the Issuer.

3. **Registrant Status.** The Subscriber either:

   ☐ Is a "Registrant" by virtue of being a person registered or required to be registered under the *Securities Act* (Ontario) or other applicable securities laws; or

   ☒ Is not a Registrant.

   "**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to the applicable securities laws, or a person (as that term is defined herein) registered or otherwise required to be registered under applicable securities laws.

SCHEDULE A

1. Interpretation

1.1 Unless the context otherwise requires, reference in this subscription to:

(a) "**Agreement**" means this subscription agreement, including all schedules, forms and other attachments attached thereto;

(b) "**Applicable Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders and notices of, the applicable securities regulatory authority or authorities of the applicable jurisdiction or jurisdictions as the case may be;

(c) "**Business Day**" means a day which is not a Saturday, Sunday, or civic or statutory holiday on which Canadian chartered banks are open for the transaction of regular business in the city of Toronto, Ontario;

(d) "**Closing**" refers to the completion of the purchase and sale of the Offered Shares and Units, as the case may be, and if the purchase and sale occurs in two or more tranches, the respective completion of the purchase and sale of Offered Shares and Units, as the case may be, shall be the "Closing" in respect of those securities;

(e) "**Closing Time**" means the time of Closing;

(f) "**Exchange**" means the Canadian Securities Exchange;

(g) "**Exemptions**" has the meaning set out in section 3.1 of this Schedule A;

(h) "**Form**" means the form attached to and forming a part of this subscription, including all further schedules, exhibits and other appendices to such Form;

(i) "**NI 45-102**" and "**NI 45-106**" refer to National Instrument 45-102 *Resale of Securities* and National Instrument 45-106 *Prospectus Exemptions*, respectively, of the Canadian Securities Administrators;

(j) "**Offered Share**" has the meaning set out on the first page of this Agreement;

(k) "**Offering**" has the meaning set out on the first page of this Agreement;

(l) "**Public Record**" refers to all public information which has been filed by the Issuer pursuant to Applicable Securities Laws;

(m) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(n) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(o) "**Second Tranche Issuance Price**" has the meaning set out on the first page of this Agreement;

(p) "**Securities**" has the meaning set out in section 2.3 of this Schedule A;

(q) "**Selling Jurisdictions**" means Canada, the United States and such other jurisdictions outside of Canada and the United States where the Issuer may conduct the Offering;

(r) "**subscription**" or "**subscription agreement**" means this subscription agreement and includes all schedules hereto and the Form;

(s) "**Unit**" has the meaning set out on the first page of this Agreement;

(t) "**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S; and for greater certainty, "U.S. Person" includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose

of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person;

(u) "**U.S. Purchaser**" means a Subscriber that (i) has been offered the Offered Shares and Units in the United States, (ii) executed this subscription agreement or otherwise placed its purchase order for Offered Shares and Units in the United States, or (iii) is, or is acting on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.

(v) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

(w) "**Warrant**" has the meaning set out on the first page of this Agreement; and

(x) "**Warrant Share**" has the meaning set out on the first page of this Agreement.

1.1 In the subscription, the terms "**designated offshore securities market**", "**directed selling efforts**", "**foreign issuer**" and "**United States**" have the meanings prescribed in Regulation S.

1.2 Unless otherwise stated, all dollar figures herein expressed are in Canadian Dollars.

1.3 References imputing the singular shall include the plural and vice versa; references imputing individuals shall include corporations, partnerships, societies, associations, trusts and other artificial constructs and vice versa; and references imputing gender shall include the opposite gender.

2. <u>Description of Offering and Securities</u>

2.1 The Offering will be completed in two tranches. Under the first tranche, common shares of the Issuer will be offered at a price of $0.125. The first tranche Closing shall occur within 5 Business Days of the date of this Agreement.

2.2 Under the second tranche, units of the Issuer will be offered at a price equal to the greater of $0.125 and the 10 trading day VWAP prior to the date of the second tranche Closing. Each Unit under the second tranche closing will be comprised of one common share of the Issuer and one Warrant entitling the holder to purchase one Warrant Share at an exercise price equal to the 25% premium to the Second Tranche Issuance Price for a period of two years after the second tranche Closing. The Issuer has the right to accelerate the expiry date of the Warrants to be thirty (30) days following written notice to the holder if during the term the common shares of the Issuer close at or above a price that is double the Second Tranche Issuance Price on each trading day for a period of ten (10) consecutive trading days on the Exchange. The second tranche Closing shall be completed within 120 of the date of this Agreement.

2.3 The Offered Shares, Units and the Warrant Shares are also collectively referred to herein as the "**Securities**". The Issuer may, in its discretion and subject to the approval of the Exchange, increase the size of the Offering and/or offer or sell additional securities concurrently with the Offering and/or the Issuer may, in the future in its sole discretion and without notice to the Subscriber, offer or sell additional securities. The Offering is not subject to any minimum aggregate offering and there can be no assurances that the Issuer will raise sufficient funds, through the Offering or otherwise, to meet its objectives.

3. <u>Eligibility and Subscription Matters</u>

3.1 The Offering is being made pursuant to exemptions (the "**Exemptions**") from the registration and prospectus requirements of the Applicable Securities Laws. The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, acknowledgments and agreements of the Subscriber contained in this Agreement both at the date hereof and at the time of each Closing and otherwise provided by the Subscriber to the Issuer to determine the availability of Exemptions should this subscription be accepted.

3.2 The Offering is not, and under no circumstances is to be construed as, a public offering of the Securities. The Offering is not being made, and this subscription does not constitute, an offer to sell or the solicitation of an offer to

buy the Securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

3.3 Subscribers must duly complete and execute this subscription together with the Form hereto (**please see the Instructions listed on the face page hereof**) and return them to the Issuer with payment for the total subscription price for the subscribed Offered Shares and Units by way of a certified cheque, money order or bank draft made payable to a certified cheque, bank draft or wire transfer or other acceptable form of payment to the Issuer for the total Subscription Amount:

Subscription Procedure: Subscription forms should be filled out, signed and delivered with payment to:
Grown Rogue International Inc.
340 Richmond Street West
Toronto, Ontario M5V 1X2
Attn: J. Obie Strickler (obie@grownrogue.com

3.4 Subscriptions are irrevocable subject to the right of the Issuer to terminate the Offering.

3.5 A subscription will only be effective upon its acceptance by the Issuer. Subscriptions will only be accepted if the Issuer is satisfied that, and will be subject to a condition for the benefit of the Issuer that, the Offering can lawfully be made in the jurisdiction of residence of the Subscriber pursuant to an available Exemption and that all other Applicable Securities Laws have been and will be complied with in connection with the proposed distribution. The Issuer may, in its absolute discretion, accept or reject the Subscriber's subscription for the Offered Shares or Units as set forth in this subscription in whole or in part. The Issuer reserves the right to allot to the Subscriber less than the number of Securities subscribed for under this Agreement. The Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional upon, among other things, the sale of the Securities to the Subscriber being exempt from any prospectus requirements of Applicable Securities Laws. This Agreement shall be deemed to be accepted only when signed by a duly authorized representative of the Issuer.

3.6 If this subscription is rejected in whole by the Issuer, any certified cheque, money order, bank draft or other form of payment delivered by the Subscriber to the Issuer on account of the aggregate subscription price for the Offered Shares or Units subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this subscription is accepted only in part by the Issuer, payment representing the amount by which the payment delivered by the Subscriber to the Issuer exceeds the subscription price of the number of Offered Shares or Units sold to the Subscriber pursuant to a partial acceptance of this subscription will be promptly delivered to the Subscriber without any interest paid on such amount.

3.7 No offering memorandum or other disclosure document has been prepared or will be delivered to the Subscriber in connection with the Offering, and the Subscriber hereby expressly acknowledges and confirms that it has not received, and has no need for, an offering memorandum or other disclosure document in connection with the Offering.

4. <u>Closing Conditions and Closing Procedure</u>

4.1 Prior to any Closing, the Subscriber will deliver to the offices of the Issuer aggregate subscription funds and subscription documents completed in accordance with the instructions on the face page of this Agreement. On request by the Issuer, the Subscriber agrees to complete and deliver any other documents, questionnaires, notices and undertakings as may possibly be required by regulatory authorities, stock exchanges and Applicable Securities Laws to complete the transactions contemplated by this Agreement.

4.2 The separate tranche Closings will occur on the Closing Date at which time certificates representing the Offered Shares and Units will be available against payment of funds for delivery to the Subscriber as the Subscriber will instruct.

4.3 The Subscriber agrees to subscribe for a number of Offered Shares and Units that total of a purchase price of no less than US$400,000 and which will be completed in two tranches as described in this Agreement.

4.4 The Issuer shall deliver to the Subscriber, at each applicable Closing Date, certificates representing the Offered Shares and Units, as the case may be, together with evidence satisfactory to the Subscriber that the registers of the Issuer have been updated to reflect such issuance.

5. Reporting and Consent

5.1 The Subscriber expressly consents and agrees to:

(a) the Issuer collecting personal information regarding the Subscriber for the purpose of completing the transactions contemplated by this Agreement; and

(b) the Issuer releasing personal information regarding the Subscriber and this Subscription, including the Subscriber's name, residential address, telephone number, email address and registration and delivery instructions, the number of Securities purchased, the number of securities of the Issuer held by the Subscriber, the status of the Subscriber as an insider or registrant, or as otherwise represented herein, and, if applicable, information regarding the beneficial ownership of the principals of the Subscriber, to securities regulatory authorities in compliance with Applicable Securities Laws, to other authorities as required by law and to the registrar and transfer agent of the Issuer for the purpose of arranging for the preparation of the certificates representing the Securities in connection with the Offering.

The purpose of the collection of the information is to ensure the Issuer and its advisers will be able to issue Securities to the Subscriber in accordance with the instructions of the Subscriber and in compliance with applicable Canadian corporate and securities laws and Canadian Securities Exchange policies, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Securities Laws and with other authorities as required by law. The Subscriber further expressly consents and agrees to the collection, use and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including the provision of all such personal information to third party service providers from time to time.

The contact information for the officer of the Issuer who can answer questions about the collection of information by the Issuer is as follows:

Name & Title:	J. Obie Strickler, CEO
Issuer Name:	**Grown Rogue International Inc.**
Address:	340 Richmond Street West, Toronto, ON M5V 1X2 Canada
Telephone No:	541-613-7173

5.2 The Subscriber expressly acknowledges and agrees that:

(a) the Issuer may be required to provide applicable securities regulators, or otherwise under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* of Canada, a list setting forth the identities of the purchasers of the Securities and any personal information provided by the Subscriber, and the Subscriber hereby represents and warrants that to the best of the Subscriber's knowledge, none of the funds representing the subscription proceeds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; the Subscriber hereby further covenants that it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Issuer with appropriate information in connection therewith;

(b) the Subscriber is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism ("**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations ("**UNAQTR**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea ("**UNRDPRK**"), the Regulations Implementing the United Nations Resolution on Iran ("**RIUNRI**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**") or any other similar statute;

(c) the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder pursuant to the PCMLA, the Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRI, the Zimbabwe Regulations, the Burma Regulations or any other similar statute; and

(d) the Subscriber shall complete, sign and return such additional documentation as may be required from time to time under Applicable Securities Laws or any other applicable laws in connection with the Offering and this subscription.

5.3 The Subscriber authorizes the indirect collection of Personal Information (as hereinafter defined) by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 *Definitions*) and confirms that the Subscriber has been notified by the Issuer:

(a) that the Issuer will be delivering Personal Information to the securities regulatory authority or regulator;

(b) that the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it in Applicable Securities Laws;

(c) that such Personal Information is being collected for the purpose of the administration and enforcement of Applicable Securities Laws; and

(d) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as follows:

(i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: inquiries@bcsc.bc.ca;

(ii) Alberta Securities Commission, Suite 600, 250 – 5th Street, SW Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;

(iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5879, Facsimile: (306) 787-5899;

(iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;

(v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca, Public official contact regarding indirect collection of information: Inquiries Officer;

(vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Facsimile: (514) 864-6381 (For privacy requests only), Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers);

(vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street,, Suite 300 Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;

(viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;

(ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283; and

(x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187.

"**Personal Information**" means any personal information as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time and without limiting the foregoing, but for greater clarity in this Agreement, means information about an identifiable individual, including but not limited to any information about the Subscriber and includes information provided by the Subscriber in this Agreement.

6. Resale Restrictions and Legending of Securities

6.1 The Subscriber hereby acknowledges and agrees that the Offering is being made pursuant to Exemptions and, as a result, the Securities will be subject to a number of statutory restrictions on resale and trading. Until these restrictions expire, the Subscriber will not be able to sell or trade the Securities unless the Subscriber complies with an Exemption from the prospectus and registration requirements under Applicable Securities Laws. In general, unless permitted under securities legislation, the Subscriber cannot trade the Securities in Canada before the date that is four months and a day after the date of the Closing. **See also section 6.3 below**.

6.2 The Subscriber acknowledges and agrees that:

(a) the Securities have not been and will not be registered under the U.S. Securities Act, or any State securities laws, and may not be offered and sold, directly or indirectly, to a U.S. Purchaser without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available;

(b) the Issuer has no present intention and is not obligated under any circumstances to register the Securities, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Purchaser, and in particular, the Subscriber and the Issuer further acknowledge and agree that the Issuer is hereby required to refuse to register any transfer of the Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration; and

(c) any Warrants may not be exercised in the United States or by or on behalf of any U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available and the holder of such Warrant furnishes the Issuer with a legal opinion of counsel satisfactory to the Issuer to that effect.

6.3 **The foregoing discussion on hold periods and resale restrictions is a general summary only and is not intended to be comprehensive or exhaustive, or to apply in all circumstances.** Subscribers are advised to consult with their own advisers concerning their particular circumstances and the particular nature of the restrictions on transfer, the extent of the applicable hold period and the possibilities of utilizing any further Exemptions or the obtaining of a discretionary order to transfer any Securities. Subscribers are further advised against attempting to resell or transfer any Securities until they have determined that any such resale or transfer is in compliance with the requirements of all Applicable Securities Laws, including but not limited to compliance with restrictions on certain pre-trade activities and the filing with the appropriate regulatory authority of reports required upon any resale of the Securities.

6.4 In the event that any of the Securities are subject to a hold period or any other restrictions on resale and transferability, the Issuer will place a legend on the certificates representing the Securities as are required under Applicable Securities Laws, by the Exchange or as the Issuer may otherwise deem necessary or advisable.

7. Miscellaneous

7.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber, including any fees and disbursements of any special counsel retained by the Subscriber, relating to the purchase, resale or transfer of the Securities, shall be borne by the Subscriber.

7.2 Except as expressly provided for in this subscription and in any agreements, instruments and other documents contemplated or provided for herein, this subscription contains the entire agreement between the parties with respect to the sale of the Offered Shares and Units and there are no other terms, conditions, representations, warranties, acknowledgments and agreements, whether expressed or implied, whether written or oral, and whether made by statute, common law, the parties hereto or anyone else. This subscription may only be amended by instrument in writing signed by the parties hereto.

7.3 Each party to this subscription covenants that it will, from time to time both before and after the Closing, at the request and expense of the requesting party, promptly execute and deliver all such other notices, certificates, undertakings, escrow agreements and other instruments and documents, and shall do all such other acts and other things, as may be necessary or desirable for purposes of carry out the provisions of this subscription.

7.4 The invalidity, illegality or unenforceability of any particular provision of this subscription shall not affect or limit the validity, legality or enforceability of the remaining provisions of this subscription.

7.5 This subscription, including without limitation the terms, conditions, representations, warranties, acknowledgments and agreements contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber and the Issuer notwithstanding the completion of the purchase and sale of the Offered Shares and Units, the conversion or exercise of any Securities and any subsequent disposition thereof by the Subscriber.

7.6 This subscription is not transferable or assignable. This subscription shall enure to the benefit of and be binding upon the parties hereto and its respective successors and permitted assigns.

7.7 This subscription is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in his personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

7.8 The Issuer shall be entitled to rely on delivery of a facsimile or portable document format ("**pdf**") copy of the executed subscription, and acceptance by the Issuer of such facsimile or pdf subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this subscription is delivered to the Issuer at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions, unaltered, of the pages not delivered at Closing.

7.9 This subscription may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

7.10 The parties hereto acknowledge and confirm that they have requested that this subscription as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

7.11 Time shall be of the essence hereof.

SCHEDULE B

1. Representations, Warranties, Covenants, Acknowledgments and Agreements of the Subscriber

1.1 The Subscriber hereby represents, warrants, covenants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) the Subscriber is resident in the jurisdiction set out on page 2 above, and if such address is not located in Ontario, the Subscriber expressly certifies that it is not resident in Ontario;

(b) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities, and in particular no governmental agency or authority, stock exchange or other regulatory body or any other entity has made any finding or determination as to the merit for investment of, nor have any such agencies, authorities, exchanges, bodies or other entities made any recommendation or endorsement with respect to, the Securities;

(c) there is no government or other insurance covering the Securities;

(d) there are risks associated with the purchase of the Securities, which are speculative investments that involve a substantial degree of risk, and the Subscriber may lose his, her or its entire investment. The Subscriber has carefully reviewed and is aware of all of the risk factors related to the purchase of Securities of the Issuer. There is no person acting or purporting to act on behalf of the Subscriber (including any beneficial Subscriber), in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Offered Shares or Units, the Subscriber covenants to indemnify and hold harmless the Issuer with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(e) there are restrictions on the Subscriber's ability to resell the Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Securities;

(f) the Issuer has advised the Subscriber that it is relying on one or more exemptions from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Applicable Securities Laws, and as a consequence of acquiring the Securities pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it;

(g) the Subscriber has been further advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Securities under Applicable Securities Laws (i) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Issuer is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Subscriber is restricted from using certain of the civil remedies available under such legislation;

(h) the Subscriber has had access to all information regarding the Issuer and the Securities that the Subscriber has considered necessary in connection with its investment decision, and, in particular, the Subscriber's decision to execute this Agreement and purchase the Offered Shares and Units has been based entirely upon its review of the Public Record, including the Issuer's financial statements, and has not been based upon any written or oral representation or warranty as to fact or otherwise made by or on behalf of the Issuer;

(i) no person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Securities, (ii) that any person will refund the purchase price for the Securities, (iii) as to the future price or value of the Securities, or (iv) that the Securities will be listed and posted for trading on any stock exchange;

(j) the Subscriber is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Securities, and is and will be able to bear the economic loss of its entire investment in any of the Securities and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment;

(k) the Subscriber has been advised to consult its own investment, legal and tax advisers with respect to the merits and risks of an investment in the Securities and Applicable Securities Laws and resale restrictions, and in all cases the Subscriber has not relied upon the Issuer or its counsel or advisers for investment, legal or tax advice, always having, if desired, in all cases sought the advice of the Subscriber's own personal investment adviser, legal counsel and tax advisers, and in particular, the Subscriber has been advised and understands that it is solely responsible, and none of the Issuer or its counsel or advisers are in any way responsible, for the Subscriber's compliance with Applicable Securities Laws and resale restrictions regarding the holding and disposition of the Securities;

(l) the Subscriber has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Agreement, restrictions with respect to trading in the Securities imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation has been made to it by or on behalf of the Issuer with respect thereto, acknowledges that it is aware of the characteristics of the Securities, the risks relating to an investment therein and of the fact that it may not be able to resell the Securities except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with the other requirements of applicable law;

(a) to the knowledge of the Subscriber, the Offering was not advertised or solicited in any manner in contravention of Applicable Securities Laws, and has not been made through or as a result of any general solicitation or general advertising or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Offered Shares and Units;

(b) the Subscriber has no knowledge of a "material fact" or "material change", as those terms are defined in the Applicable Securities Laws applicable in its jurisdiction of residence, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

(c) the Subscriber is not a "control person" as defined in the policies of the Exchange, will not become a "control person" by virtue of purchasing the Offered Shares and Units as contemplated herein, or any further acquisition of any Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;

(d) the Subscriber has the legal capacity and competence to enter into and execute this subscription and to take all actions required pursuant hereto, and if the Subscriber is not an individual, it is also duly formed and validly subsisting under the laws of its jurisdiction of formation and all necessary approvals by its directors, shareholders, partners and others have been obtained to authorize the entering into and execution of this subscription and the taking of all actions required hereto on behalf of the Subscriber. If the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which the Agreement is executed and is legally competent to execute this Agreement and take all action pursuant hereto;the Subscriber, or each principal/beneficial purchaser for whom it is acting, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or, each principal/beneficial purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment. The Subscriber is familiar with the aims and objectives of the Issuer and is informed of the nature of its activities;

(e) none of the funds the Subscriber is using to purchase the Securities are, to the best knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(f) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Agreement and the transactions contemplated herein can be consummated by the Subscriber;

(g) the Subscriber has duly and validly entered into, executed and delivered this Agreement and it constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

(h) the entering into of this subscription and the transactions contemplated hereby does not and will not, conflict with, result in a violation or breach of, or constitute a default under, any of the terms and provisions of any law, regulation, order or ruling applicable to the Subscriber, or of any agreement, contract or indenture, written or oral, to which it is or may be a party or by which it is or may be bound, and, if the Subscriber is a corporation, its constating documents or any resolutions of its directors or shareholders;

(i) you acknowledge that legal counsel retained by the Issuer is acting as counsel to the Issuer and not as counsel to you and you may not rely upon such counsel in any respect;

(j) the Subscriber is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered under National Instrument 31-103 – *Registration Requirements and Exemptions* (or, in Québec, Regulation 31-103 *respecting Registration Requirements and Exemptions*);

(k) with respect to compliance with the U.S. Securities Act:

(i) none of the Securities have been registered under the U.S. Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(ii) the Subscriber is neither an underwriter of, or dealer in, the common shares of the Issuer, nor participating, pursuant to a contractual agreement or otherwise, in the distribution of the Securities;

(iii) the Subscriber is acquiring the Securities for investment only and not with a view to resale or distribution and, in particular, has no intention to distribute, directly or indirectly, all or any of the Securities to U.S. Purchasers, and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or person in the United States respecting (A) the transfer or assignment of any rights or interests in any of the Securities; (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this subscription or the Securities; or (C) the voting of any securities offered hereby or underlying any securities offered hereby;

(iv) any person who acquires Securities may at the Issuer's discretion be required to provide the Issuer with written certification that it is not a U.S. Purchaser; and

(v) the current structure of this transaction and all transactions and activities contemplated hereunder, and the Subscriber's participation therein, is not a scheme to avoid the registration requirements of the U.S. Securities Act;

(l) if the Subscriber is a U.S. Purchaser:

(i) the Subscriber, by completing Form 1 – U.S. Purchaser Certificate, is representing and warranting to the Issuer that the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Offered Shares and Units, including the potential loss of its entire investment, is aware of the characteristics of the Offered Shares and Units and understands the risks relating to an investment therein, is able to bear the economic risk of loss of its investment in the Offered Shares and Units, and that all information contained in the Subscriber's completed Form 1 – U.S. Purchaser Certificate is complete and accurate in all respects and may be relied upon by the Issuer;

(ii) the Subscriber will not acquire the Securities as a result of, and will not itself engage in, any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Securities pursuant to registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(iii) the Subscriber and their adviser(s) have had a reasonable opportunity to ask questions of and receive answers from the Issuer in connection with the distribution of the Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(iv) the Subscriber hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under Applicable Securities Laws, the certificates representing any of the Securities will bear legends in substantially the form set forth on Form 1 hereto;

(v) the Issuer will refuse to register any transfer of the Securities not made pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available Exemption from the registration requirements of the U.S. Securities Act or pursuant to Regulation S; and

(vi) the statutory and regulatory basis for the Exemption claimed for the offer of the Securities would not be available if the Offering is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act;

(m) the Issuer may complete additional financings in the future to develop the business of the Issuer and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

(n) the Subscriber has not received, nor does it expect to receive, any financial assistance from the Issuer, directly or indirectly, in respect of the Subscriber's purchase of the Securities;

(o) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Securities subscribed for hereunder following the Closing;

(p) the Subscriber is purchasing the Offered Shares and Units as principal for investment purposes only, for its own account and not for the benefit of any other person and not with a view to, or for resale in connection with, any distribution thereof in violation of any Applicable Securities Laws; and

(q) if not an individual, the Subscriber is a person described in section 2.10 of NI 45-106 by virtue of the Offered Shares and Units having an acquisition cost to the purchaser of not less than $150,000 paid in cash, and provided that it is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106.

8. Reliance, Notification, Indemnity and Survival

8.1 The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, certifications, acknowledgments and agreements of the Subscriber contained in this subscription and otherwise provided by the Subscriber to and with the Issuer to determine the availability of Exemptions should this subscription be accepted, and otherwise in completing the offering, issue and sale of the Securities to the Subscriber in accordance with applicable laws. The Subscriber covenants and agrees to provide to the Issuer evidence of the Subscriber's qualifications for the Exemption immediately upon request by the Issuer.

8.2 The Subscriber undertakes to notify the Issuer immediately of any change in any representation, warranty or other information pertaining to the Subscriber herein or otherwise provided in connection with this subscription which takes place prior to Closing.

8.3 The Subscriber acknowledges that the Issuer and its counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber to purchase the Offered Shares and Units under the Offering, and hereby agrees to indemnify the Issuer and its directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including its legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. To the extent that any person entitled to be indemnified hereunder is not a party to this subscription, the Issuer shall obtain and hold the rights and benefits of this subscription in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this subscription.

8.4 The representations, warranties, acknowledgements and agreements made by the Subscriber in this subscription and otherwise provided by the Subscriber and the Issuer shall be true and correct as of the date of execution of this subscription and as of each Closing as if repeated thereat, and shall survive the Closing.

FORM 1

U.S. PURCHASER CERTIFICATE

In addition to the representations, warranties, acknowledgments and agreements contained in the subscription agreement (the "**subscription**") to which this Form 1 – U.S. Purchaser Certificate is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Securities set out in the subscription as principal, that the Subscriber is a resident of the jurisdiction of its disclosed address set out in the Subscriber's information on page 2 of the subscription, and:

1. The Subscriber hereby represents, warrants, acknowledges and agrees to and with the Issuer that the Subscriber:

   (a) is a U.S. Purchaser;

   (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the subscription and it is able to bear the economic risk of loss arising from such transactions;

   (c) is acquiring the Securities for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Securities in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Securities in the United States or to U.S. Persons; provided, however, that the Subscriber may sell or otherwise dispose of any of the Securities pursuant to registration thereof pursuant to the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and any applicable State securities laws or if an exemption from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;

   (d) is not acquiring the Securities as a result of any form of "general solicitation" or "general advertising", as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the Internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

   (e) understands the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the sale contemplated hereby is being made in reliance on an Exemption from such registration requirements provided by Section 4(a)(2) of the U.S. Securities Act and available exemptions under applicable State securities laws.

   (f) if an individual, is a resident of the state or other jurisdiction of its disclosed address set out in the Subscriber's information on page 2 of its subscription; or if not an individual, has received and accepted the offer to acquire the Securities at the office of the Subscriber at the disclosed address set out in the Subscriber's information on page 2, of its subscription.

2. The Subscriber acknowledges and agrees that:

   (a) the Subscriber has not acquired the Securities as a result of, and will not itself engage in any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Securities pursuant to registration of any of the Securities pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;

   (b) if the Subscriber decides to offer, sell or otherwise transfer any of the Securities, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

      (i) the sale is to the Issuer;

(ii) the sale is made outside of the United States pursuant to the requirements of Rule 904 of Regulation S;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder if available and in accordance with any applicable state securities or "Blue Sky" laws; or

(iv) the Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state laws and regulations governing the offer and sale of securities,

and, in the case of paragraphs (iii) and (iv), the Subscriber has prior to such sale furnished to the Issuer an opinion of counsel of recognized standing in form and substance satisfactory to the Issuer;

(c) upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. State laws and regulations, the certificates representing any of the Securities will bear a legend in substantially the following form:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

and provided that if any of the Securities are being sold by the Subscriber in an off-shore transaction and in compliance with the requirements of Rule 904 of Regulation S, at a time when the Issuer is a "foreign issuer" as defined in Rule 902 of Regulation S, the legend set forth above may be removed by providing a declaration to the Issuer and its transfer agent or such other evidence as the Issuer or its transfer agent may from time to time prescribe (which may include an opinion of counsel satisfactory to the Issuer and its transfer agent), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S;

and provided further, that if any of the Securities are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Issuer's transfer agent of an opinion satisfactory to the Issuer and its transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(d) any Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless registered under the U.S. Securities Act and any applicable state securities laws unless an exemption from such registration requirements is available and upon the original issuance of the Warrants, and until such time as it is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, all certificates representing the Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

"THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(e) the Issuer may make a notation on its records or instruct the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein and the subscription;

(f) the Subscriber understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Rule 902 of Regulation S, (ii) may not, at the time the Securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer;

(g) the Subscriber understands and agrees that the financial statements of the Issuer have been prepared in accordance with international Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(h) the Subscriber understands that the Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the Securities and Exchange Commission (the "**SEC**") provide in substance that the Subscriber may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Securities indefinitely or to transfer the Securities in the United States or to U.S. Persons in "private placements" which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Securities for an indefinite period of time; and

(i) the funds representing the subscription price which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to the subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and that no portion of the subscription price to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Subscriber, and it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the subscription to which this Certificate is attached.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 2021.

If a corporation, partnership or other entity:	**If an individual:**
Print Name of Subscriber	*Jakob Iotte*
Signature of Authorized Signatory	/s/ Jakob Iotte
Name and Position of Authorized Signatory	
Jurisdiction of Residence of Subscriber	*Florida*

Exhibit 4.7

NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this "**Agreement**") is dated effective January 27, 2021 (the "**Effective Date**") between KW Capital Partners LTD. ("**Purchaser**") and Grown Rogue Distribution, LLC, an Oregon limited liability company (the "**Company**"). The Company and Purchaser are sometimes referred to each individually as a "**Party**" and collectively as the "**Parties**."

SECTION 1. NOTE

1.1 **Purchase of Note**. Contemporaneously with the signing and delivery of this Agreement, Purchaser will buy from the Company a nonnegotiable promissory note in the principal amount of $250,000 in the form attached as Exhibit A (the "**Note**"). This Agreement is being entered into as part of a series of Note Purchase Agreements (together with this Agreement, the "**NPAs**") being entered into by the Company with certain investors pursuant to which the Company is issuing a series of notes (together with this Note, the "**Notes**") to be issued under the NPAs. The other Notes have substantially similar terms, including interest rate, maturity, and repayment terms, as the Note. There is no minimum or maximum amount the Company may raise through the issuance of Notes pursuant to NPAs and Purchaser's obligation to purchase the Note pursuant to this Agreement is not conditioned upon, or otherwise subject to, the Company selling Notes for a certain minimum or maximum principal amount.

1.2 **Purchase Price**. The purchase price for the Note is $250,000 (the "**Purchase Price**").

1.3 **Payment and Issuance**. Contemporaneously with the signing and delivery of this Agreement:

(a) Purchaser shall pay the Purchase Price by delivering it to the Company in immediately available funds; and

(b) the Company shall issue the Note to Purchaser.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Purchaser as follows:

2.1 **Organization**. The Company is a limited liability company duly organized and validly existing under the laws of the State of Oregon.

2.2 **Authority**. The Company has all necessary limited liability company power and authority to sign and deliver this Agreement and to perform all of the Company's obligations under this Agreement. The Company has all necessary limited liability company power and authority to conduct the Company's business as it is now being conducted and to own and use the Company's assets as now owned and used.

2.3 **Binding Obligation**. This Agreement is a legal, valid, and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

2.4 **No Conflicts**. The signing and delivery of this Agreement by the Company, and the performance by the Company of all the Company's obligations under this Agreement, will not:

(a) conflict with the Company's articles of organization or operating agreement; or

(b) breach any agreement to which the Company is a party, or give any person the right to accelerate any obligation of the Company.

SECTION 3. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF PURCHASER

Purchaser represents, warrants, and covenants to the Company as follows:

3.1 **Status**. Purchaser is a [ENTER STATUS – I.E. TRUST/INDIVIDUAL/ETC].

3.2 **Binding Obligation**. This Agreement is a legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

3.3 **Accredited Investor**.

(a) **Purchaser is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act").**

(b) **If Purchaser is an individual, Purchaser comes within the categories that are marked "Yes" in the accredited investor questionnaire set forth on Purchaser's signature page to this Agreement.**

(c) **If Purchaser is an entity, all of the equity owners of Purchaser are "accredited investors" as defined in Regulation D under the Securities Act. The statement contained in the accredited investor questionnaire set forth on Purchaser's signature page to this Agreement is accurate in all respects as of the Effective Date.**

3.4 **Foreign Investors.** If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Code), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Note or any use of this Agreement, including (a) the legal requirements within its jurisdiction for the purchase of the Note, (b) any foreign exchange restrictions applicable to such purchase, (c) any governmental or other consents that may need to be obtained, and (d) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Note. Purchaser's purchase of and payment for, and continued beneficial ownership of, the Note will not violate any applicable securities or other laws of Purchaser's jurisdiction.

3.5 **Documents**. Purchaser has received a copy of, has had a reasonable time to review, and has reviewed, each document listed on Schedule 3.5.

3.6 **Risk Factors**. Purchaser has read and understands the risk factors set forth in Schedule 3.6.

3.7 **Speculative Investment**. Purchaser understands that:

(a) the Note is a speculative investment and involves a high degree of risk of loss of Purchaser's entire investment;

(b) Purchaser may be unable to liquidate Purchaser's investment in the Note because the Note is subject to substantial transfer restrictions and because no public market exists for the Note; and

(c) Purchaser is able, without materially impairing its financial condition, to suffer a complete loss of its investment.

3.8 Sophistication.

(a) Purchaser has the knowledge and experience in financial and business matters necessary to make Purchaser capable of evaluating the merits and risks of an investment in the Note.

(b) Purchaser has had the opportunity to ask questions and receive answers concerning the Company and the terms and conditions of the purchase of the Note, and to obtain any additional information deemed necessary by Purchaser to evaluate the merits and risks of an investment in the Note. Purchaser has obtained all of the information desired in connection with the Note.

3.9 Non-Reliance. In deciding whether to enter into this Agreement, Purchaser has relied solely on the information, statements, and representations contained in this Agreement and in the documents listed on Schedule 3.5. Purchaser has not relied on any information provided by, or on any statements or representations made by, the Company or any member, manager, officer, employee, agent, or representative of the Company, other than the information, statements, and representations contained in this Agreement and in the documents listed on Schedule 3.5.

3.10 Investment Intent.

(a) Purchaser is acquiring the Note solely for Purchaser's own account, for investment, and not with a view to or for resale in connection with any distribution of the Note; and

(b) Purchaser has no oral or written agreement or plan to sell, assign, or otherwise negotiate the Note to any person.

3.11 Negotiation Restrictions.

(a) Purchaser understands that the Note has not been registered under the Securities Act or any state securities laws and that the Company is not obligated to register the Note;

(b) Purchaser will not offer, sell, assign, or otherwise negotiate the Note to any person without the Company's prior written consent and, in any case, unless pursuant to an effective registration statement filed under the Securities Act and applicable state securities laws, or unless the Company receives an opinion of counsel, in form and from counsel acceptable to the Company, that the offer, sale, transfer, pledge, or other disposition is exempt from the registration requirements of the Securities Act of 1933 and applicable state securities laws; and

(c) Purchaser understands that the Note is nonnegotiable and that Purchaser may not sell, assign, or otherwise negotiate the Note to any person without the prior written consent of the Company, which the Company may withhold in the Company's sole discretion.

3.12 Licensing matters.

(a) Upon the request of the Company:

(i) Purchaser will promptly and reasonably cooperate with the Company in connection with the Company's reasonable requests pertaining to the Company obtaining, maintaining, or renewing any license, registration, or permit from the Oregon Health Authority, the Oregon Liquor Control Commission, or any other federal, state, or local governmental authority; and

(ii) Purchaser will promptly sign and deliver to the Company any documents that the Company, based upon the advice of legal counsel, deems reasonably necessary to obtain, maintain, or renew any such license, registration, or permit.

(b) Purchaser acknowledges that:

(i) Purchaser may have to be listed on one or more applications to be filed with one or more state or local governmental authorities;

(ii) such applications may become public documents once filed; and

(iii) Purchaser may have to provide to one or more state or local governmental authorities information and fingerprints for a criminal background check, an individual history form, and other information required in connection with such applications.

(c) Purchaser represents and warrants to the Company that, as of the Effective Date, to the best of Purchaser's knowledge, Purchaser satisfies the requirements as an investor of the Company with respect to the Company's application for a recreational marijuana license issued by the Oregon Liquor Control Commission under OAR 845-025-1000 et seq. If Purchaser's status as the holder of the Note would prevent the Company from obtaining, maintaining, or renewing: (i) any necessary or desired license, registration, or permit from the Oregon Health Authority, the Oregon Liquor Control Commission, or any other state or local governmental authority; or (ii) any material license, registration, or permit from any governmental authority; then Purchaser shall reasonably cooperate with the Company to take all actions the Company, based on upon advice of legal counsel, deems reasonably necessary to make the Company eligible to obtain, maintain, or renew any such license, registration or permit, which may include the Company's repayment of the Note in full without any prepayment penalty or premium.

3.13 Source of Funds. The funds advanced by Purchaser to the Company to pay the Purchase Price for the Note have not been obtained in violation of any federal, state, foreign, or local law.

3.14 No Disqualification Events. Neither Purchaser nor, to the best of Purchaser's knowledge and to the extent Purchaser has them, any of Purchaser's stockholders, members, managers, general

or limited partners, directors, affiliates or executive officers (collectively with Purchaser, the "**Purchaser Covered Persons**"), are subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). Purchaser has exercised reasonable care to determine whether any Purchaser Covered Person is subject to a Disqualification Event. To the best of Purchaser's knowledge, the purchase of the Note by Purchaser will not subject the Company to any Disqualification Event.

3.15 **No Credit Enhancements**. Purchaser acknowledges that: (a) the Note is a general, unsecured obligation of the Company; (b) the only source of repayment of the Note is cash flow generated from the Company's business operations; (c) there are no credit enhancements for the Note; and (d) the Note is solely the obligation of the Company and is not guaranteed by any party.

3.16 **Tax, Legal and Economic Considerations**. The Purchaser is not purchasing the Note with the expectation of any tax benefit and is not relying on the Company for advice with respect to tax considerations, the suitability of its investment in the Company, or legal or economic considerations.

3.17 **No General Solicitation**. Purchaser has not learned about the proposed investment in the Note through any general solicitation or advertising.

SECTION 4. RELEASE AND INDEMNIFICATION; WAIVER

4.1 **Release and Indemnification.** Purchaser understands that the Company is relying on Purchaser's representations and warranties in this Agreement to issue the Note pursuant to one or more exemptions from the registration and qualification requirements of the Securities Act and applicable state securities laws. Purchaser releases and will defend and indemnify the Company and each present and future member, manager, director, officer, employee, agent, and representative of the Company for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorneys' fees, resulting from or arising out of a breach by Purchaser of any representation or warranty made by Purchaser in this Agreement.

4.2 **Oregon Securities Law Waiver**. To the fullest extent permitted by law, each Party irrevocably waives and releases all claims and rights of action (including, but not limited to, the right to seek rescission) that arise from or relate to the transactions contemplated by this Agreement (including the issuance of the Note or any other securities), whether known or unknown, that such Party may have now or in the future under the participant liability or material aid provisions of Oregon Revised Statutes ("**ORS**") 59.115, ORS 59.137 or any other provision of the Oregon Securities Law that imposes liability on a Person for participating or materially aiding in the sale of securities. Those Persons identified in ORS 59.115(3) and ORS 59.137(2) are intended third-party beneficiaries of the waiver and release set forth in this Section 4.2. Nothing in this Section 4.2 (a) limits or restricts a Party from asserting claims under the federal securities laws or for breach of contract or (b) releases or waives any claim or right of action that Purchaser may have directly against the Company. Purchaser acknowledges and agrees that the protections afforded to Purchaser under the federal securities laws are adequate and appropriate given Purchaser's level of sophistication and investor status.

4.3 **Waiver of Illegality Defense**. Each Party agrees that this Agreement's invalidity for its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Agreement. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Agreement.

SECTION 5. NONDISCLOSURE

5.1 "**Confidential Information**" means information related to the Company, any of its affiliates, or its or their respective businesses that is disclosed to or accessed by Purchaser if: (a) the information is marked or designated – whether orally or in writing – by the Company or the disclosing person as confidential before, at, or promptly after the time of disclosure; or (b) the information is known or should have been known by the Purchaser as being treated by the Company or the disclosing person as confidential.

5.2 **Use Restrictions and Nondisclosure Obligations**. During such time that Purchaser holds the Note or an equity interest in the Company and for five years thereafter (the "**Nondisclosure Period**"):

(a) Purchaser will not use Confidential Information for any purpose without the Company's specific prior written authorization; and

(b) Purchaser will not disclose Confidential Information to any person without the Company's specific prior written authorization, except that Purchaser may disclose Confidential Information in accordance with a judicial or other governmental order, but only if Purchaser promptly notifies the Company of the order and complies with any applicable protective or similar order.

5.3 **Notification and Assistance Obligations**. During Purchaser's Nondisclosure Period, Purchaser will:

(a) promptly notify the Company of any unauthorized use or disclosure of Confidential Information, or any other breach of this 4.2; and

(b) assist the Company to retrieve any Confidential Information that was used or disclosed by Purchaser or Purchaser's representatives without the Company's specific prior written authorization and to mitigate the harm caused by the unauthorized use or disclosure.

5.4 **Exceptions**. Purchaser will not breach Section 5.2 by using or disclosing Confidential Information if Purchaser demonstrates that the information used or disclosed:

(a) is generally available to the public other than as a result of a disclosure by Purchaser or a representative of Purchaser; or

(b) was received by the Purchaser from another person without any limitations on use or disclosure, but only if the Purchaser had no reason to believe that the other person was prohibited from using or disclosing the information by a contractual or fiduciary obligation.

5.5 **Return of Confidential Information**. Upon the Company's request, Purchaser will promptly return to the Company all materials containing Confidential Information, together with all copies and summaries of Confidential Information, in the possession or under the control of Purchaser.

SECTION 6. GENERAL

6.1 **No Assignment**. Purchaser shall not assign or delegate any of Purchaser's rights or obligations under this Agreement to any person without the prior written consent of the Company, which the Company may withhold in the Company's sole discretion.

6.2 **Binding Effect**. This Agreement shall be binding on the Parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to the benefit of such successors or assigns.

6.3 **Amendment**. This Agreement may be amended only by a written document signed by each Party.

6.4 **Waiver**. No waiver will be binding on a Party unless it is in writing and signed by the Party making the waiver. A Party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

6.5 **Severability**. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

6.6 **Further Assurances**. The Parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.

6.7 **Attachments**. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.

6.8 **Governing Law**. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.

6.9 **Disputes and Venue**. Any dispute, controversy, or claim arising out of the subject matter of this Agreement shall be litigated in a state court located in Multnomah County, Oregon. Each Party consents and submits to the jurisdiction of any state court located in Multnomah County, Oregon.

6.10 **Attorney's Fees**. If any action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, each party thereto shall be responsible for its own attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

6.11 **Entire Agreement**. This Agreement contains the entire understanding of the Parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement.

6.12 **Signatures**. This Agreement may be signed in counterparts. An electronic transmission of a signature page will be considered an original signature page. At the request of a Party, the other Party will confirm an electronically-transmitted signature page by delivering an original signature page to the requesting Party.

6.13 **Attorneys**. Purchaser understands that the law firm of Tonkon Torp LLP has served as legal counsel to the Company in the preparation of this Agreement and does not represent Purchaser in connection with this Agreement. Purchaser acknowledges that it has consulted with its own legal counsel or has knowingly waived its right to do so.

[*signature page follows*]

[*INDIVIDUAL SIGNATURE PAGE – Use this signature page if Purchaser is an individual.*]

Dated effective as of the Effective Date set forth in the preamble.

Purchaser:

_____
[Signature]

_____
[Printed Name]

_____
[State of Residency]

Principal Amount: US$ _____

Accredited Investor Questionnaire: ***NOTE: Mark "Yes" or "No" for each category.***	
1. Purchaser is a natural person whose individual net worth, or joint net worth with that person's spouse, exceeds $1,000,000.[1]	Yes _____ No _____
2. Purchaser is a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.	Yes _____ No _____

[1] For purposes of calculating net worth: (a) the person's primary residence shall not be included as an asset; (b) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.

[*ENTITY SIGNATURE PAGE (1 of 2) – Use this signature page if Purchaser is an entity.*]

Dated effective as of the Effective Date set forth in the preamble.

Purchaser:

KW Capital Partners LTD.
[Name of Entity]

Ontario
[State of Organization]

/s/ Yisroel Weinreb
[Signature]

Yisroel Weinreb
[Printed Name]

Managing Partner
[Title]

Principal Amount: $250,000

[*ENTITY SIGNATURE PAGE (2 of 2) – Use this signature page if Purchaser is an entity.*]

Accredited Investor Questionnaire: ***NOTE: Mark "Yes" if the following statement is accurate in all respects as of the date of this Agreement. Mark "No" if the following statement is not accurate as of the date of this Agreement.***	
Each equity owner of Purchaser is:	Yes _____ No _____
1. A director or executive officer of Purchaser; *or*	
2. A natural person whose individual net worth, or joint net worth with that person's spouse, exceeds $1,000,000;[2] *or*	
3. A natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.	

[2] For purposes of calculating net worth: (a) the person's primary residence shall not be included as an asset; (b) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.

Dated effective as of the Effective Date set forth in the preamble.

Company:

Grown Rogue Distribution, LLC

/s/ Obie Strickler
By: Obie Strickler
Its: Manager

SCHEDULE 3.5

Documents

1. Articles of Organization of the Company filed with the Oregon Secretary of State on November 1, 2016

2. The First Amended and Restated Operating Agreement of the Company dated as of November 23, 2020.

SCHEDULE 3.6

Risk Factors

For purposes of this Schedule 3.6, the terms "we," "us," "our," and "GRD " refer to the Company, and the term "you" refers to Purchaser. You are urged to consider carefully, with your advisers, all of the risks described in this Schedule 3.6 (collectively, these "**Risk Factors**") before deciding whether to purchase the Note. Each of the risks identified in these Risk Factors could have a material adverse effect on your investment in the Note and may result in the loss of your entire investment.

Disclaimers

An investment in GRD involves a high degree of risk. In addition to the other information contained in this Agreement, you should carefully consider these Risk Factors before making an investment decision. In addition to the risks specifically identified in these Risk Factors, we may face additional risks and uncertainties not presently known to us or that we currently deem immaterial, which risks or uncertainties may ultimately have a material adverse effect on your investment.

These Risk Factors contain forward-looking statements that are based on our expectations, assumptions, estimates, and projections about our business and its future. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in these Risk Factors.

Nothing contained in these Risk Factors is, or may be relied on as, a promise or representation as to any future performance or event. These Risk Factors speak only as of the Effective Date, and we have no duty to update these Risk Factors. These Risk Factors do not purport to contain all information that might be required to evaluate your decision to purchase the Note, and you must conduct your own independent analysis.

No person has been authorized to give any information or to make any representation other than those contained in this Agreement and in the documents listed on Schedule 3.5. You should not rely on any information or representations other than those contained in this Agreement and in the documents listed on Schedule 3.5.

Company Risks

1. We have a limited operating history. While our principals have operated other successful cannabis companies in Oregon, including affiliates of GRD, GRD has been idle and has a limited recent operating history. As a result, we face the general risks associated with any new business operating in a competitive industry, including the ability to fund our operations from unpredictable cash flow and capital-raising transactions. These risks are compounded by the fact that the legal cannabis industry in the State of Oregon is a relatively new industry and is changing and evolving rapidly. There can be no assurance that we will achieve our anticipated investment objectives or operate profitably. We encourage you to consult with your legal and financial advisors to determine whether you have sufficient financial information to evaluate the merits and risks of purchasing the Note.

2. We have no financial statements. While our parent company, Grown Rogue Unlimited, LLC, has financial statements, the Company does not currently have actual, stand-alone financial statements. Consequently, your ability to assess the Company's financial condition, results of operations, and cash flow is limited. We encourage you to consult with your legal and financial advisors to determine whether you have sufficient financial information to evaluate the merits and risks of purchasing the Note.

3. Any financial projections that may have been disclosed to you (in writing, orally, or otherwise) were for illustrative purposes only. Any financial projections that may have been disclosed to you were based on a variety of estimates and assumptions which may not be realized and are inherently subject to significant business, economic, legal, regulatory, and competitive uncertainties, some of which are beyond our control. There can be no assurance that any projections that may have been disclosed to you will be realized, and actual results may different materially from such projections.

4. We may need to raise additional financing. Our ability to implement our business plan may depend on our ability to obtain additional financing in the future. We intend to acquire additional funds from persons on terms that are substantially similar to the terms of the Note, as well as raising additional funds through the issuance of equity. However, we cannot assure you that we will be able to do this or that additional financing will be available on terms favorable to us. If adequate funds are not available on acceptable terms, our ability to continue and grow our businesses would be dependent on the cash from your loan and on the cash flow, if any, from our operations, which may not be sufficient.

5. Use of Proceeds. Proceeds of the Note will be used to for the payment of expenses and liabilities and for growth of our business. GRD has broad discretion to allocate the use of proceeds from your investment. Accordingly, you will be relying on the judgment of the Executive Team (as defined below) with regard to the use of the proceeds and it is possible that the proceeds will be used in a way that does not yield a favorable return on your investment.

6. We may not generate sufficient cash flow to make payments to you. There is no assurance that we will ever have income sufficient to cover our expenses and repay you. Your rights under the Note are unsecured, and your rights as a creditor will be the same as all of our other unsecured creditors, including other noteholders from whom we have borrowed and are borrowing money. If we borrow additional funds from other lenders that are secured with our assets, the secured lenders will have rights senior to yours.

7. Our success depends on the skills and expertise of Obie Strickler, Adam August, Rob Rigg, and other members of the executive team ("Executive Team"). Our success substantially depends on the skills, talents, abilities, and continued services of the Executive Team. There is no guarantee that the Executive Team will manage our business successfully. We do not carry life or disability insurance on any member of the Executive Team. The loss of the services of any member of the Executive Team, for any reason, may have a material adverse effect on your investment.

8. Our success depends on our ability to hire and retain additional qualified individuals. Our success substantially depends on our ability to hire and retain individuals to operate our business and implement our business plan. There is no assurance that we will be able to hire or retain qualified individuals, or that the individuals hired will be able to successfully operate our business and implement our business plan.

Marijuana Industry Risks

9. Our business is illegal under federal law and may subject our investors to enforcement action or asset forfeiture. Producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a federal crime. Under the Federal Controlled Substances Act of 1970 (the "**Federal CSA**"), marijuana is classified as a Schedule I drug, which is defined as a drug having

a high potential for abuse and no currently accepted medical use. Schedule I drugs are the most tightly restricted category of drugs under the Federal CSA. Additionally, the Supremacy Clause of the United States Constitution establishes that the Constitution, federal laws made pursuant to the Constitution, and treaties made under the Constitution's authority constitute the supreme law of the land. The Supremacy Clause provides that state courts are bound by the supreme law; in case of conflict between federal and state law, including Oregon and other state law legalizing certain cannabis uses, the federal law must be applied.

Until Congress amends the Federal CSA with respect to marijuana use, there is a risk that federal authorities may enforce current federal law, and we may be deemed to be producing, processing, or selling (or facilitating the same) in violation of federal law or they may seek to bring an action or actions against you as an investor in the Company, including a claim of aiding and abetting another's criminal activities. The Federal aiding and abetting statute provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." 18 U.S.C. §2(a). Such an action would have a material negative effect on our business and operations. As a result of such an action, we may be forced to cease operations and our investors could lose their entire investment. Additionally, even if the federal government does not prove a violation of the Federal CSA, the federal government may seize, through civil asset forfeiture proceedings, certain Company assets such as equipment, real estate, moneys and proceeds, or your assets as an investor in the Company, if the federal government can prove a substantial connection between these assets or your investment and marijuana distribution or cultivation.

Because marijuana is illegal under federal law, investing in cannabis business such as ours could be found to violate the Federal CSA. As a result, individuals involved with the Company, including investors and lenders, may be indicted under federal law. Your investment in the Company may: (a) expose you personally to criminal liability under federal law, resulting in monetary fines and jail time; and (b) expose any real and personal property used in connection with our business to seizure by and forfeiture to the federal government.

10. Our contracts may be unenforceable and property may be subject to seizure. As the Federal CSA currently prohibits the production, processing and use of marijuana, our contracts with third parties (suppliers, vendors, landlords, etc.) pertaining to the production, processing, or selling of marijuana-related products, including any leases for real property, may be unenforceable. In addition, if the federal government begins strict enforcement of the Federal CSA, any property (personal or real) used in connection with a marijuana-related businesses may be seized by and forfeited to the federal government. In this case, our inability to enforce contracts or any loss of business property (whether ours or our vendors') will have a material adverse effect on us

11. We will not be able to deduct many normal business expenses. Under Section 280E of the Internal Revenue Code ("**Section 280E**"), many normal business expenses incurred in the trafficking of marijuana and its derivatives are not deductible in calculating our federal and Oregon income tax liability. A result of Section 280E is that an otherwise profitable business may in fact operate at a loss, after taking into account its income tax expenses. Although we have accounted for Section 280E in our financial projections and models, the application of Section 280E may have a material adverse effect on us.

12. Our success depends on our ability to obtain marijuana licenses from the state authorities. Our success depends on our ability to obtain and maintain marijuana licenses from state and local authorities, including but not limited to the Oregon Liquor Control Commission (the "**OLCC"**).

If we fail to obtain one or more marijuana production and/or wholesale licenses from the OLCC or other applicable state or local government authorities, our business will be limited to Oregon's medical marijuana market only, which may not be a viable long-term business model. Our failure to obtain a marijuana license from the OLCC or other applicable state or local governmental authorities will have a material adverse effect on.

13. Our business is highly regulated and we may not be issued necessary licenses, permits, and cards. Our business and products are and will continue to be regulated as applicable laws continue to change and develop. Regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. Even if we obtain one or more licenses from the OLCC, no assurance can be given that we will receive all of the other licenses and permits that will be required to operate our business. Further we cannot predict what kind of regulatory requirements our business will be subject to in the future.

14. The implementation of the Control and Regulation of Marijuana Act is uncertain. In June 2016, the OLCC adopted rules to implement the Control and Regulation of Marijuana Act (the "**CRMA**"), which will govern Oregon's recreational marijuana market. Since then, the OLCC has adopted a series of temporary rules, and further amendment of the rules is anticipated. Any additional rules adopted by the OLCC, and any additional statutes passes by the Oregon legislature, and any subsequent interpretations of such rules or statutes by the OLCC, could have a material adverse effect on us.

15. Customers for our marijuana production business are limited. The customers of our marijuana production business will be limited to other Oregon-licensed marijuana businesses. We currently may not sell our products to any business or person located outside the State of Oregon. Consequently, our customer base is limited to Oregon.

16. The marijuana industry faces significant opposition. It is believed by many that large well-funded businesses may have strong economic opposition to the marijuana industry. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the marijuana industry. Any inroads the pharmaceutical industry could make in halting or impeding the marijuana industry could have a material adverse effect on us.

17. We have numerous competitors. Our marijuana production business is not, by itself, unique. We have numerous competitors throughout the State of Oregon utilizing a substantially similar business model. Excessive competition may impact our sales and may cause us to reduce our prices. Any material reduction in our prices may have a material adverse effect on our financials.

18. Local laws and ordinances could restrict our business activity. Although legal under Oregon state law, local governments have the ability to limit, restrict, and ban marijuana businesses from operating within their jurisdiction. Land use, zoning, local ordinances, and similar laws could be adopted or changed, and have a material adverse effect on our business.

19. We may not be able to obtain or maintain a bank account. Because producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a crime under the Federal CSA, most banks and other financial institutions are unwilling to provide banking services to marijuana businesses due to concerns about criminal liability under the Federal CSA as well as concerns related to federal money laundering rules under the Bank Secrecy Act. Though guidelines issued in past years allow financial institutions to provide bank accounts to certain cannabis businesses, few banks have taken advantage of those guidelines and many cannabis businesses still operate on an all-cash basis. Operating on an all-cash or predominantly-cash

basis would make it difficult for the Company to manage its business, pay its employees and pay its taxes, and may create serious safety issues for the Company, its employees and its service providers. Although the Company currently has a bank account, our inability to maintain that bank account, or obtain and maintain other bank accounts, could have a material adverse effect on us.

20. The protections of bankruptcy law may be unavailable to us. As discussed above, the use of marijuana is illegal under federal law. Therefore, it may be argued that the federal bankruptcy courts cannot provide relief for parties who engage in marijuana or marijuana-related businesses. Recent bankruptcy court rulings have denied bankruptcies for dispensaries upon the justification that businesses cannot violate federal law and then claim the benefits of federal bankruptcy for the same activity. In addition, some courts have reasoned that courts cannot ask a bankruptcy trustee to take possession of and distribute marijuana assets as such action would violate the Federal CSA. Therefore, we may not be able to seek the protection of the bankruptcy courts for the equal protection of creditors or debtor-in-possession financing or obtain credit from federal-chartered financial institutions.

21. We will not be able to register any federal trademarks for our marijuana products. Because producing, manufacturing, processing, possessing, distributing, selling, and using marijuana is a crime under the Federal CSA, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies marijuana products. As a result, we likely will be unable to protect our marijuana product trademarks beyond the geographic areas in which we conduct business, unless we can successfully demonstrate that any of our trademarks is unrelated to producing, manufacturing, processing, possessing, distributing, selling, and using marijuana. The use of our trademarks outside the State of Oregon by one or more other persons could have a material adverse effect on our business.

22. Laws will continue to change rapidly for the foreseeable future. Local, state, and federal laws and enforcement policies concerning marijuana-related conduct are changing rapidly and will continue to do so for the foreseeable future. Changes in applicable law are unpredictable and could have a material adverse effect on our business.

    There is a relatively small body of interpretive guidance and no case law available to understand how certain laws, rules, and regulations will be interpreted or applied by enforcement agencies or the courts. Accordingly, businesses such as GRD often operate in a grey area, which subject GRD to the risk that it will unintentionally violate laws, rules, or regulations. Any such violations could have significant adverse consequences for GRD's business, including the loss of its ability to conduct operations.

23. Due to our involvement in the cannabis industry, we may have a difficult time obtaining insurance which may expose us to additional risk and financial liabilities. Insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, is more difficult for us to find, and more expensive, because we are in the cannabis industry. There are no guarantees that we will be able to find such insurance in the future, or that the cost will be affordable to us. If we are forced to go without such insurance, it may prevent us from entering into certain business sectors, may inhibit our growth, may expose us to additional risk and financial liabilities and could have a material adverse effect on us.

Security Risks

24. The Note is a general, unsecured obligation of the Company. The Note constitutes an unsecured, general obligation of the Company and is not guaranteed by any person. There are no security interests in any assets of the Company securing repayment or other performance by the Company under the Note. As an unsecured, general creditor of the Company, in the event of liquidation of the Company, you would share equally with other general creditors of the Company in the remaining unsecured assets of the Company, if any.

    Additionally, no provision has been made by the Company to establish a sinking fund (i.e., a segregated fund with scheduled payments) to pay the interest and principal on the Note. There is less security for the repayment of the Note upon default than if there were such a sinking fund. There is no assurance that there will be sufficient funds to make the interest and principal payments when due under the Note.

    Further, the Note is payable on its stated maturity date. The Note does not provide for the payment of any principal amount before maturity. Therefore, the Company's inability to repay the Note at its maturity is dependent upon the Company's ability and solvency at the time of the Note's maturity.

25. You will not have any right to control management. You will be a creditor of the Company without any right to control the management of the Company. The Executive Team will have complete control over all of the decisions related to our business, and could cause the Company to take actions over your objections. Additionally, the Executive Team will not be obligated to cause the Company to pursue any alternative course of action that may be suggested or advocated by you.

26. There will be significant restrictions on your ability to assign the Note. The Note is nonnegotiable, and you may not assign the Note to any person. Federal and state securities laws may place additional restrictions on your ability to transfer the Note. Because of these restrictions, you may be unable to liquidate your investment in the event of an emergency or for any other reason. As a result, you should purchase the Note only if you are prepared to hold the Note for an indefinite period of time, or at least until the maturity date of the Note.

27. This Agreement has not been reviewed or approved by the government. No government agency or authority has reviewed or approved this Agreement, the Note, or any of the documents provided to you relating to this Agreement or the Note, including these Risk Factors. You are expected to conduct your own review and analysis before deciding whether to purchase the Note.

28. An investment in the Notes has significant tax consequences. The tax consequences of purchasing the Note are significant and complex, and may vary depending on your particular tax situation. We strongly encourage you to consult with your legal and tax advisors to determine the tax implications of purchasing the Note.

29. Related parties to GRD may purchase a note. GRD's and its affiliates' shareholders, members, managers, directors, officers, and employees (and their respective family members and related entities and trusts) may, at their option, purchase a Note on the same terms and conditions as other unrelated investors. All Notes purchased by such persons will be subject to the same restrictions on transfer as Notes purchased by other investors. Conflicts of interest could arise between Note holders who are, or are related to, shareholders, members, managers, directors, officers, or employees of the Company and those Note holders who have no such relationship with or knowledge of GRD.

30. The determination of the offering amount was subjective. The amount of Notes that the Company may offer is unlimited and may bear no relationship to the Company's earnings potential or to the Company's asset value, book value, net worth or other established criteria of value. The amount was established by the subjective projections of the Executive Team regarding the Company's potential sales and withdrawals of the Notes. An investor has limited protections under the Notes

31. You have limited protection under the Note. The Note contains no restrictions on the Company's activities. In addition, the Note contains only limited events of default other than the Company's failure to timely pay principal and interest on the Note.

32. The Note may not be a suitable investment. The Note may not be a suitable investment for every investor, and the Company advises you to consult their investment, tax, and other professional financial advisors before deciding whether to purchase the Note. The characteristics of the Note, including the maturity and interest rate, may not satisfy your investment objectives. The Note may not be a suitable investment for you based on your ability to withstand a loss of interest or principal or other aspects of your financial situation, including your income, net worth, financial needs, investment risk profile, return objectives, investment experience and other factors. Before deciding whether to purchase a Note, you should consider your investment allocation with respect to the amount of your contemplated investment in the Note in relation to your other investment holdings and the diversity of those holdings.

EXHIBIT A

This Nonnegotiable Promissory Note has not been registered under the Securities Act of 1933, as amended, or any state securities laws. In addition to other restrictions set forth int his Nonnegotiable Promissory Note, this Nonnegotiable Promissory Note may not be sold, assigned, or otherwise negotiated to any person unless pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, and applicable state securities laws, or unless the Company receives an opinion of counsel, in form and from counsel acceptable to the Company, that the sale, assignment, or other negotiation is exempt from the registration requirements of the Securities Act of 1933, as amended, and applicable state securities laws.

NONNEGOTIABLE PROMISSORY NOTE

US $250,000

January 27, 2021
(the "Effective Date")

This Nonnegotiable Promissory Note (this "**Note**") is made by Grown Rogue Distribution, LLC, an Oregon limited liability company (the "**Company**"), in favor of KW Capital Partners LTD. ("**Holder**").

This Note is issued as part of a series of notes (collectively, the "Notes") issued or to be issued by the Company with substantially similar terms, including interest rate, maturity, and repayment terms. All payments of principal and interest under this Note and the other Notes shall be made pro rata among all holders of such Notes. All payments shall be applied first to accrued and unpaid interest and, thereafter, to principal.

1) **Definitions**. As used in this Note:

"**Sale of the Company**" means: (a) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the members of the Company immediately prior to such consolidation, merger, or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (b) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred; *provided*, *however*, that a Sale of the Company shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or (c) a sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company.

"**Note Purchase Agreement**" means that certain Note Purchase Agreement between Holder and the Company of even date herewith.

Other capitalized terms used but not defined in this Note have the meanings given to them in the Note Purchase Agreement.

2) **Maturity**. All unpaid principal, and all accrued but unpaid interest, shall be due and payable on the earlier of (such date, the "**Maturity Date**"): (a) 36 months after the Effective Date, unless extended at the sole discretion of Holder; and (b) the occurrence a Sale of the Company.

3) **Interest Rate**. Interest on the outstanding principal under this Note shall accrue at the annual rate of 10% simple interest, calculated on the basis of a year of 365 days, commencing on the Effective Date and continuing thereafter until the principal of this Note is repaid in full. Accrued interest shall not compound into the outstanding principal under this Note.

4) **Interest Payments**. The Company shall make monthly payments of accrued but unpaid interest only beginning on [●], 2020, and continuing on the same day (or the next business day if such day is not a business day) of each month thereafter until the Maturity Date. March 1, 2021

5) **Additional Consideration**. In addition to the principal amount and interest under this Note, the Company shall pay Holder an additional amount equal to the original principal amount of this Note *minus* the amount of all interest paid by the Company to Holder under this Note through the Maturity Date (such amount, the "**Additional Amount**"). The Company shall pay the Additional Amount to Holder in four equal installments after the Maturity Date, with an installment due and payable on each of the three, six, nine, and 12-month anniversaries of the Maturity Date (or the next business day if any such anniversary is not a business day.

For illustrative purposes only, if Holder purchased a Note with an original principal amount of $100,000 and received interest payments through the Maturity Date totaling $30,000, then the Additional Amount due to Holder under this Section 5 would be $70,000 ($100,000 - $30,000), and the Company would pay the Additional Amount to Holder by paying Holder $17,500 on each of the three, six, nine, and twelve-month anniversaries of the Maturity Date.

6) **Affirmative Covenants**. So long as the principal of, or interest on, this Note remains outstanding, the Company covenants and agrees with the Holder that it will observe and fulfill, or cause to be observed and fulfilled, each and all of the following covenants:

(a) **Existence**. The Company shall at all times preserve and maintain in full force and effect its existence as a limited liability company under the laws of the State of Oregon and all of its powers, rights, privileges and franchises necessary for the continued conduct of its operations as conducted as of the Effective Date.

(b) **Compliance with Laws**. The Company shall comply in all material respects with all applicable laws (other than the Federal Controlled Substances Act) in respect of the conduct of its business.

(c) **Books of Record and Access**. The Company shall keep proper books of record and accounts that fairly present all dealings and transactions in relation to its business and activities. Within 30 days of the end of each fiscal year, the Company shall permit the Holder and its agents and consultants to enter the Company's place of business, for one business day during normal business hours and in a manner which does not unreasonably interfere with the Company's business, and shall permit them to inspect the books, contracts, records, and papers of the Company. Such inspection shall be scheduled on a day that is mutually convenient to the Holder and the Company and scheduled with no less than fourteen days advance notice.

(d) **Taxes**. Company shall file all required Federal, state and local tax and information returns that it is required to file and shall pay or cause to be paid all taxes due in respect of such tax and

information returns on or prior to the date due (other than taxes that it is contesting in good faith and by appropriate proceeding). Company shall promptly provide copies of all Federal, state and local tax and information returns to the Holder, if any, upon request.

(e) **Notices and Information**. Within 45 days after the end of each fiscal quarter of each fiscal year of the Company, commencing with the fiscal quarter ending [March 31, 2021], the Company shall furnish to the Holder an unaudited quarterly balance sheet of the Company, together with related statements of operations and cash flows, as at the last day of such quarterly period and certified by a financial officer of the Company as to the fairness of presentation.

7) **Negative Covenants**. So long as the principal of or interest on the Note shall be unpaid, the Company shall not, without the prior written consent of the Holder, use the proceeds of the Note for any purpose materially inconsistent with the current and anticipated business operations of the Company.

8) **Events of Default**. Each of the following is an event of default (each, an "**Event of Default**") under this Note: (a) the Company fails to make any payment required by this Note within ten (10) days after the payment is due, and such failure continues for five (5) days after Holder notifies the Company in writing of the failure to make the payment when due; (b) the Company voluntarily dissolves or ceases to exist, or any final and nonappealable order or judgment is entered against the Company ordering its dissolution; (c) the Company: (i) makes an assignment for the benefit of creditors; (ii) commences a voluntary bankruptcy case; (iii) files a petition or answer seeking for the Company any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or rule; (iv) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Company in any proceeding of this nature; or (v) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Company or of all or any substantial part of the Company's properties; (d) an involuntary bankruptcy case against the Company is commenced and is not dismissed on or before the 120th day after the commencement of the case; or (e) a court: (i) adjudicates the Company as bankrupt or insolvent; or (ii) appoints, without the Company's consent, a trustee, receiver, or liquidator either of the Company or of all or any substantial part of the Company's properties that is not: (A) vacated or stayed on or before the 90th day after appointment; or (B) vacated on or before the 90th day after expiration of a stay.

9) **Remedies**. Upon the occurrence and during the continuation of an Event of Default, Holder may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently: (a) upon notice to the Company, the right to accelerate the due dates under this Note so that the unpaid principal amount, together with accrued but unpaid interest, is immediately due in its entirety; or (b) any other remedy available to Holder at law, under agreement, or in equity.

10) **No Negotiation; Assignment**. This Note is nonnegotiable and may not be sold, assigned, or otherwise negotiated to any person without the prior written consent of the Company, which the Company may withhold in the Company's sole discretion. This Note may not be assigned by the Company without the prior written consent of Holder.

11) **Binding Effect**. This Note will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

12) **Amendment**. This Note may be amended only by a written document signed by the party against whom enforcement is sought.

13) **Waiver**. The Company waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Holder may extend or postpone the due date of any payment required by this Note without affecting the Company's liability. No waiver will be binding on Holder unless it is in writing and signed by Holder. Holder's waiver of a breach of a provision of this Note will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

14) **Severability**. If a provision of this Note is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Note will not be impaired.

15) **Notices**. All notices, requests, demands, consents, instructions, or other communications required or permitted hereunder shall be in writing and emailed, mailed, or delivered to each Party at the addresses below or at such other addresses as the Parties shall have furnished to each other in writing.

If to the Holder: KW Capital Partners Ltd.
10 Wanless Avenue, Suite 201
Toronto, ON M4N1V6
E-mail: sweinreb@plazacapital.ca
Attn: Yisroel Weinreb

If to the Company: Grown Rogue Distribution, LLC
655 Rossanley Drive
Medford, Oregon 97530
E-mail: obie@grownrogue.com
Attn: J. Obie Strickler

All such notices and communications will be deemed effectively given the earlier of (a) when received, (b) when delivered personally, (c) if by email, on the first business day after confirmed transmission, (d) one (business day after being deposited with a nationally recognized overnight courier for next day delivery, or (e) three days after being deposited in the U.S. mail, as evidenced by the postmark, first class with postage prepaid

16) **Governing Law**. This Note is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Note.

17) **Venue**. Any action, suit, or proceeding arising out of the subject matter of this Note will be litigated in courts located in Multnomah County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Multnomah County, Oregon.

18) **Attorney's Fees**. If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Note, or otherwise in connection with the subject matter of this Note, including but not limited to any proceeding brought under the United States Bankruptcy Code, each party thereto shall be responsible for its own attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

[*signature page follows*]

The parties hereto have executed this Note as of the date first above written.

Company:

Grown Rogue Distribution, LLC

By: /s/ Obie Strickler
Name: Obie Strickler
Title: Manager

Accepted by Holder:

/s/ Yisroel Weinreb
Yisroel Weinreb

Exhibit 4.8

Execution Version 02-04-2021

OPTION TO PURCHASE CONTROLLING INTEREST

This Option to Purchase Controlling Interest (this "***Option***"), dated and effective February 4, 2021 (the "***Effective Date***"), is among David Pleitner ("***David***"), Allan Pleitner ("***Allan***"), Golden Harvests LLC, a Michigan limited liability company (the "***Company***"), and Canopy Management, LLC, a Michigan limited liability company or its assignee ("***Buyer***"). David and Allan are each referred to in this Option as a "***Seller***" and, collectively, as "***Sellers***". David, Allan, the Company, and Buyer are each referred to in this Option individually as a "***Party***" and, collectively, as the "***Parties***".

RECITALS

A. Sellers (i) are all of the members of the Company and (ii) own 100% of the outstanding membership interests of the Company (the "***Membership Interests***"). The Membership Interests constitute all of the issued and outstanding equity securities of the Company.

B. Sellers have agreed to grant to Buyer, and Buyer has agreed to acquire from Sellers, an option to purchase 60% of the Membership Interests (the "***Controlling Interest***").

AGREEMENT

The Parties agree as follows:

1. Recitals. The above recitals are incorporated as a material and contractual term of this Option.

2. Grant of Option to Purchase. On and subject to the terms and conditions set forth in this Option, Sellers hereby grant to Buyer, and Buyer hereby acquires and accepts from Sellers, the option to purchase the Controlling Interest from Sellers (the "***Purchase Option***"). Buyer may assign or transfer the Purchase Option to any Affiliate (as defined below) of Buyer without the consent of, or notice to, Sellers or the Company. Subject to the provisions in this Option, title to, and all rights (voting, economic, and otherwise) with respect to, the Controlling Interest shall remain with Sellers unless and until Buyer exercises the Purchase Option pursuant to this Option. For purposes of this Agreement, an "***Affiliate***" of a person or entity means any other person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person or entity, where the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

3. Purchase Option Consideration. In full consideration for the Purchase Option, Buyer will pay to Sellers cash, and cause to be issued to Sellers the shares of common stock of Grown Rogue International, Inc. ("***GRIN***"), in the amounts and at the times set forth in this Section 3:

(a) On or before February 6, 2021, Buyer will (i) pay to Sellers $200,000, and (ii) cause to be issued to Sellers 200,000 shares of common stock of GRIN free and clear of any liens or encumbrances (other than any restrictions under applicable federal, state, or provincial securities laws).

(b) On or before February 6, 2021, Buyer will (i) pay to Sellers an additional $260,000 (this payment and the payment described in Section 3(a)(i) above are each referred to in this Agreement as an "***Installment Payment***"), and (ii) cause to be issued to Sellers an additional 200,000 shares of common stock of GRIN (together with the shares described in Section 4(a)(ii) above, the "***Installment Shares***") free and clear of any liens or encumbrances (other than any restrictions under applicable federal, state, or provincial securities laws).

(c) Buyer may, in its sole discretion, extend the due date for the Installment Payment and Installment Shares due under Section 3(b) by up to six months provided that, in consideration for such extension, Buyer pays to Sellers an additional 200,000 shares of common stock of GRIN to be issued to Sellers (free and clear of any liens or encumbrances (other than any restrictions under applicable federal, state, or provincial securities laws)), on or promptly following the original due date.

(d) Buyer may, in its sole discretion, extend the due date of up to 50% of the Installment Payment due under Section 3(a) by up to 12 months, provided that, in consideration for such extension, Buyer shall pay to sellers $2,000 per month until the earlier of 12 months or the amount extended under this Section 4(d) has been paid in full.

(e) If February 6, 2021, occurs after Buyer has exercised the Purchase Option, then the MIPA (as defined below) will include Buyer's obligation to pay the remaining Installment Payment(s) and to cause to be issued any remaining Installment Shares.

4. Exercise of Purchase Option.

(a) Buyer may exercise the Purchase Option at any time during the period (the "***Option Period***") that: (i) begins on the date on which the Company has received both (A) all licensing and other regularly or governmental approvals from the State of Michigan necessary to operate a cannabis business in that state and (B) approval of Buyer's acquisition of an interest in the Company; and (ii) ends at 5:00 p.m., Pacific Time, on the second anniversary of the Effective Date. From time to time during the Option Period, upon Buyer's reasonable request, each Seller will certify as to the continuing accuracy of, and compliance with, such Seller's representations, warranties, and covenants set forth in this Option.

(b) To exercise the Purchase Option, Buyer must give written notice to Sellers before the expiration of the Option Period that Buyer is exercising the Purchase Option. If Buyer exercises the Purchase Option, then:

(i) Subject to the provisions of this Option and the MIPA, Buyer will purchase from Sellers, and Sellers will assign, sell, and transfer to Buyer, the Controlling Interest free and clear of all liens, security interests, encumbrances, and other restrictions. Sellers may determine between themselves how much of each Seller's Membership Interest to transfer to Buyer so that Buyer acquires the Controlling Interest; *provided*, *however*, that if Sellers do not notify Buyer of their determination in writing within one business day after Buyer delivers notice of its decision to exercise the Option, then Allan will transfer his entire 49% Membership Interest and David will transfer 11% of his Membership Interest.

(ii) The consideration for the Controlling Interest will consist of:

(A) the sum of: (1) the Installment Payments (i.e., $460,000, of which $200,000 will be paid on February 6, 2021, and $260,000 will be paid on the February 6, 2021, unless such due date is extended pursuant to Section 4(c) above); plus (2) $200,000 to be paid by Buyer to Sellers upon the closing of the purchase and sale of the Controlling Interest; plus (3) the aggregate amount that Buyer or its affiliates advanced to or on behalf of the Company for capital expenditures, as such advances are evidenced by Buyer's or its affiliates' written records; and

(B) 800,000 shares of GRIN common stock, consisting of (1) the Installment Shares (i.e., 400,000, of which 200,000 shares will be issued on or about February 6, 2021, and an additional 200,000 of which will be issued on February 6, 2021, unless such due date is extended pursuant to Section 4(c) above); plus (2) 200,000 shares of GRIN common stock to be issued to Sellers free and clear of any liens or encumbrances (other than any restrictions under applicable federal, state, or provincial securities laws) upon the closing of the purchase and sale of the Controlling Interest.

(iii) The closing of the purchase and sale of the Controlling Interest will occur on a date determined by Buyer as soon as possible, but in any event within 120 days, after Buyer delivers written notice of its election to exercise the Purchase Option to Sellers, provided, however, that such date may be extended if required by, or if closing cannot then occur as a result of, the application of any law, regulation, order, or other action or any applicable governmental authority.

(iv) The Parties will enter into a Membership Interest Purchase Agreement (the "***MIPA***") in the form attached hereto as Exhibit A, and including the terms set forth in this Section 4(b), and the consummation of the purchase and sale of the Controlling Interest will be subject to the conditions and terms set forth in the MIPA.

(v) The Parties will enter into an Amended and Restated Operating Agreement of the Company in the form attached hereto as Exhibit B, which will include, among other terms and conditions, an option for Buyer to purchase the Sellers' remaining Membership Interests at any time after the third anniversary of the closing of the purchase of the Controlling Interest (unless otherwise agreed to by the Parties or Buyer is pursuing a sale of the Company, in which case Sellers would receive reasonable and customary price protections).

(c) If Buyer fails to exercise the Purchase Option before the end of the Option Period, then the Purchase Option shall terminate and cease, time being of the essence for the option granted to Buyer.

5. Covenants. Subject to, and without limiting the rights, duties, and obligations of the Parties under, any other agreement between or among one or more of the Parties, during the period beginning on the Effective Date and ending on the earlier of (a) the closing of the purchase and sale of the Controlling Interest following Buyer's exercise of the Purchase Option pursuant to Section 4 or (b) the termination of this Option pursuant to Section 8:

(a) The Company shall, and Sellers shall cause the Company to, diligently pursue all licensing and other governmental or regulatory approvals that are necessary or desirable in connection with operating a cannabis business in the State of Michigan.

(b) Sellers shall not, directly or indirectly, sell, exchange, transfer (including, without limitation, any transfer by gift or operation of law), assign, distribute, pledge, encumber, hypothecate, grant any option with respect to or security interest in, or otherwise encumber in any manner any of the Membership Interests without, in each instance, Buyer's prior written consent.

(c) The Company shall not, and Sellers shall cause the Company not to, without Buyer's prior written consent, in each instance: (i) issue any ownership or other equity securities of the Company; (ii) issue any securities convertible into or exercisable for any equity securities of the Company; (iii) issue any debt convertible into equity securities of the Company; or (iv) enter into any agreement obligating the Company to issue any securities of the Company.

(d) The Company shall, and Sellers shall cause the Company to, do all things necessary to preserve and to keep in full force and effect its existence, rights, and privileges.

(e) Except as Buyer may otherwise approve in writing, the Company shall not, and Sellers shall not cause or permit the Company to: (i) declare, make, or pay any dividend or distribution to Sellers on account of their Membership Interests or otherwise (other than normal salaries consistent with the Company's past practices); or (ii) make any payment to, or guaranty any indebtedness of, any Affiliate of the Company or any person related to or affiliated with either Seller (such as family members or other entities in which either Seller owns any interest).

(f) Except as Buyer may otherwise approve in writing, the Company shall not, and Sellers shall cause the Company not to, amend its articles of organization or operating agreement, enter into or amend any agreement (whether written or oral) that is or would be material to the Company's business, or incur any indebtedness or other liabilities that, individually or in the aggregate, are material in amount or nature.

(g) Except as Buyer may otherwise approve in writing, the Company shall, and Sellers shall cause the Company to, conduct the Company's business only in the ordinary course of business consistent with past practice.

(h) The Company shall, and Sellers shall cause the Company to, promptly, and in any event within three business days, inform Buyer of: (i) all material adverse changes in the Company's financial condition; and (ii) all existing and all threatened litigation, claims, investigations, administrative proceedings, or similar actions affecting the Company. As of the Effective Date, the Company and Dave are defendants in the lawsuit described on attached Schedule 6(h).

(i) (i) Accurately maintain its books and records to present fairly, on a consistent basis, and in all material respects, the financial condition of the Company, and permit Buyer reasonable access to examine and audit the Company's books and records upon reasonable notice during normal business hours; and (ii) furnish Buyer with such financial and additional information and statements, including confirmation of paid obligations (e.g., tax obligations), as Buyer may request from time to time.

(j) Maintain fire and other risk insurance, public liability insurance and such other insurance as maintained by other similarly situated businesses.

(k) Comply in all material respects with all terms and conditions of all other agreements, whether now or hereafter existing, between the Company and Buyer or any of Buyer's affiliates and notify Buyer within three days of any default by the Company under any such agreements.

(l) Pay and discharge when due all of its indebtedness and obligations, including, without limitation, all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon the Company or its properties, income or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of the Company's properties, income or profits.

(m) Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities, applicable to the conduct of the Company's business and operations.

(n) Sellers will not initiate, solicit, entertain, negotiate, accept, or discuss, directly or indirectly, any proposal or offer from any person or group of persons other than Buyer and its Affiliates (an "***Acquisition Proposal***") to acquire all or any portion of the Membership Interest or all or any material portion of the assets or business of the Company, whether by merger, purchase of equity, purchase of assets, tender offer, or otherwise, or provide any non-public information to any third party in connection with an Acquisition Proposal or enter into any agreement, arrangement, or understanding requiring it to abandon, terminate, or fail to consummate a transaction with Buyer as contemplated in this Option. Sellers will notify Buyer promptly if either of them receives any indications of interest, requests for information, or offers in respect of an Acquisition Proposal, and will communicate to Buyer in reasonable detail the terms of any such indication, request, or offer, and will provide Buyer with copies of all written communications relating to any such indication, request, or offer.

6. Sellers' Representations and Warranties. The Sellers jointly and severally represent and warrant to Buyer that, as of the Effective Date and on each day during the Option Period, the following statements are accurate and complete:

(a) The Membership Interests are owned 51% by David and 49% by Allan. Each Seller is the sole record and beneficial owner of the Membership Interests he owns. No other person has any right, title, or interest in or to the Membership Interests. The Membership Interests are free and clear of all liens, security interests, encumbrances, and other restrictions. Each Seller has the unrestricted right, ability, and authority to enter into and perform his obligations under this Option, to grant the Purchase Option hereunder, and, upon Buyer's exercise of the Purchase Option, to transfer and sell the Membership Interests he owns to Buyer pursuant hereto and the MIPA.

(b) Each Seller is an individual and resident of the state set forth in his address on the signature page to this Option. The Company is duly organized, validly existing, and in good standing under the laws of the State of Michigan and has all requisite limited liability company power and authority to carry on its business as now being conducted.

(c) The execution and delivery of this Option by the Company and each Seller, and the performance of the Company's and each Seller's obligations hereunder, have been duly authorized by all necessary action on the Company's and each Seller's part. No proceedings on the part of the Company or either Seller are necessary to authorize the execution and delivery of this Option or to consummate the transactions contemplated by this Option.

(d) This Option has been duly executed and delivered by the Company and each Seller and constitutes a legal, valid, and binding obligation of the Company and each Seller, enforceable against the Company and each Seller in accordance with its terms (subject to applicable bankruptcy, solvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally from time to time in effect and by general principles of equity).

(e) The execution and delivery of this Option by the Company and each Seller does not, and the consummation of the transactions contemplated by this Option, and compliance with the provisions of this Option by the Company and each Seller, will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time or both) under or give rise to a right of termination, cancellation, or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any lien in or upon any of the Membership Interests under: (i) the organizational documents of the Company; (ii) any agreement, contract, or instrument to which the Company, either Seller or their respective assets is subject or bound; or (iii) any law applicable to the Company, either Seller, or their respective assets.

(f) Each representation and warranty set forth in the MIPA and to be made by the Company or the Seller, if made on the date hereof, is accurate and complete in all material respects.

(g) No representation or warranty made by the Company or either Seller in this Option or in the MIPA contains or will contain any untrue statement of a material fact or will omit to state a material fact necessary to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading.

7. Buyer's Representations and Warranties.

(a) Buyer is duly organized, validly existing, and in good standing under the laws of the State of Michigan.

(b) The execution and delivery of this Option by Buyer, and the performance of its obligations hereunder, has been duly authorized by all necessary action on Buyer's part. No proceedings on the part of Buyer are necessary to authorize the execution and delivery of this Option or to consummate the transactions contemplated by this Option.

(c) This Option has been duly executed and delivered by Buyer and constitutes a legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms (subject to applicable bankruptcy, solvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally from time to time in effect and by general principles of equity).

8. Termination; Effect of Termination.

(a) This Option (and the Purchase Option granted hereunder) will terminate and be of no further force or effect upon the earlier of: (i) Buyer's failure to exercise the Purchase Option before the expiration of the Option Period; (ii) the written agreement of the Parties; (iii) Buyer's written notice to Seller upon Seller's breach of or default under this Option; or (iv) Sellers' written notice to Buyer upon Buyer's breach or default under this Option.

(b) If this Option terminates pursuant to Section 8(a)(iii), then: (i) Sellers shall repay to Buyer in full (without deduction or offset) all amounts that Buyer paid to Sellers under this Option through the date of termination; (ii) Buyer shall have the authority to cancel, or cause to be cancelled, all certificates for GRIN shares issued through the date of termination; and (iii) Sellers shall reimburse Buyer for, or shall cause Buyer to be reimbursed for, all costs and expenses that Buyer has incurred or paid on behalf of the Company under that certain Master Services Agreement dated on or about the date hereof and each and every Work Order thereunder. If this Option terminates pursuant to this Section 8 for any other reason, then Sellers shall repay to Buyer 50% (without deduction or offset) of the aggregate amounts that Buyer paid to Sellers under this Option through the date of termination plus all cost and expenses that Buyer has incurred or paid on behalf of the Company under that certain Master Services Agreement dated on or about the date hereof and each and every Work Order thereunder.

9. Miscellaneous.

(a) All amounts to be paid by Buyer to Sellers under this Agreement, and all shares of common stock of GRIN to be issued to Sellers under this Agreement, are stated in the aggregate as the amount to be paid or issued, as applicable, to Sellers collectively and not to each individual Seller (i.e., a payment of $200,000 is the total amount to be paid to both Sellers not the amount to be paid to each Seller). Shares of common stock of GRIN to be issued to Sellers under this Agreement will be issued to each Seller in such amounts (of the aggregate amount stated to be issued to Sellers) as Sellers direct. All amounts to be paid to Sellers under this Agreement will be paid according to instructions provide to Buyer by Sellers, and each Seller acknowledges and agrees that payment by Buyer pursuant to those instructions shall fully satisfy Buyer's obligation with respect to the payment. Buyer is entitled to assume the continuing accuracy of any payment instructions until notified by Sellers in writing of new payment instructions.

(b) All notices, requests, demands, and other communications required or permitted to be given under this Option shall be in writing and shall be deemed to have been duly given: (i) upon delivery if delivered by hand to the Party to whom directed; (ii) when sent to a Party by e-mail to the e-mail address set forth under such Part's signature block to this Option (if sent during regular business hours of the recipient and otherwise on the next business day); (iii) on the day of confirmed delivery if sent by overnight mail by UPS, FedEx, or other national overnight delivery service; or (iv) on the third business day after deposit in the mail if the notice, request, demand, or other communication was mailed by certified or registered mail with postage prepaid and sent to the physical address of the recipient set forth under the recipient's signature block to this Option. A Party may change its or his e-mail or physical address by written notice pursuant to this Section 9(b).

(c) The headings of the sections in this Option are for convenience of reference only and are not to be considered in construing or interpreting this Option. All pronouns contained in this Option shall be deemed to refer to the masculine, feminine, and neutral, singular or plural, as the identity of the Parties may require.

(d) Each Party has read this Option in full, has had the opportunity for independent review by its or his legal counsel and other professional advisors, and has consulted with and has been advised by such counsel and other advisors and the terms and conditions in this Option have been arrived at by arm's length negotiations. Therefore, the Parties agree that no rule of interpretation or construction that disfavors the Party drafting (or whose advisors drafted) this Option shall apply to the interpretation or construction of this Option.

(e) Each provision of this Option will be viewed as separate and divisible, and if any provision of this Option is held to be invalid or unenforceable, the remaining provisions will continue to be in full force and effect.

(f) This Option is binding on the successors and permitted assigns of the Parties. Neither this Option nor a Party's rights or obligations under this Option may be assigned or delegated without the prior written consent of the other Party except (i) as otherwise set forth in this Option, and (ii) that Buyer may, without the other Parties' consent, assign this Option and

its rights and obligations hereunder, including, without limitation, the Purchase Option, to an entity in which J. Obie Strickler owns at least 51% of the capital stock.

(g) This Option shall be governed by the internal laws of the State of Michigan.

(h) This Option may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signatures delivered by PDF attachment or other electronic means shall be as fully binding as delivery of an original signature.

(i) This Option (including its exhibits) contains the entire agreement between the Parties and supersedes any and all prior written or oral agreements. This Option cannot be modified or amended except by means of writing signed by both Parties and no provision of this Option may be waived except in a writing signed by the Party against whom the waiver is to be enforced.

(j) Each Party agrees that this Option's invalidity for public policy reasons and/or its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Option. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Option.

[*Signature page follows*]

The Parties have executed this Option as of the Effective Date.

SELLER:

/s/ David Pleitner
David Pleitner

Address: 3613 Bobcat Court
Midland, MI 48642
E-Mail: dpleitner@gmail.com

/s/ Allan Pleitner
Allan Pleitner

Address: 3613 Bobcat Court
Midland, MI 48642
E-Mail: dpleitner@gmail.com

COMPANY:

Golden Harvests, LLC

By: /s/ David Pleitner
Name: David Pleitner
Title: Member

By: /s/ Allan Pleitner
Name: Allan Pleitner
Title: Member

Address: 333 Morton St
Bay City, MI 48706
E-Mail: dpleitner@gmail.com

[Signature Page to Option to Purchase Controlling Interest]

The Parties have executed this Option as of the Effective Date.

BUYER:

Canopy Management, LLC

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

Address: P.O. Box 266
Eaton Rapids, MI 48827
E-Mail: obie@grownrogue.com

[Signature Page to Option to Purchase Controlling Interest]

EXHIBIT A

Form of Membership Interest Purchase Agreement

EXHIBIT B

Form of Amended and Restated Operating Agreement

SCHEDULE 6(h)

Existing Litigation

None.

Exhibit 4.9

OPTION AGREEMENT

This Option Agreement (this "***Agreement***"), dated and effective February 4, 2021, is between Grown Rogue Unlimited, LLC, an Oregon limited liability company ("***GRU***"), and J. Obie Strickler ("***Strickler***"). GRU and Strickler are referred to in this Agreement collectively as the "***Parties***" and each individually as a "***Party***."

RECITALS

A. Canopy Management, LLC, a Michigan limited liability company ("***Canopy***") has entered into that certain Option to Purchase Controlling Interest, dated and effective February 4, 2021 (the "***Option Agreement***"), among Canopy, Golden Harvests LLC, a Michigan limited liability company ("***GH***"), David Pleitner ("***David***"), and Allan Pleitner ("***Allan***" and together with David, the "***GH Members***"), pursuant to which, among other things, Canopy acquired an option to purchase 60% of the membership interests of GH from the GH Members.

B. Strickler owns 92.5% of the issued and outstanding equity interests in Canopy.

C. Strickler wishes to grant to GRU, and GRU wishes to accept from Strickler, an option to purchase 87% of the issued and outstanding equity interests in Canopy owned by Strickler (the "***Subject Strickler Interest***"). For the avoidance of doubt, the remaining 5.5% of the issued and outstanding equity interests in Canopy owned by Strickler is not subject to the Purchase Option (as defined below) or otherwise encumbered by this Agreement.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals. The above recitals are incorporated as a material and contractual term of this Agreement.

2. Grant of Option to Purchase. On the terms, and subject to the conditions, set forth in this Agreement, Strickler hereby grants to GRU, and GRU hereby acquires and accepts from Strickler, an option to purchase the Subject Strickler Interest from Strickler (the "***Purchase Option***"). GRU may assign or transfer the Purchase Option to any Affiliate (as defined below) of GRU without the consent of, or notice to, Strickler. Subject to the provisions in this Agreement, title to, and all rights (voting, economic, and otherwise) with respect to, the Subject Strickler Interest shall remain with Strickler unless and until GRU exercises the Purchase Option pursuant to this Agreement. For purposes of this Agreement, an "***Affiliate***" of a person or entity means any other person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person or entity, where the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

3. Exercise of Purchase Option. Subject to Section 4 of this Agreement, GRU may exercise the Purchase Option at any time by giving written notice to Strickler that GRU is exercising the Purchase Option and delivering payment for the Subject Strickler Interest to Strickler pursuant to Section 5 of this Agreement.

4. Conditions to Exercise of Purchase Option. GRU may only exercise the Purchase Option once GRU has received all licensing and other regulatory or governmental approvals from the State of Michigan necessary to operate, or to own an equity interest in an entity that operates, a cannabis business in the State of Michigan.

5. Purchase Option Consideration. In consideration for the Purchase Option, and for the purchase of the Subject Strickler Interest upon exercise of the Purchase Option pursuant to Section 3 of this Agreement, GRU will pay to Strickler all amounts payable by Canopy to the GH Members under the Option Agreement when and as such amounts are due and payable under the Option Agreement.

6. Miscellaneous. The headings of the sections in this Agreement are for convenience of reference only and are not to be considered in construing or interpreting this Agreement. All pronouns contained in this Agreement shall be deemed to refer to the masculine, feminine, and neutral, singular or plural, as the identity of the Parties may require. Each provision of this Agreement will be viewed as separate and divisible, and if any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions will continue to be in full force and effect. This Agreement is binding on the successors and permitted assigns of the Parties. This Agreement shall be governed by the internal laws of the State of Oregon. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signatures delivered by PDF attachment or other electronic means shall be as fully binding as delivery of an original signature. This Agreement contains the entire agreement between the Parties and supersedes any and all prior written or oral agreements. This Agreement cannot be modified or amended except by means of writing signed by both Parties and no provision of this Agreement may be waived except in a writing signed by the Party against whom the waiver is to be enforced. Each Party agrees that this Agreement's invalidity for public policy reasons and/or its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Agreement. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Agreement.

[*Signature page follows*]

The Parties have executed this Agreement as of the date first set forth above.

STRICKLER: /s/ J. Obie Strickler
J. Obie Strickler

GRU: GROWN ROGUE UNLIMITED, LLC

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: February 4, 2021

[Signature Page to Option Agreement – Strickler/GRU]

Exhibit 4.10

THE SECURITIES TO WHICH THIS PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE, AND WILL BE ISSUED IN RELIANCE UPON AVAILABLE EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE REOFFERED OR RESOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

GROWN ROGUE INTERNATIONAL INC.
(the "**Issuer**")

SUBSCRIPTION AGREEMENT
Units

This offering is the second tranche of a larger offering where the first tranche for common shares of the Issuer closed on January 19, 2021. The Subscriber (as defined below) did not participate in the first tranche. In this second tranche offering (the "**Offering**") the Issuer is offering units of the Issuer (each, a "**Unit**") at a price equal to $0.16 per Unit (the "**Purchase Price**"). Each Unit under this second tranche closing of a larger offering will be comprised of one common share of the Issuer and one whole common share purchase warrant (each, a "**Warrant**") entitling the holder to purchase one common share of the Issuer (each, a "**Warrant Share**") at an exercise price equal to $0.20 for a period of two years after the second tranche Closing. The Issuer has the right to accelerate the expiry date of the Warrants to be thirty (30) days following written notice to the holder if during the term the common shares of the Issuer close at or above $0.32 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange.

The Units will be offered in Canada, in the United States and in such other jurisdictions outside of Canada and the United States as the Issuer may determine, pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. The Units shall further have, and the Offering shall further be conducted on, the terms and conditions specified in Schedules A and B hereto.

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION PRIOR TO DELIVERY TO THE ISSUER

1. The subscriber (the "**Subscriber**") must complete the information required on page 2 with respect to subscription amounts, subscriber details and registration and delivery particulars.

2. The Subscriber must complete the personal information required on page 4. The Subscriber acknowledges and agrees that this information may be provided to the Canadian Securities Exchange (the "**Exchange**") and the applicable securities regulatory authorities, as applicable.

3. The Subscriber must complete the applicable form (the "**Form**") at the end of Schedule B namely **Form 1 – "U.S. Purchaser Certificate".**

4. Return this subscription, together with the Form, to the Corporation, Attn: J. Obie Strickler, 340 Richmond Street West, Toronto, Ontario M5V 1X2or by e-mail to obie@grownrogue.com with payment for the total subscription price for the subscribed securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

TO: GROWN ROGUE INTERNATIONAL INC.

1. The Subscriber irrevocably subscribes for and agrees to purchase from the Issuer the following securities:

No. of Units at $0.16 each under the Offering: 1,600,000

Total subscription price for the subscribed securities: US$200,000

2. The Subscriber and the Issuer agree that the Units shall have, and the Offering thereof shall be conducted on, the terms and conditions specified in this Agreement, which includes Schedules A and B hereto. The Subscriber hereby makes the representations, warranties, acknowledgments and agreements set out in Schedules A and B hereto and in the Form, and acknowledges and agrees that the Issuer and its counsel will and can rely on such representations, warranties, acknowledgments and agreements should this subscription be accepted by the Issuer.

3. Identity of and execution by Subscriber:

BOX A: SUBSCRIBER INFORMATION AND EXECUTION		
Jesse Strickler		
(name of subscriber)		
2802 Oakridge Avenue, Central Point, OR		
(address – include city, province/state and postal/zip code)		
541.613.7173	Obie@grownrogue.com	X /s/ J. Obie Strickler
(telephone number)	(email address)	(signature of subscriber/authorized signatory)
		J. Obie Strickler
		(if applicable, print name of signatory and office)

Execution hereof by the Subscriber shall constitute an offer and agreement to subscribe for such number of Units for such total subscription price as set out in Item 1 above pursuant to the provisions of Item 2 above, and acceptance by the Issuer shall effect a legal, valid and binding agreement between the Issuer and the Subscriber. This subscription may be executed and delivered in counterparts and by facsimile, and shall be deemed to bear the date of acceptance below.

4. If the Units are to be registered other than as set out in Box A, the Subscriber directs the Issuer to register and deliver the Units as follows:

BOX B: ALTERNATE REGISTRATION INSTRUCTIONS
(name of registered holder)
(address of registered holder – include city, province/state and postal/zip code)
(registered holder: contact name, contact telephone number and contact email address)

5. If the Units are to be delivered other than as set out in Box A (or if completed, Box B), the Subscriber directs the Issuer to deliver the Units as follows:

BOX C: ALTERNATE DELIVERY INSTRUCTIONS
(name of recipient)
(address of recipient – include city, province/state and postal/zip code)
(recipient: contact name, contact telephone number and contact email address)

ACCEPTANCE

The Issuer hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

This subscription is accepted and agreed to by the Issuer as of the ___ day of _____, 2021.	)	**GROWN ROGUE INTERNATIONAL INC.**
	)	
	)	Per: /s/ J. Obie Strickler
	)	Authorized Signatory

PERSONAL INFORMATION

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercise control or direction over (provide additional details as applicable):

☒ ~31,000,000 common shares of the Issuer and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Issuer:

1,600,000 warrants for this financing exercisable at $0.20; beneficially control 500,000 options with strike price of $0.15.

☐ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status.** The Subscriber either:

☒ Is an "Insider" of the Issuer as defined in the *Securities Act* (Ontario), by virtue of being:

(a) a director or an officer of the Issuer;

(b) a director or an officer of a person that is an Insider or subsidiary of the Issuer;

(c) a person that has

(i) beneficial ownership of, or control or direction over, directly or indirectly, or

(ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

securities of the Issuer carrying more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

☐ Is not an Insider of the Issuer.

3. **Registrant Status.** The Subscriber either:

☐ Is a "Registrant" by virtue of being a person registered or required to be registered under the *Securities Act* (Ontario) or other applicable securities laws; or

☒ Is not a Registrant.

"**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to the applicable securities laws, or a person (as that term is defined herein) registered or otherwise required to be registered under applicable securities laws.

SCHEDULE A

1. Interpretation

1.1 Unless the context otherwise requires, reference in this subscription to:

(a) "**Agreement**" means this subscription agreement, including all schedules, forms and other attachments attached thereto;

(b) "**Applicable Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders and notices of, the applicable securities regulatory authority or authorities of the applicable jurisdiction or jurisdictions as the case may be;

(c) "**Business Day**" means a day which is not a Saturday, Sunday, or civic or statutory holiday on which Canadian chartered banks are open for the transaction of regular business in the city of Toronto, Ontario;

(d) "**Closing**" refers to the completion of the purchase and sale of the Units;

(e) "**Closing Time**" means the time of Closing;

(f) "**Exchange**" means the Canadian Securities Exchange;

(g) "**Exemptions**" has the meaning set out in section 3.1 of this Schedule A;

(h) "**Form**" means the form attached to and forming a part of this subscription, including all further schedules, exhibits and other appendices to such Form;

(i) "**NI 45-102**" and "**NI 45-106**" refer to National Instrument 45-102 *Resale of Securities* and National Instrument 45-106 *Prospectus Exemptions*, respectively, of the Canadian Securities Administrators;

(j) "**Offered Share**" has the meaning set out on the first page of this Agreement;

(k) "**Offering**" has the meaning set out on the first page of this Agreement;

(l) "**Public Record**" refers to all public information which has been filed by the Issuer pursuant to Applicable Securities Laws;

(m) "**Purchase Price**" has the meaning set out on the first page of this Agreement;

(n) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(o) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(p) "**Securities**" has the meaning set out in section 2.3 of this Schedule A;

(q) "**Selling Jurisdictions**" means Canada, the United States and such other jurisdictions outside of Canada and the United States where the Issuer may conduct the Offering;

(r) "**subscription**" or "**subscription agreement**" means this subscription agreement and includes all schedules hereto and the Form;

(s) "**Unit**" has the meaning set out on the first page of this Agreement;

(t) "**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S; and for greater certainty, "U.S. Person" includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person;

(u) "**U.S. Purchaser**" means a Subscriber that (i) has been offered the Units in the United States, (ii) executed this subscription agreement or otherwise placed its purchase order for Units in the United States, or (iii) is, or is acting on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.

(v) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

(w) "**Warrant**" has the meaning set out on the first page of this Agreement; and

(x) "**Warrant Share**" has the meaning set out on the first page of this Agreement.

1.1 In the subscription, the terms "**designated offshore securities market**", "**directed selling efforts**", "**foreign issuer**" and "**United States**" have the meanings prescribed in Regulation S.

1.2 Unless otherwise stated, all dollar figures herein expressed are in Canadian Dollars.

1.3 References imputing the singular shall include the plural and vice versa; references imputing individuals shall include corporations, partnerships, societies, associations, trusts and other artificial constructs and vice versa; and references imputing gender shall include the opposite gender.

2. Description of Offering and Securities

2.1 Under the Offering, Units will be offered at $0.16 per Unit. Each Unit will be comprised of one common share of the Issuer and one Warrant entitling the holder to purchase one Warrant Share at an exercise price equal to $0.20 per share for a period of two years after Closing. The Issuer has the right to accelerate the expiry date of the Warrants to be thirty (30) days following written notice to the holder if during the term the common shares of the Issuer close at $0.32 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange.

2.2 The common shares and Warrants comprising the Units, together with the Warrant Shares, are also collectively referred to herein as the "**Securities**". The Issuer may, in its discretion and subject to the approval of the Exchange, increase the size of the Offering and/or offer or sell additional securities concurrently with the Offering and/or the Issuer may, in the future in its sole discretion and without notice to the Subscriber, offer or sell additional securities. The Offering is not subject to any minimum aggregate offering and there can be no assurances that the Issuer will raise sufficient funds, through the Offering or otherwise, to meet its objectives.

3. Eligibility and Subscription Matters

3.1 The Offering is being made pursuant to exemptions (the "**Exemptions**") from the registration and prospectus requirements of the Applicable Securities Laws. The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, acknowledgments and agreements of the Subscriber contained in this Agreement both at the date hereof and at the time of each Closing and otherwise provided by the Subscriber to the Issuer to determine the availability of Exemptions should this subscription be accepted.

3.2 The Offering is not, and under no circumstances is to be construed as, a public offering of the Securities. The Offering is not being made, and this subscription does not constitute, an offer to sell or the solicitation of an offer to buy the Securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

3.3 Subscribers must duly complete and execute this subscription together with the Form hereto (**please see the Instructions listed on the face page hereof**) and return them to the Issuer with payment for the total subscription price for the subscribed Units by way of a certified cheque, money order or bank draft made payable to a certified cheque, bank draft or wire transfer or other acceptable form of payment to the Issuer for the total Subscription Amount:

Subscription Procedure:	Subscription forms should be filled out, signed and delivered with payment to: Grown Rogue International Inc. 340 Richmond Street West Toronto, Ontario M5V 1X2 Attn: J. Obie Strickler (obie@grownrogue.com

3.4 Subscriptions are irrevocable subject to the right of the Issuer to terminate the Offering.

3.5 A subscription will only be effective upon its acceptance by the Issuer. Subscriptions will only be accepted if the Issuer is satisfied that, and will be subject to a condition for the benefit of the Issuer that, the Offering can lawfully be made in the jurisdiction of residence of the Subscriber pursuant to an available Exemption and that all other Applicable Securities Laws have been and will be complied with in connection with the proposed distribution. The Issuer may, in its absolute discretion, accept or reject the Subscriber's subscription for the Units as set forth in this subscription in whole or in part. The Issuer reserves the right to allot to the Subscriber less than the number of Securities subscribed for under this Agreement. The Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional upon, among other things, the sale of the Securities to the Subscriber being exempt from any prospectus requirements of Applicable Securities Laws. This Agreement shall be deemed to be accepted only when signed by a duly authorized representative of the Issuer.

3.6 If this subscription is rejected in whole by the Issuer, any certified cheque, money order, bank draft or other form of payment delivered by the Subscriber to the Issuer on account of the aggregate subscription price for the Units subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this subscription is accepted only in part by the Issuer, payment representing the amount by which the payment delivered by the Subscriber to the Issuer exceeds the subscription price of the number of Units sold to the Subscriber pursuant to a partial acceptance of this subscription will be promptly delivered to the Subscriber without any interest paid on such amount.

3.7 No offering memorandum or other disclosure document has been prepared or will be delivered to the Subscriber in connection with the Offering, and the Subscriber hereby expressly acknowledges and confirms that it has not received, and has no need for, an offering memorandum or other disclosure document in connection with the Offering.

4. Closing Conditions and Closing Procedure

4.1 Prior to any Closing, the Subscriber will deliver to the offices of the Issuer aggregate subscription funds and subscription documents completed in accordance with the instructions on the face page of this Agreement. On request by the Issuer, the Subscriber agrees to complete and deliver any other documents, questionnaires, notices and undertakings as may possibly be required by regulatory authorities, stock exchanges and Applicable Securities Laws to complete the transactions contemplated by this Agreement.

4.2 The Closing will occur on the Closing Date at which time certificates representing the Units will be available against payment of funds for delivery to the Subscriber as the Subscriber will instruct.

4.3 The Subscriber agrees to subscribe for a number of Units as set out on page 2 of this Agreement.

4.4 The Issuer shall deliver to the Subscriber, at each applicable Closing Date, certificates representing the Units, as the case may be, together with evidence satisfactory to the Subscriber that the registers of the Issuer have been updated to reflect such issuance.

5. Reporting and Consent

5.1 The Subscriber expressly consents and agrees to:

(a) the Issuer collecting personal information regarding the Subscriber for the purpose of completing the transactions contemplated by this Agreement; and

(b) the Issuer releasing personal information regarding the Subscriber and this Subscription, including the Subscriber's name, residential address, telephone number, email address and registration and delivery instructions, the number of Securities purchased, the number of securities of the Issuer held by the Subscriber, the status of the Subscriber as an insider or registrant, or as otherwise represented herein, and, if applicable, information regarding the beneficial ownership of the principals of the Subscriber, to securities regulatory authorities in compliance with Applicable Securities Laws, to other authorities as required by law and to the registrar and transfer agent of the Issuer for the purpose of arranging for the preparation of the certificates representing the Securities in connection with the Offering.

The purpose of the collection of the information is to ensure the Issuer and its advisers will be able to issue Securities to the Subscriber in accordance with the instructions of the Subscriber and in compliance with applicable Canadian

corporate and securities laws and Canadian Securities Exchange policies, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Securities Laws and with other authorities as required by law. The Subscriber further expressly consents and agrees to the collection, use and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including the provision of all such personal information to third party service providers from time to time.

The contact information for the officer of the Issuer who can answer questions about the collection of information by the Issuer is as follows:

Name & Title:	J. Obie Strickler, CEO
Issuer Name:	**Grown Rogue International Inc.**
Address:	340 Richmond Street West, Toronto, ON M5V 1X2 Canada
Telephone No:	541-613-7173

5.2 The Subscriber expressly acknowledges and agrees that:

(a) the Issuer may be required to provide applicable securities regulators, or otherwise under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* of Canada, a list setting forth the identities of the purchasers of the Securities and any personal information provided by the Subscriber, and the Subscriber hereby represents and warrants that to the best of the Subscriber's knowledge, none of the funds representing the subscription proceeds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; the Subscriber hereby further covenants that it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Issuer with appropriate information in connection therewith;

(b) the Subscriber is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism ("**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations ("**UNAQTR**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea ("**UNRDPRK**"), the Regulations Implementing the United Nations Resolution on Iran ("**RIUNRI**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**") or any other similar statute;

(c) the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder pursuant to the PCMLA, the Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRI, the Zimbabwe Regulations, the Burma Regulations or any other similar statute; and

(d) the Subscriber shall complete, sign and return such additional documentation as may be required from time to time under Applicable Securities Laws or any other applicable laws in connection with the Offering and this subscription.

5.3 The Subscriber authorizes the indirect collection of Personal Information (as hereinafter defined) by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 *Definitions*) and confirms that the Subscriber has been notified by the Issuer:

(a) that the Issuer will be delivering Personal Information to the securities regulatory authority or regulator;

(b) that the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it in Applicable Securities Laws;

(c) that such Personal Information is being collected for the purpose of the administration and enforcement of Applicable Securities Laws; and

(d) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as follows:

(i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: inquiries@bcsc.bc.ca;

(ii) Alberta Securities Commission, Suite 600, 250 – 5th Street, SW Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;

(iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5879, Facsimile: (306) 787-5899;

(iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;

(v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca, Public official contact regarding indirect collection of information: Inquiries Officer;

(vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Facsimile: (514) 864-6381 (For privacy requests only), Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers);

(vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street,, Suite 300 Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;

(viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;

(ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283; and

(x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187.

"**Personal Information**" means any personal information as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time and without limiting the foregoing, but for greater clarity in this Agreement, means information about an identifiable individual, including but not limited to any information about the Subscriber and includes information provided by the Subscriber in this Agreement.

6. <u>Resale Restrictions and Legending of Securities</u>

6.1 The Subscriber hereby acknowledges and agrees that the Offering is being made pursuant to Exemptions and, as a result, the Securities will be subject to a number of statutory restrictions on resale and trading. Until these restrictions expire, the Subscriber will not be able to sell or trade the Securities unless the Subscriber complies with an Exemption from the prospectus and registration requirements under Applicable Securities Laws. In general, unless permitted under securities legislation, the Subscriber cannot trade the Securities in Canada before the date that is four months and a day after the date of the Closing. **See also section 6.3 below**.

6.2 The Subscriber acknowledges and agrees that:

(a) the Securities have not been and will not be registered under the U.S. Securities Act, or any State securities laws, and may not be offered and sold, directly or indirectly, to a U.S. Purchaser without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available;

(b) the Issuer has no present intention and is not obligated under any circumstances to register the Securities, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Purchaser, and in particular, the Subscriber and the Issuer further acknowledge and agree that the Issuer is hereby required to refuse to register any transfer of the Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration; and

(c) any Warrants may not be exercised in the United States or by or on behalf of any U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available and the holder of such Warrant furnishes the Issuer with a legal opinion of counsel satisfactory to the Issuer to that effect.

6.3 **The foregoing discussion on hold periods and resale restrictions is a general summary only and is not intended to be comprehensive or exhaustive, or to apply in all circumstances.** Subscribers are advised to consult with their own advisers concerning their particular circumstances and the particular nature of the restrictions on transfer, the extent of the applicable hold period and the possibilities of utilizing any further Exemptions or the obtaining of a discretionary order to transfer any Securities. Subscribers are further advised against attempting to resell or transfer any Securities until they have determined that any such resale or transfer is in compliance with the requirements of all Applicable Securities Laws, including but not limited to compliance with restrictions on certain pre-trade activities and the filing with the appropriate regulatory authority of reports required upon any resale of the Securities.

6.4 In the event that any of the Securities are subject to a hold period or any other restrictions on resale and transferability, the Issuer will place a legend on the certificates representing the Securities as are required under Applicable Securities Laws, by the Exchange or as the Issuer may otherwise deem necessary or advisable.

7. Miscellaneous

7.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber, including any fees and disbursements of any special counsel retained by the Subscriber, relating to the purchase, resale or transfer of the Securities, shall be borne by the Subscriber.

7.2 Except as expressly provided for in this subscription and in any agreements, instruments and other documents contemplated or provided for herein, this subscription contains the entire agreement between the parties with respect to the sale of the Units and there are no other terms, conditions, representations, warranties, acknowledgments and agreements, whether expressed or implied, whether written or oral, and whether made by statute, common law, the parties hereto or anyone else. This subscription may only be amended by instrument in writing signed by the parties hereto.

7.3 Each party to this subscription covenants that it will, from time to time both before and after the Closing, at the request and expense of the requesting party, promptly execute and deliver all such other notices, certificates, undertakings, escrow agreements and other instruments and documents, and shall do all such other acts and other things, as may be necessary or desirable for purposes of carry out the provisions of this subscription.

7.4 The invalidity, illegality or unenforceability of any particular provision of this subscription shall not affect or limit the validity, legality or enforceability of the remaining provisions of this subscription.

7.5 This subscription, including without limitation the terms, conditions, representations, warranties, acknowledgments and agreements contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber and the Issuer notwithstanding the completion of the purchase and sale of the Units, the conversion or exercise of any Securities and any subsequent disposition thereof by the Subscriber.

7.6 This subscription is not transferable or assignable. This subscription shall enure to the benefit of and be binding upon the parties hereto and its respective successors and permitted assigns.

7.7 This subscription is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in his personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

7.8 The Issuer shall be entitled to rely on delivery of a facsimile or portable document format ("**pdf**") copy of the executed subscription, and acceptance by the Issuer of such facsimile or pdf subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this subscription is delivered to the Issuer at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions, unaltered, of the pages not delivered at Closing.

7.9 This subscription may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

7.10 The parties hereto acknowledge and confirm that they have requested that this subscription as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

7.11 Time shall be of the essence hereof.

SCHEDULE B

1. Representations, Warranties, Covenants, Acknowledgments and Agreements of the Subscriber

1.1 The Subscriber hereby represents, warrants, covenants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) the Subscriber is resident in the jurisdiction set out on page 2 above, and if such address is not located in Ontario, the Subscriber expressly certifies that it is not resident in Ontario;

(b) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities, and in particular no governmental agency or authority, stock exchange or other regulatory body or any other entity has made any finding or determination as to the merit for investment of, nor have any such agencies, authorities, exchanges, bodies or other entities made any recommendation or endorsement with respect to, the Securities;

(c) there is no government or other insurance covering the Securities;

(d) there are risks associated with the purchase of the Securities, which are speculative investments that involve a substantial degree of risk, and the Subscriber may lose his, her or its entire investment. The Subscriber has carefully reviewed and is aware of all of the risk factors related to the purchase of Securities of the Issuer. There is no person acting or purporting to act on behalf of the Subscriber (including any beneficial Subscriber), in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Units, the Subscriber covenants to indemnify and hold harmless the Issuer with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(e) there are restrictions on the Subscriber's ability to resell the Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Securities;

(f) the Issuer has advised the Subscriber that it is relying on one or more exemptions from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Applicable Securities Laws, and as a consequence of acquiring the Securities pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it;

(g) the Subscriber has been further advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Securities under Applicable Securities Laws (i) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Issuer is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Subscriber is restricted from using certain of the civil remedies available under such legislation;

(h) the Subscriber has had access to all information regarding the Issuer and the Securities that the Subscriber has considered necessary in connection with its investment decision, and, in particular, the Subscriber's decision to execute this Agreement and purchase the Units has been based entirely upon its review of the Public Record, including the Issuer's financial statements, and has not been based upon any written or oral representation or warranty as to fact or otherwise made by or on behalf of the Issuer;

(i) no person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Securities, (ii) that any person will refund the purchase price for the Securities, (iii) as to the future price or value of the Securities, or (iv) that the Securities will be listed and posted for trading on any stock exchange;

(j) the Subscriber is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Securities, and is and will be able to bear the economic loss of its entire investment in any of the Securities and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment;

(k) the Subscriber has been advised to consult its own investment, legal and tax advisers with respect to the merits and risks of an investment in the Securities and Applicable Securities Laws and resale restrictions, and in all cases the Subscriber has not relied upon the Issuer or its counsel or advisers for investment, legal or tax advice, always having, if desired, in all cases sought the advice of the Subscriber's own personal investment adviser, legal counsel and tax advisers, and in particular, the Subscriber has been advised and understands that it is solely responsible, and none of the Issuer or its counsel or advisers are in any way responsible, for the Subscriber's compliance with Applicable Securities Laws and resale restrictions regarding the holding and disposition of the Securities;

(l) the Subscriber has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Agreement, restrictions with respect to trading in the Securities imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation has been made to it by or on behalf of the Issuer with respect thereto, acknowledges that it is aware of the characteristics of the Securities, the risks relating to an investment therein and of the fact that it may not be able to resell the Securities except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with the other requirements of applicable law;

(m) to the knowledge of the Subscriber, the Offering was not advertised or solicited in any manner in contravention of Applicable Securities Laws, and has not been made through or as a result of any general solicitation or general advertising or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Units;

(n) the Subscriber has no knowledge of a "material fact" or "material change", as those terms are defined in the Applicable Securities Laws applicable in its jurisdiction of residence, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

(o) the Subscriber is not a "control person" as defined in the policies of the Exchange, will not become a "control person" by virtue of purchasing the Units as contemplated herein, or any further acquisition of any Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;

(p) the Subscriber has the legal capacity and competence to enter into and execute this subscription and to take all actions required pursuant hereto, and if the Subscriber is not an individual, it is also duly formed and validly subsisting under the laws of its jurisdiction of formation and all necessary approvals by its directors, shareholders, partners and others have been obtained to authorize the entering into and execution of this subscription and the taking of all actions required hereto on behalf of the Subscriber. If the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which the Agreement is executed and is legally competent to execute this Agreement and take all action pursuant hereto;the Subscriber, or each principal/beneficial purchaser for whom it is acting, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or, each principal/beneficial purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment. The Subscriber is familiar with the aims and objectives of the Issuer and is informed of the nature of its activities;

(q) none of the funds the Subscriber is using to purchase the Securities are, to the best knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(r) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Agreement and the transactions contemplated herein can be consummated by the Subscriber;

(s) the Subscriber has duly and validly entered into, executed and delivered this Agreement and it constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application

affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

(t) the entering into of this subscription and the transactions contemplated hereby does not and will not, conflict with, result in a violation or breach of, or constitute a default under, any of the terms and provisions of any law, regulation, order or ruling applicable to the Subscriber, or of any agreement, contract or indenture, written or oral, to which it is or may be a party or by which it is or may be bound, and, if the Subscriber is a corporation, its constating documents or any resolutions of its directors or shareholders;

(u) you acknowledge that legal counsel retained by the Issuer is acting as counsel to the Issuer and not as counsel to you and you may not rely upon such counsel in any respect;

(v) the Subscriber is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered under National Instrument 31-103 – *Registration Requirements and Exemptions* (or, in Québec, Regulation 31-103 *respecting Registration Requirements and Exemptions*);

(w) with respect to compliance with the U.S. Securities Act:

(i) none of the Securities have been registered under the U.S. Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(ii) the Subscriber is neither an underwriter of, or dealer in, the common shares of the Issuer, nor participating, pursuant to a contractual agreement or otherwise, in the distribution of the Securities;

(iii) the Subscriber is acquiring the Securities for investment only and not with a view to resale or distribution and, in particular, has no intention to distribute, directly or indirectly, all or any of the Securities to U.S. Purchasers, and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or person in the United States respecting (A) the transfer or assignment of any rights or interests in any of the Securities; (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this subscription or the Securities; or (C) the voting of any securities offered hereby or underlying any securities offered hereby;

(iv) any person who acquires Securities may at the Issuer's discretion be required to provide the Issuer with written certification that it is not a U.S. Purchaser; and

(v) the current structure of this transaction and all transactions and activities contemplated hereunder, and the Subscriber's participation therein, is not a scheme to avoid the registration requirements of the U.S. Securities Act;

(x) if the Subscriber is a U.S. Purchaser:

(i) the Subscriber, by completing Form 1 – U.S. Purchaser Certificate, is representing and warranting to the Issuer that the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Units, including the potential loss of its entire investment, is aware of the characteristics of the Units and understands the risks relating to an investment therein, is able to bear the economic risk of loss of its investment in the Units, and that all information contained in the Subscriber's completed Form 1 – U.S. Purchaser Certificate is complete and accurate in all respects and may be relied upon by the Issuer;

(ii) the Subscriber will not acquire the Securities as a result of, and will not itself engage in, any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Securities pursuant to

registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(iii) the Subscriber and their adviser(s) have had a reasonable opportunity to ask questions of and receive answers from the Issuer in connection with the distribution of the Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(iv) the Subscriber hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under Applicable Securities Laws, the certificates representing any of the Securities will bear legends in substantially the form set forth on Form 1 hereto;

(v) the Issuer will refuse to register any transfer of the Securities not made pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available Exemption from the registration requirements of the U.S. Securities Act or pursuant to Regulation S; and

(vi) the statutory and regulatory basis for the Exemption claimed for the offer of the Securities would not be available if the Offering is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act;

(y) the Issuer may complete additional financings in the future to develop the business of the Issuer and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

(z) the Subscriber has not received, nor does it expect to receive, any financial assistance from the Issuer, directly or indirectly, in respect of the Subscriber's purchase of the Securities;

(aa) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Securities subscribed for hereunder following the Closing; and

(bb) the Subscriber is purchasing the Units as principal for investment purposes only, for its own account and not for the benefit of any other person and not with a view to, or for resale in connection with, any distribution thereof in violation of any Applicable Securities Laws.

2. <u>Reliance, Notification, Indemnity and Survival</u>

2.1 The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, certifications, acknowledgments and agreements of the Subscriber contained in this subscription and otherwise provided by the Subscriber to and with the Issuer to determine the availability of Exemptions should this subscription be accepted, and otherwise in completing the offering, issue and sale of the Securities to the Subscriber in accordance with applicable laws. The Subscriber covenants and agrees to provide to the Issuer evidence of the Subscriber's qualifications for the Exemption immediately upon request by the Issuer.

2.2 The Subscriber undertakes to notify the Issuer immediately of any change in any representation, warranty or other information pertaining to the Subscriber herein or otherwise provided in connection with this subscription which takes place prior to Closing.

2.3 The Subscriber acknowledges that the Issuer and its counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber to purchase the Units under the Offering, and hereby agrees to indemnify the Issuer and its directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including its legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. To the extent that any person entitled to be indemnified hereunder is not a party to this subscription, the Issuer shall obtain and hold the rights and benefits of this

subscription in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this subscription.

2.4 The representations, warranties, acknowledgements and agreements made by the Subscriber in this subscription and otherwise provided by the Subscriber and the Issuer shall be true and correct as of the date of execution of this subscription and as of each Closing as if repeated thereat, and shall survive the Closing.

FORM 1

U.S. PURCHASER CERTIFICATE

In addition to the representations, warranties, acknowledgments and agreements contained in the subscription agreement (the "**subscription**") to which this Form 1 – U.S. Purchaser Certificate is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Securities set out in the subscription as principal, that the Subscriber is a resident of the jurisdiction of its disclosed address set out in the Subscriber's information on page 2 of the subscription, and:

1. The Subscriber hereby represents, warrants, acknowledges and agrees to and with the Issuer that the Subscriber:

   (a) is a U.S. Purchaser;

   (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the subscription and it is able to bear the economic risk of loss arising from such transactions;

   (c) is acquiring the Securities for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Securities in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Securities in the United States or to U.S. Persons; provided, however, that the Subscriber may sell or otherwise dispose of any of the Securities pursuant to registration thereof pursuant to the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and any applicable State securities laws or if an exemption from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;

   (d) is not acquiring the Securities as a result of any form of "general solicitation" or "general advertising", as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the Internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

   (e) understands the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the sale contemplated hereby is being made in reliance on an Exemption from such registration requirements provided by Section 4(a)(2) of the U.S. Securities Act and available exemptions under applicable State securities laws.

   (f) if an individual, is a resident of the state or other jurisdiction of its disclosed address set out in the Subscriber's information on page 2 of its subscription; or if not an individual, has received and accepted the offer to acquire the Securities at the office of the Subscriber at the disclosed address set out in the Subscriber's information on page 2, of its subscription.

2. The Subscriber acknowledges and agrees that:

   (a) the Subscriber has not acquired the Securities as a result of, and will not itself engage in any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Securities pursuant to registration of any of the Securities pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;

   (b) if the Subscriber decides to offer, sell or otherwise transfer any of the Securities, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

      (i) the sale is to the Issuer;

      (ii) the sale is made outside of the United States pursuant to the requirements of Rule 904 of Regulation S;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder if available and in accordance with any applicable state securities or "Blue Sky" laws; or

(iv) the Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state laws and regulations governing the offer and sale of securities,

and, in the case of paragraphs (iii) and (iv), the Subscriber has prior to such sale furnished to the Issuer an opinion of counsel of recognized standing in form and substance satisfactory to the Issuer;

(c) upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. State laws and regulations, the certificates representing any of the Securities will bear a legend in substantially the following form:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

and provided that if any of the Securities are being sold by the Subscriber in an off-shore transaction and in compliance with the requirements of Rule 904 of Regulation S, at a time when the Issuer is a "foreign issuer" as defined in Rule 902 of Regulation S, the legend set forth above may be removed by providing a declaration to the Issuer and its transfer agent or such other evidence as the Issuer or its transfer agent may from time to time prescribe (which may include an opinion of counsel satisfactory to the Issuer and its transfer agent), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S;

and provided further, that if any of the Securities are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Issuer's transfer agent of an opinion satisfactory to the Issuer and its transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(d) any Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless registered under the U.S. Securities Act and any applicable state securities laws unless an exemption from such registration requirements is available and upon the original issuance of the Warrants, and until such time as it is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, all certificates representing the Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

> "THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(e) the Issuer may make a notation on its records or instruct the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein and the subscription;

(f) the Subscriber understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Rule 902 of Regulation S, (ii) may not, at the time the Securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer;

(g) the Subscriber understands and agrees that the financial statements of the Issuer have been prepared in accordance with international Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(h) the Subscriber understands that the Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the Securities and Exchange Commission (the "**SEC**") provide in substance that the Subscriber may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Securities indefinitely or to transfer the Securities in the United States or to U.S. Persons in "private placements" which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Securities for an indefinite period of time; and

(i) the funds representing the subscription price which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to the subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and that no portion of the subscription price to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Subscriber, and it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the subscription to which this Certificate is attached.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 2021.

If a corporation, partnership or other entity:

_____
Print Name of Subscriber

_____
Signature of Authorized Signatory

_____
Name and Position of Authorized Signatory

_____
Jurisdiction of Residence of Subscriber

If an individual:

Print Name of Subscriber: *Jesse Strickler*

Signature /s/ J. Obie Strickler

Jurisdiction of Residence of Subscriber: Oregon

Exhibit 4.11

Execution Version

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of February 5, 2021, is entered into between HSCP Oregon, LLC, an Oregon limited liability company ("**Seller**"), High Street Capital Partners, LLC, a Delaware limited liability company ("**HSCP**" and together with Seller, the "**Seller Parties**"), and Grown Rogue Distribution, LLC, an Oregon limited liability company ("**Buyer**").

RECITALS

WHEREAS, Seller owns and operates the following businesses (collectively, the "**Business**"): (a) recreational cannabis production operations and related business activities (the "**Producer Business**") at 550 Airport Road, Medford, Oregon 97504 (the "**Producer Premises**") pursuant to Oregon Liquor Control Commission ("**OLCC**") producer license number 020-1003642197C (the "**Producer License**"), OLCC wholesale license number 060-1013984A526 (the "**Wholesale License**"), and OLCC processor license number 030-1013975ABC8 (the "**Processor License**"), and (b) a retail recreational cannabis dispensary and related business activities (the "**Retail Business**") at 8701 SE Powell Boulevard, Portland, Oregon 97266 (the "**Retail Premises**" and together with the Producer Premises, the "**Premises**") pursuant to OLCC retailer license number 050-10026747951 (the "**Retailer License**" and together with the Producer License, the Wholesale License, and the Processor License, the "**Licenses**").

WHEREAS, Seller wishes to sell, convey, and assign to Buyer, and Buyer wishes to purchase, acquire, and assume from Seller, substantially all the assets, and certain specified Liabilities (as defined below), of the Business, on the terms and subject to the conditions set forth in this Agreement.

WHEREAS, HSCP owns all of the issued and outstanding equity securities of Seller. HSCP acknowledges, for itself and as the parent of Seller, that it will obtain a material and substantial financial benefit from entering into this Agreement and from the Transactions (as defined below). Therefore, HSCP is willing to enter into this Agreement for the purposes set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale of Assets. On the terms, and subject to the conditions, set forth in this Agreement, at Closing (as defined below), Seller shall sell, convey, assign, transfer, and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of all Encumbrances (as defined below), all of Seller's right, title, and interest in, to, and under all of the tangible and intangible assets, properties, and rights of every kind and nature and wherever located (other than the Excluded Assets (as defined below)), that relate to, or are used or held for use in connection with, the Business (the "**Purchased Assets**"), including the following:

(a) all Permits that are held by Seller and required for the conduct of the Business as currently conducted or for the ownership and use of the Purchased Assets, including those listed on **Section 3.11(b)** of the Disclosure Schedules (as defined below). The term "**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Government Authorities (as defined below). The term "**Government Authority**" means any federal, state, local, or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction;

(b) all Contracts set forth on **Schedule 1.01(b)** (the "**Assigned Contracts**"). The term "**Contracts**" means all contracts, leases, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures, and all other agreements, commitments, and legally binding arrangements, whether written or oral;

(c) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, point-of sale systems, packaging, telephones, and other tangible personal property, including all security/surveillance equipment (the "**Tangible Personal Property**"); and

(d) all items set forth on **Schedule 1.01(d)**.

Section 1.02 Excluded Assets. Other than the Purchased Assets subject to **Section 1.01**, Buyer expressly understands and agrees that it is not purchasing or acquiring, and Seller is not selling or assigning, any other assets or properties of Seller, and all such other assets and properties shall be excluded from the Purchased Assets (the "**Excluded Assets**").

Section 1.03 Assumed Liabilities.

(a) Subject to the terms, and on the conditions, set forth in this Agreement, Buyer shall assume and agree to pay, perform, and discharge only the following Liabilities of Seller (collectively, the "**Assumed Liabilities**"), and no other Liabilities: (i) all trade accounts payable of Seller to third parties in connection with the Business that remain unpaid and are not delinquent as of the Closing Date, which shall be mutually agreed upon by the Parties and set forth on **Schedule 1.03(a)(i)** to be attached to this Agreement immediately prior to Closing; (ii) all Liabilities in respect of the Assigned Contracts but only to the extent that such Liabilities thereunder are required to be performed after Closing, were incurred in the ordinary course of business, and do not relate to any failure to perform, improper performance, warranty, or other breach, default, or violation by Seller as of or at any time before Closing; (iii) those Liabilities of Seller set forth on **Schedule 1.03(a)(iii)**, and (iv) all other Liabilities arising out of or relating to Buyer's ownership or operation of the Business and the Purchased Assets on or after the Closing.

For purposes of this Agreement, "**Liabilities**" means liabilities, obligations, or commitments of any nature whatsoever, whether asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise.

(b) Notwithstanding any provision in this Agreement to the contrary, Buyer shall not assume and shall not be responsible to pay, perform, or discharge any Liabilities of Seller or any of its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (the "**Excluded Liabilities**"). For the avoidance of doubt, Buyer shall not assume, and shall not be responsible to pay, perform, or discharge, any Liabilities of Seller or its Affiliates under any Assigned Contract that was required to be performed at or before Closing, were not incurred in the ordinary course of business, or relate to any failure to perform, improper performance, warranty, or other breach, default, or violation by Seller at or before Closing. For purposes of this Agreement: (i) "**Affiliate**" of a Person (as defined below) means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person; and (ii) the term "**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. All Excluded Liabilities are and will remain Seller's sole responsibility and Seller will pay, perform, and otherwise satisfy timely and in full all Excluded Liabilities.

Section 1.04 Purchase Price. The aggregate purchase price for the Purchased Assets shall be $3,000,000, subject to reduction as set forth in this Agreement (the "**Purchase Price**"), to be paid as set forth in **Section 1.05**, plus the assumption of the Assumed Liabilities. If this Agreement is terminated pursuant to **ARTICLE VIII** with respect to either the Retail Business or the Producer Business, but not both, then (a) the Purchase Price shall be reduced by the Retail Business Purchase Price (as defined below) or the Producer Business Purchase Price (as defined below), as applicable, and references to the "Purchase Price" in this Agreement shall mean the Purchase Price as so reduced.

Section 1.05 Payment of Purchase Price. Buyer will pay the Purchase Price as follows:

(a) Concurrently with the execution and delivery of this Agreement, Buyer paid to Seller $750,000 (the "**Deposit**") in immediately available funds in accordance with the wire transfer instructions set forth on **Schedule 1.05(a)**, which shall be applied to the Purchase Price. The Deposit will be non-refundable unless this Agreement is terminated pursuant to **Section 8.01(a)** or **Section 8.01(b)**; *provided*, *however*, if Closing with respect to the Purchased Assets associated with the Retail Business (as contemplated in **Section 2.01(b)** below) has occurred before this Agreement is terminated, then the Deposit will constitute partial payment for such Purchased Assets and such amount shall be non-refundable notwithstanding the basis for the termination of this Agreement.

(b) At Closing with respect to the Purchased Assets associated with the Retail Business, Buyer will pay Seller $250,000 in immediately available funds in accordance with the wire transfer instructions set forth on **Schedule 1.05(a)**, which shall, together with the Deposit, constitute payment in full for such Purchased Assets.

(c) At Closing of the purchase and sale of the Purchased Assets associated with the Producer Business, Buyer will pay the remainder of the Purchase Price (*i.e.*, $2,000,000 if the Purchase Price has not been reduced pursuant to **Section 1.04**) to Seller as follows depending on when that Closing occurs: (i) if that Closing occurs before the 12-month anniversary of the Effective Date, by delivering to Seller a promissory note in the form attached as Exhibit A (the "**Note**") in the original principal amount of $2,000,000, (ii) if that Closing occurs on or after the 12-month anniversary of the Effective Date, but before the 18-month anniversary of the Effective Date, by (A) wiring $750,000 in immediately available funds to Seller in accordance with the wire transfer instructions set forth on **Schedule 1.05(a)** and (B) delivering to Seller the Note in the original principal amount of $1,250,000, or (iii) if that Closing occurs on or after the 18-month anniversary of the Effective Date, by wiring $2,000,000 in immediately available funds to Seller in accordance with the wire transfer instructions set forth on **Schedule 1.05(a)**. The Note, if delivered, will be secured by a security interest in, and lien upon, only those Purchased Assets associated with the Producer Business. If the Purchase Price is reduced pursuant to **Section 1.04** because this Agreement is terminated with respect to the Retail Business, such reduction shall first reduce the amount, if any, due in immediately available funds at the Closing related to the Producer Business under this **Section 1.05(c)** and will then reduce the original principal amount of the Note.

Section 1.06 Allocation of Purchase Price. The Purchase Price shall be allocated to the Purchased Assets as follows: (a) the Purchased Assets associated with the Retail Business shall be allocated $1,000,000 of the Purchase Price (the "**Retail Business Purchase Price**"), and (2) the Purchased Assets associated with the Producer Business shall be allocated $2,000,000 of the Purchase Price (the "**Producer Business Purchase Price**"). The Retail Business Purchase Price and the Producer Business Purchase Price shall be allocated among the Purchased Assets associated with the Retail Business and the Purchased Assets associated with the Producer Business, respectively, for all purposes (including Tax and financial accounting) as shown on **Schedule 1.06** (the "**Allocation Schedule**"). The Allocation Schedule shall be prepared in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended. Buyer and Seller shall file all returns, declarations, reports, information returns and statements, and other documents relating to Taxes (including amended returns and claims for refund) ("**Tax Returns**") in a manner consistent with the Allocation Schedule.

Section 1.07 Withholding Tax. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of Tax Law. All such withheld amounts shall be treated as delivered to Seller hereunder.

Section 1.08 Third Party Consents. To the extent that Seller's rights under any Purchased Asset may not be assigned to Buyer without the consent of another Person that has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at

its expense, shall use commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by Law and the Purchased Asset, shall act after Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Law and the Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Section 1.09 Sale of a Regulated Business.

(a) As of the Effective Date, each of the Processor License and the Wholesale License is held by Gesundheit Foods, LLC, an indirect subsidiary of HSPC, for the facility located at the Producer Premises, and Gesundheit Foods, LLC has applied to transfer each of the Processor License and the Wholesaler License to Seller at the Producer Premises (together, the "**License Transfers**"). If the OLCC denies Seller's pending transfer of location for either of the Processor License or Wholesaler License, or both, then the Parties will cooperate with each other, and take all steps reasonably necessary, to secure an alternative location or approval process that results in the transfer of the Processor License and/or Wholesaler License (as applicable). Seller shall be solely responsible for all fees, costs, and expenses related to, or required by or in connection with, the License Transfers.

(b) The Parties acknowledge and agree that applicable Oregon Law prohibits Buyer from operating the Business until Buyer has itself been approved by the OLCC as a cannabis producer, processor, wholesaler, and retailer at the applicable Premises and the OLCC has approved the change in ownership of the Purchased Assets from Seller to Buyer (collectively, the "**OLCC Approval**"). As a result, during the period between the Effective Date and the Closing Date, Seller shall continue to own the Business until Closing has occurred. Buyer and Seller have entered into a Management Services Agreement in the form attached hereto as Exhibit B, dated as of the Effective Date, with respect to the Producer Business at the Producer Premises (the "**Management Agreement**") whereby Buyer shall, on behalf of Seller, provide services to, and have operational control over, the Producer Business, on the terms and subject to the conditions set forth in the Management Agreement. Each of Buyer and Seller shall comply with its obligations and agreements under and as set forth in the Management Agreement

ARTICLE II
CLOSING

Section 2.01 Closing.

(a) Subject to the terms and conditions of this Agreement, the closing (the "**Closing**") of the transactions contemplated by this Agreement and the other Transaction Documents (as defined below) (the "**Transactions**") shall take place remotely via the electronic exchange of documents and signatures on the date or dates mutually selected by the Parties following the date or dates on which the OLCC Approval is issued and all of the other conditions to Closing set forth in

ARTICLE VI have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date). The date on which Closing is to occur is referred to as the "**Closing Date**."

(b) Assuming the other conditions to Closing set forth in **ARTICLE VI** have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), the Parties may elect to consummate the closing of the purchase and sale of the Purchased Assets associated with the Producer Business and the Retail Business on different dates if the OLCC Approval with respect to the Retail Business and the Producer Business are issued by the OLCC on different dates. If the Parties elect to consummate the closing of the purchase and sale of the Purchased Assets associated with the Producer Business and the Retail Business on different dates, then (i) each such consummation will be a "Closing", and each date on which a Closing occurs will be a "Closing Date", for purposes of this Agreement with respect to the Purchased Assets purchased and sold in such consummation, and (ii) at each such Closing, the provisions of this Agreement will apply to the Purchased Assets associated with the Retail Business or Producer Business, as applicable to such Closing.

Section 2.02 Closing Deliverables.

(a) At Closing, Seller shall deliver to Buyer the following:

(i) possession of the Purchased Assets and a bill of sale and assignment and assumption agreement in form and substance reasonably satisfactory to Buyer (the "**Bill of Sale and Assignment and Assumption Agreement**") and duly executed by Seller, transferring the tangible personal property included in the Purchased Assets to Buyer and effecting the assignment to and assumption by Buyer of the Purchased Assets and the Assumed Liabilities;

(ii) evidence, reasonably satisfactory to Buyer, of the release or termination of all Encumbrances on or against any of the Purchased Assets;

(iii) all consents, approvals, and waivers from third parties and Government Authorities necessary for consummation of the Transactions, including all Required Consents (as defined below), or, in each case, an instrument certifying that such consents, approvals, or waivers remain in full force and effect as of Closing to the extent delivered by Seller to Buyer before Closing;

(iv) a certificate of the Secretary (or equivalent officer) of Seller certifying as to (A) the resolutions of the board of managers and sole member of Seller, which authorize the execution, delivery, and performance of this Agreement, the Bill of Sale and Assignment and Assumption Agreement, and the other agreements, instruments, and documents required to be delivered in connection with this Agreement or at Closing (collectively, the "**Transaction Documents**") and the consummation of the Transactions, and (B) the names and signatures of the officers of Seller authorized to sign this

Agreement and the other Transaction Documents to which Seller is a party; and

(v) such other customary instruments of transfer or assumption, filings, or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to the Transactions.

(b) At Closing, Buyer shall deliver to Seller the following:

(i) the Note (if applicable and then only at the Closing that includes the Purchased Assets associated with the Producer Business);

(ii) the Bill of Sale and Assignment and Assumption Agreement duly executed by Buyer; and

(iii) a certificate of the Secretary (or equivalent officer) of Buyer certifying as to (A) the resolutions of the manager of Buyer, which authorize the execution, delivery, and performance of this Agreement and the other Transaction Documents to which Buyer is a party and the consummation of the Transactions, and (B) the names and signatures of the officers of Buyer authorized to sign this Agreement and the other Transaction Documents to which Buyer is a party.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

As used in this **ARTICLE III**, the phrase "**Seller's Knowledge**" means the: (a) actual knowledge of Zach Davis, Zackry Ayres, Robert Daino, Cecilia Oyediran, and Jim Doherty, and (b) knowledge each of the foregoing individuals would have acquired after reasonable inquiry of the individuals who are responsible for the applicable subject matter within Seller. Except as set forth in the disclosure schedules delivered by Seller to Buyer on the Effective Date (the "**Disclosure Schedules**"), the Seller Parties represent and warrant to Buyer as follows:

Section 3.01 Organization and Authority of Seller. Seller is a limited liability company duly organized and validly existing under the Laws (as defined below) of the State of Oregon. HSCP is a limited liability company duly organized, validly existing, and in good standing under the Laws of the state of Delaware. Each Seller Party has all necessary limited liability company power and authority to enter into this Agreement and the other Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder, and to consummate the Transactions. With respect to each Seller Party, the execution and delivery by such Seller Party of this Agreement and the other Transaction Document to which it is a party, the performance by it of its obligations hereunder and thereunder, and the consummation by it of the Transactions have been duly authorized by all requisite limited liability company action on the part of such Seller Party. This Agreement has been duly executed and delivered by each Seller Party and constitutes a legal, valid, and binding obligation of each Seller Party, enforceable against each Seller Party in accordance with its terms and conditions. When each other Transaction Document to which either Seller Party is or will be a party has been duly executed and delivered by

such Seller Party, such Transaction Document will constitute a legal and binding obligation of such Seller Party enforceable against it in accordance with its terms and conditions. HSCP is the record and beneficial owner of all issued and outstanding equity securities of Seller and no other Person owns, or any right to acquire (either from Seller or HSCP), any equity securities of Seller.

Section 3.02 No Conflicts or Consents. With respect to each Seller Party, the execution, delivery, and performance by such Seller Party of this Agreement and the other Transaction Documents to which it is a party, and the consummation by it of the Transactions, do not and will not: (a) violate or conflict with any provision of the Articles of Organization, operating agreement, or other governing documents of such Seller Party; (b) violate or conflict with any provision of any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, other requirement, or rule of law of any Government Authority (collectively, "**Law**") or any order, writ, judgment, injunction, decree, stipulation, determination, penalty, or award entered by or with any Government Authority ("**Government Order**") applicable to such Seller Party, the Business, or the Purchased Assets; (c) other than the OLCC Approval, each landlord's consent to the assignment of the lease for the Premises from Seller to Buyer, or as otherwise set forth on **Section 3.02** of the Disclosure Schedules (collectively the "**Required Consents**"), require the consent, notice, declaration, or filing with or other action by any individual, corporation, partnership, joint venture, limited liability company, Government Authority, unincorporated organization, trust, association, or other entity ("**Person**") or require any permit, license, or Government Order; (d) violate or conflict with, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel any Contract to which such Seller Party is a party or by which such Seller Party or the Business is bound or to which any of the Purchased Assets are subject (including any Assigned Contract); or (e) result in the creation or imposition of any charge, claim, pledge, equitable interest, lien, security interest, restriction of any kind, or other encumbrance ("**Encumbrance**") on the Purchased Assets.

Section 3.03 Financial Information. All financial statements, reports, and other financial information (collectively, the "**Financials**") that have been provided to Buyer by or on behalf of either Seller Party with respect to the Business: (a) are correct, complete, and consistent with the Seller Parties' books and records, and (b) fairly present, in all material respects, the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated.

Section 3.04 Undisclosed Liabilities. Neither Seller Party has any Liabilities with respect to the Business, except (a) those that are adequately reflected or reserved against in the Financials, and (b) those that have been incurred in the ordinary course of business consistent with past practice since the date of the Financials that are not, individually or in the aggregate, material in amount.

Section 3.05 Absence of Certain Changes, Events, and Conditions. Except for the closing of the Producer Business in July 2020, since January 1, 2020: (a) Seller has operated the Business in the ordinary course of business consistent with past practice, and (b) other than COVID-19, there has not been any change, event, condition, or development that is, or could reasonably be expected to be, individually or in the aggregate, materially

adverse to: (i) the business, results of operations, condition (financial or otherwise), or assets of the Business; or (ii) the value of the Purchased Assets.

Section 3.06 Assigned Contracts. Each Assigned Contract is valid and binding on Seller in accordance with its terms and is in full force and effect. Neither Seller nor, to Seller's knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under) in any material respect, or has provided or received any written notice of any intention to terminate, any Assigned Contract. To Seller's Knowledge, no event or circumstance has occurred that would constitute an event of default under any Assigned Contract or result in a termination thereof. Complete and correct copies of each Assigned Contract (including all modifications, amendments, and supplements thereto and waivers thereunder) have been made available to Buyer. There are no material disputes pending or threatened under any Assigned Contract.

Section 3.07 Purchased Assets.

(a) Seller is the sole owner of, and has (and will convey to Buyer at Closing) good, valid, and marketable title to, all of the Purchased Assets, free and clear of all Encumbrances.

(b) The Tangible Personal Property: (i) is adequate for the uses to which it has been and is being put, and (ii) subject to the Management Agreement, is in good operating condition and does not require maintenance or repairs other than ordinary, routine maintenance and repairs that are not material in nature or cost.

(c) As of the Effective Date: (i) Seller has sufficient inventory and supplies to operate the Retail Business in the ordinary course of business consistent with past practices over the preceding 12 months, and (ii) such inventory and supplies are of a quality and quantity usable and salable in the ordinary course of business consistent with past practice.

(d) The Purchased Assets (including the Assigned Contracts) (i) are sufficient for the continued conduct of the Business after Closing in substantially the same manner as conducted before Closing, (ii) constitute all of the rights, property, and assets necessary to conduct the Business as currently conducted, and (iii) include all of the operating assets of the Business. None of the Excluded Assets are material to the continued operation of the Business after Closing.

Section 3.08 Intentionally Omitted.

Section 3.09 Material Suppliers. Section 3.09 of the Disclosure Schedules sets forth with respect to the Retail Business (a) each supplier to whom Seller has paid aggregate consideration for goods or services rendered in an amount greater than or equal to $10,000 for each of 2019 and year-to-date 2020 (collectively, the "**Material Suppliers**"); and (b) the amount of purchases from each Material Supplier during such periods. Seller has not received any notice, and has no reason to believe, that any of the Material Suppliers has ceased, or intends to cease, to supply goods or services to the Business or to otherwise terminate or materially reduce its relationship with the Business.

Section 3.10 Legal Proceedings; Government Orders.

(a) Except for the Notice (as defined below), there are no claims, actions, causes of action, demands, lawsuits, arbitrations, inquiries, audits, notices of violation, proceedings, litigation, citations, summons, subpoenas, or investigations of any nature, whether at law or in equity (collectively, "**Actions**"), pending or, to Seller's knowledge, threatened against or by either Seller Party: (i) relating to or affecting the Business, the Purchased Assets, or the Assumed Liabilities; or (ii) that challenge or seek to prevent, enjoin, or otherwise delay the Transactions. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding Government Orders against, relating to, or affecting the Business or the Purchased Assets.

Section 3.11 Compliance with Laws; Permits.

(a) Other than the federal illegality of marijuana, Seller is, and at all times since January 1, 2017, has been, in compliance in all material respects with all Laws relating to the Purchased Assets or the operation of the Business. Seller has not received any written notice of alleged violation of any Laws.

(b) **Section 3.11(b)** of the Disclosure Schedules lists all Permits issued to Seller that are related to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets, including the names of the Permits and their respective dates of issuance and expiration. The Permits set forth on **Section 3.11(b)** of the Disclosure Schedules: (i) are all of the Permits required for Seller to conduct the Business as currently conducted or for the ownership and use of the Purchased Assets and (ii) are valid and in full force and effect. All fees and charges with respect to such Permits as of the Effective Date have been paid in full. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse, or limitation of any Permit set forth in **Section 3.11(b)** of the Disclosure Schedules.

Section 3.12 Taxes. All Taxes due and owing by Seller (whether or not shown on a tax return) have been, or will be, timely paid. No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of Seller. All Tax Returns with respect to the Business required to be filed by Seller for any tax periods prior to Closing have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete, and materially correct in all respects. Seller is not a "foreign person" as that term is defined in Treasury Regulation Section 1.1445-2. Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, member, or other third party, and all Forms W-2 and 1099 required with respect thereto have been, or will be, properly completed and timely filed. The term "**Taxes**" means all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, withholding, payroll, employment, unemployment, excise, severance, stamp, occupation, premium, property (real or personal), customs, duties, or

other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest, additions, or penalties with respect thereto.

Section 3.13 Leases. Seller owns no real property. Except for the Premises, Seller does not lease any other real property in connection with the Business. Seller has a valid leasehold interest in the Premises and enjoys peaceful possession thereof. Seller will deliver to Buyer at Closing documentation satisfactory to Buyer confirming that each lease for the Premises is in full force and effect and that Seller's leasehold interest in the Premises will be transferred to Buyer at Closing.

Section 3.14 Employees and Employee Benefit Plans.

(a) Set forth on **Section 3.14(a)** of the Disclosures Schedules is a complete and accurate list of all employees of the Retail Business, as of the Effective Date, together with their dates of hire, positions, and compensation. Seller does not have any employees, contractors, or consultants for the Producer Business. Except as set forth on **Section 3.14(a)** of the Disclosure Schedules, Seller is not a party to any employment, noncompetition, or other agreement of any nature whatsoever with Seller's current or past employees. All of the employees of the Business are "at will" employees, and Seller will have paid all employees of the Business all compensation and benefits of any type or nature earned by, or due to, them through Closing.

(b) Seller is and has been in compliance with all Laws pertaining to employment and employment practices, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, health and safety, workers' compensation, leaves of absence, unemployment insurance, and employee benefit plans. All individuals characterized and treated by Seller as consultants or contractors of the Business are properly treated as independent contractors under all applicable Laws.

(c) Except as set forth on **Section 3.14(c)** of the Disclosure Schedules, Seller does not have and has never maintained any pension, profit sharing, fringe benefit, or deferred compensation plans covering any of its current or former employees.

Section 3.15 Environmental. The Business is, and at all times has been, in full compliance with all Permits, licenses, orders and authorizations related to, and has not been and is not in violation of or liable under, any Laws related to hazardous materials or hazardous waste or which are designed to minimize, prevent, punish, or remedy the consequences of actions that damage or threaten the environment or public health and safety. There have been no private or governmental claims, citations, complaints, notices of violation, or letters made, issued to, or threatened against the Business or the Purchased Assets by any Government Authority or other Person for the impairment or diminution of, or damage, injury, or other adverse effects to, the environment or public health resulting from Seller's ownership, use, or operation of the Business or the Purchased Assets. Seller has no basis to expect to receive, nor has Seller or the Business or any other Person for whose conduct Seller is or may be held responsible received, any citation, directive, inquiry,

notice, order, summons, warning, or other communication that relates to any hazardous activity, hazardous waste, or hazardous materials, or any alleged, actual, or potential violation or failure to comply with any Law associated with, or of any alleged, actual, or potential obligation to undertake or bear the cost of any, environmental, health, and safety Liabilities.

Section 3.16 Insurance. Seller maintains insurance covering the assets of the Business and any Liabilities relating thereto, which policies are valid and in full force and effect, and Seller will maintain such insurance coverage through Closing. Seller is not in material default with respect to any provision contained in any such policy and has not failed to give any notice or present any claim under any such policy in due and timely fashion.

Section 3.17 Management Agreement. Seller has complied with the terms and conditions of the Management Agreement, and will continue to comply with the terms and conditions of the Management Agreement until it is terminated.

Section 3.18 Brokers. Seller has not incurred any Liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions.

Section 3.19 No Fraudulent Conveyance. Seller has not disposed of or transferred any of its assets in a manner that would constitute, and the consummation by Seller of the Transactions will not constitute, a fraudulent conveyance or fraud on creditors of Seller under applicable Law.

Section 3.20 Full Disclosure. No representation or warranty by Seller in this Agreement and no statement contained in the Disclosure Schedules or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

Section 4.01 Organization and Authority of Buyer. Buyer is a limited liability company duly organized and validly existing under the Laws of the State of Oregon. Buyer has all necessary limited liability company power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder, and to consummate the Transactions. The execution and delivery by Buyer of this Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the Transactions have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms and conditions. When

each other Transaction Document to which Buyer is or will be a party has been duly executed and delivered by Buyer, such Transaction Document will constitute a legal and binding obligation of Buyer enforceable against it in accordance with its terms.

Section 4.02 No Conflicts; Consents. The execution, delivery, and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation by Buyer of the Transactions, do not and will not: (a) violate or conflict with any provision of the Articles of Organization, operating agreement, or other organizational documents of Buyer; (b) violate or conflict with any provision of any Law or Government Order applicable to Buyer; or (c) require the consent, notice, declaration, or filing with or other action by any Person or require any permit, license, or Government Order.

Section 4.03 Brokers. Buyer has not incurred any Liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions.

Section 4.04 Legal Proceedings. There are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer that challenge or seek to prevent, enjoin, or otherwise delay the Transactions. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 4.05 Management Agreement. Buyer has complied with the terms and conditions of the Management Agreement, and will continue to comply with the terms and conditions of the Management Agreement until it is terminated.

ARTICLE V
COVENANTS

Section 5.01 Conduct of Business.

(a) Except as permitted, required, or contemplated by this Agreement, and subject to the terms and conditions of the Management Agreement, from the Effective Date until the earlier of Closing or the termination of this Agreement under **ARTICLE VIII**, Seller will conduct the Business only in the ordinary course of business consistent with its past practices.

(b) Seller received a Notice of Proposed License Cancellation and Seizure and Destruction of Marijuana Items, dated July 22, 2020, from the OLCC (the "**Notice**") asserting that Seller and certain other named parties violated applicable Oregon Law in connection with operating the Retail Business. Seller and its Affiliates shall (i) take all actions necessary to remedy any violation of applicable Oregon Law in connection with the operation of the Retail Business, and (ii) diligently work to resolve all violations set forth in the Notice.

Section 5.02 Access to Information. Subject to applicable Law, from the Effective Date until the earlier of Closing or the termination of this Agreement under **ARTICLE VIII**, Seller will, and will cause its directors, officers, employees, consultants, counsel, accountants, and other agents ("**Representatives**") to, promptly upon request

from Buyer or its Representatives, give Buyer and its Representatives reasonable access during normal business hours to the Premises and to Seller's books and records, Tax Returns, Contracts, properties, assets, personnel, and other financial and operating information relating to the Business that Buyer or its Representatives reasonably request.

Section 5.03 Notices of Certain Events. From the Effective Date until the earlier of Closing or the termination of this Agreement under **ARTICLE VIII,** Seller will promptly notify Buyer of: (a) any notice or other communication it receives from any Person (including any Government Authority) in connection with the Transactions or the Business; and (b) any event, condition, or circumstance occurring at or before Closing that would reasonably be expected to give rise to a breach of any representation or warranty set forth in **ARTICLE III**.

Section 5.04 Confidentiality. From and after the Closing, each Seller Party shall, and shall cause their respective Affiliates and its and their Representatives to, hold in confidence any and all information, whether written or oral, concerning the Business, except to the extent that such Seller Party can show that such information: (a) is generally available to and known by the public through no fault of either Seller Party, any of their Affiliates, or their respective Representatives; or (b) is lawfully acquired by a Seller Party, any of their Affiliates, or their respective Representatives from and after Closing from sources that are not prohibited from disclosing such information by a legal, contractual, or fiduciary obligation. If either Seller Party or any of their Affiliates or their respective Representatives are compelled to disclose any information by Government Order or Law, Seller Parties shall promptly notify Buyer in writing and shall disclose only that portion of such information that is legally required to be disclosed, *provided that* the Seller Parties shall, at Buyer's expense, use commercially reasonable efforts to obtain as promptly as possible an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

Section 5.05 Exclusivity. During the period from the Effective Date until the earlier of the Closing or the termination of this Agreement under **ARTICLE VIII**, neither Seller Party shall take, or permit any of their Affiliates or their respective Representatives to take, any action to solicit, encourage, initiate, or engage in discussions or negotiations with, or provide any information to or enter into any agreement with any Person (other than Buyer and its Affiliates) concerning any sale, transfer, or other disposition of the Business, including any sale, transfer, or other disposition of the Purchased Assets or other material assets used in the Business, the sale, transfer or other disposition of equity in, or merger or consolidation of, any Person that owns material assets used in the Business or similar transaction involving the Business (each such acquisition transaction, an "**Alternative Transaction**"). Upon execution of this Agreement, Seller Parties shall immediately cease and cause to be terminated any existing activities, discussions, communications, access or negotiations with any Person (other than Buyer) conducted heretofore with respect to any possible Alternative Transaction.

Section 5.06 Approvals and Consents.

(a) Each Party shall, as promptly as possible after the Effective Date, (i) make, or cause or be made, all filings and submissions required under applicable Law, including (A) Buyer's submission to the OLCC of completed applications for

new licenses to replace the Licenses, and (B) Seller's submission to the OLCC of a request to change ownership of the Purchased Assets from Seller to Buyer; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Government Authorities (including the Required Consents and the OLCC Approval) that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the other Transaction Documents. Each Party shall cooperate fully with the other Party and its Affiliates in promptly making such filings and submissions and seeking to obtain all such consents, authorizations, orders and approvals. Neither Party shall willfully take any action that will have the effect of delaying, impairing, or impeding the receipt of any required consents, authorizations, orders and approvals.

(b) Seller shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in **Section 3.02** of the Disclosure Schedules or otherwise included in the definition of "Required Consents."

Section 5.07 Employees. Effective as of Closing, Seller shall terminate the employment of the employees of the Retail Business (the "**Employees**") and its relationship with the independent contractors of the Retail Business (if any) (the "**Independent Contractors**"), and Buyer shall have the right, but not the obligation, to offer employment or enter into contracts with any of such Employees and Independent Contractors as Buyer determines in its sole discretion. Seller shall use commercially reasonable efforts to assist Buyer, at Buyer's expense, in having all of the Employees and Independent Contractors that Buyer desires to hire or retain accept employment agreements, at-will employment offers, or independent contractor agreements, as applicable, from Buyer on terms and conditions acceptable to Buyer. Notwithstanding the hiring or retaining by Buyer of any Employee or Independent Contractor, Buyer shall not assume any Liabilities with respect to the termination of any Employee or Independent Contractor or any employee policies of Seller. The Selling Parties hereby consent to the hiring or retaining of any such Employee or Independent Contractor and waive any claims or rights Seller may have against the Buyer or any Employee or Independent Contractor under any non-competition, confidentiality, employment, or independent contractor agreement.

Section 5.08 Receivables. From and after the Closing, if Seller or any of its Affiliates receives or collects any funds relating to any accounts receivable arising out of any period from and after the Closing Date, Seller or its Affiliate shall remit such funds to Buyer within five business days after its receipt thereof. From and after the Closing, if Buyer or any of its Affiliates receives or collects any funds relating to any accounts receivable arising out of any period prior to the Closing Date, Buyer or its Affiliate shall remit such funds to Seller within five business days after its receipt thereof. From and after the Closing, if Buyer or its Affiliate receives or collects any funds relating to any Excluded Asset, Buyer or its Affiliate shall remit any such funds to Seller within five business days after its receipt thereof.

Section 5.09 Transfer Taxes. All sales, use, registration, and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents, if any, shall be borne and paid by Seller when due.

Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

Section 5.10 Further Assurances. Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the Transactions.

ARTICLE VI
CLOSING CONDITIONS

Section 6.01 Conditions to Buyer's Obligations. The obligation of Buyer to effect the Closing is subject to the satisfaction (or waiver by Buyer in writing) of the following conditions at or prior to Closing:

(a) No Action will have been commenced and be continuing, and no investigation by any Government Authority will have been commenced and be continuing, against the Seller Parties or Buyer or any of their respective Affiliates, that, in each case, seeks to restrain or prevent, or questions the validity of, the Transactions.

(b) The representations and warranties of Seller contained in this Agreement that are qualified as to materiality shall be true and correct, and all representations and warranties of the Seller contained in this Agreement that are not so qualified shall be true and correct in all material respects, in each case, as of the date hereof, and, except to the extent such representations and warranties refer to a specific date (which shall be true and correct as of such date), as of the Closing Date as though made by the Seller on and as of the Closing Date;

(c) Seller shall have performed and complied with all covenants and agreements required to be performed or complied with by it hereunder;

(d) Buyer shall have received from Seller a certificate, dated as of the Closing Date, certifying, in such detail as Buyer and its counsel may reasonably request, that the conditions specified in this **Section 6.01** have been satisfied;

(e) Buyer shall have received a Certificate of Existence with respect to Seller, issued by the Secretary of State of the State of Oregon, dated within thirty days of the Closing Date;

(f) Since the Effective Date, no Material Adverse Effect has occurred with respect to the Business.

(g) The manager and member of Seller shall have approved this Agreement and the Transactions;

(h) the License Transfers shall have occurred or, alternatively, the parties shall have mutually agreed in writing to an alternative location or approval process

that results in the transfer of the Processor License and/or Wholesaler License (as applicable);

(i) Buyer shall have received the OLCC Approval; and

(j) Seller shall have delivered to Buyer all items required to be delivered by Seller at Closing under **Section 2.02(a)**.

Section 6.02 Conditions to Seller's Obligations. The obligation of Seller to consummate the Transactions is subject to the satisfaction (or waiver ty Seller in writing) of the following conditions at or prior to Closing:

(a) No Action will have been commenced and be continuing, and no investigation by any Government Authority will have been commenced and be continuing, against the Seller Parties or Buyer or any of their respective Affiliates, that, in each case, seeks to restrain or prevent, or questions the validity of, the Transactions.

(b) the representations and warranties of Buyer contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects);

(c) Buyer shall have performed and complied with all conditions and agreements required to be performed or complied with by it under this Agreement; and

(d) Buyer shall have delivered to Seller all items required to be delivered by Buyer at Closing under **Section 2.02(b)**.

ARTICLE VII
INDEMNIFICATION

Section 7.01 Survival. All representations, warranties, covenants, and agreements contained herein and all related rights to indemnification shall survive for a period of 18 months after the Closing.

Section 7.02 Indemnification by Seller. Subject to the other terms and conditions of this **ARTICLE VII**, the Seller Parties shall, jointly and severally, indemnify and defend each of Buyer and its Affiliates and their respective Representatives (collectively, the "**Buyer Indemnitees**") against, and shall hold each of them harmless from and against, any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees (collectively, "**Losses**"), incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, or with respect to:

(a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Seller pursuant to this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto;

(c) any Excluded Asset or any Excluded Liability;

(d) the ownership or use of the Purchased Assets or the Premises, or the operation of the Business, at or before Closing; or

(e) the Notice.

Section 7.03 Indemnification by Buyer. Subject to the other terms and conditions of this **ARTICLE VII**, Buyer shall indemnify and defend each of Seller and its Affiliates and their respective Representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, or with respect to:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement;

(c) any Assumed Liability; or

(d) the ownership or use of the Purchased Assets or the Premises, or the operation of the Business, after Closing.

Section 7.04 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the other Party (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably

satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

Section 7.05 Right of Setoff. If either (a) a court of competent jurisdiction finally determines that a Buyer Indemnitee is entitled to indemnification for Losses under this Agreement, or (b) the Parties agree in writing that a Buyer Indemnitee is entitled to Losses under this Agreement, Buyer may, upon written notice to Seller, satisfy all or any part of the claim for such Losses by setting off such Losses against amounts owing under the Note.

Section 7.06 Cumulative Remedies. The rights and remedies provided in this **ARTICLE VII** are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

Section 7.07 Limitation on Damages. Except in the case of fraud, willful misconduct, or violation of Law, in no event will the Seller Parties' liability for damages to Buyer under **Section 7.02(a)** of this Agreement exceed the Purchase Price.

ARTICLE VIII
TERMINATION

Section 8.01 Termination. This Agreement may be terminated, in full or as to only the Producer Business or the Retail Business, at any time prior to Closing:

(a) by mutual written consent of Buyer and Seller;

(b) by Buyer by written notice to Seller if:

(i) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in, or failure to perform any representation, warranty, covenant, or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Section 6.01** and such breach, inaccuracy, or failure has not been cured by Seller within 10 days after Seller's receipt of written notice of such breach inaccuracy, or failure from Buyer;

(ii) a final order is issued based on the Notice as contemplated by **Section 5.01(b)**; or

(c) By Seller by written notice to Buyer if Seller is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy

in, or failure to perform any representation, warranty, covenant, or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Section 6.02** and such breach, inaccuracy, or failure has not been cured by Buyer within 10 days of Buyer's receipt of written notice of such breach, inaccuracy, or failure from Seller.

Section 8.02 Effect of Termination. If this Agreement is terminated in accordance with this **ARTICLE VIII**, this Agreement shall become void and there shall be no liability on the part of any Party except: (a) as set forth in this **ARTICLE VIII** and **ARTICLE IX** hereof; and (b) that nothing herein shall relieve any Party from liability for any willful breach of any provision hereof.

ARTICLE IX
MISCELLANEOUS

Section 9.01 Expenses. All costs and expenses, including fees and disbursements of counsel, financial advisors, and accountants, incurred in connection with this Agreement and the Transactions shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 9.02 Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this **Section 9.02**):

If to Seller:
HSCP Oregon, LLC
c/o Acreage Holdings, Inc.
450 Lexington Avenue, #3308
New York, NY 10163
Attention: Zach Davis
Email: z.davis@acreageholdings.com

with a copy to:
Cozen O'Connor
One Liberty Place
1650 Market Street
Philadelphia, PA 19103
Attention: Joseph C. Bedwick
E-mail: jbedwick@cozen.com

If to Buyer:
Grown Rogue Distribution, LLC
655 Rossanley
Medford, OR 97530
Attention: Obie Strickler
Email: obie@grownrogue.com

with a copy to: Tonkon Torp LLP
888 SW Fifth Avenue, Suite 1600
Portland OR 97204
Attention: Jeffrey Woodcox
Email: jeff.woodcox@tonkon.com

Section 9.03 Definition of Material Adverse Effect. For purposes of this Agreement, "**Material Adverse Effect**" means any effect, change, event, or circumstance (each, an "**Effect**" and collectively, "**Effects**") that, individually or together with any other effects, changes events, or circumstances, has had or would reasonably be expected to have a material adverse impact on the Business; provided, however, that in no event shall any of the following, either alone or in combination, be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been or will be, a Material Adverse Effect: (i) any Effect relating to COVID 19; (ii) any Effect resulting from compliance with the terms and conditions of this Agreement, including the taking of any action required or otherwise contemplated by this Agreement; (iii) any Effect that results from changes in general economic, business conditions, acts of war or terrorism or other force majeure events; (iv) any Effect that results from changes affecting the industry in which the Company operates generally; (v) any Effect that results from the failure by the Company to meet internal or other estimates, predictions, projections or forecasts of revenue, net income or any other measure of financial performance for any period; (vi) the taking of any action approved or consented to by Buyer; (vii) any Effect that results from any action required to be taken under applicable Law; (viii) any Effect that results from any change in accounting principles or requirements or change in applicable Law, or the interpretation or enforcement thereof; and (ix) any Effect that results from any breach by Buyer of this Agreement; provided, further, that any Loss that is cured prior to the Closing Date shall not be considered a Material Adverse Effect.

Section 9.04 Interpretation; Headings. For purposes of this Agreement, (a) the words "include," "includes," and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof, and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.05 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement.

Section 9.06 Entire Agreement. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 9.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Any purported assignment in violation of this Section shall be null and void. No assignment shall relieve the assigning Party of any of its obligations hereunder.

Section 9.08 Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 9.09 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of Oregon without giving effect to any choice or conflict of law provision or rule (whether of the State of Oregon or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction Documents, or the Transactions may be instituted in the federal courts of the United States of America or the courts of the State of Oregon in each case located in the city of Portland and county of Multnomah, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute. Each Party hereby waives any right to a trial by jury in any action seeking to enforce any provision of this Agreement, for damages for any breach under this Agreement, or otherwise for enforcement of any right or remedy hereunder.

Section 9.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date by their respective officers thereunto duly authorized.

SELLER PARTIES:

HSCP OREGON, LLC

By: /s/ Kevin Murphy
Name: Kevin Murphy
Title: Manager

HIGH STREET CAPITAL PARTNERS, LLC
A Delaware limited liability company

By: ACREAGE HOLDINGS AMERICA, INC.,
a Nevada corporation, its sole Manager

By: /s/ Kevin P. Murphy
Name: Kevin P. Murphy
Title: President

BUYER:

GROWN ROGUE DISTRIBUTION, LLC

By:
Name: Obie J. Strickler
Title: Manager

[Signature Page to Asset Purchase Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date by their respective officers thereunto duly authorized.

SELLER PARTIES:

HSCP OREGON, LLC

By: _____
Name:
Title:

HIGH STREET CAPITAL PARTNERS, LLC

By: _____
Name:
Title:

BUYER:

GROWN ROGUE DISTRIBUTION, LLC

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

[Signature Page to Asset Purchase Agreement]

SCHEDULE 1.01

Additional Purchased Assets

(b)

1. Retail Lease, dated February 2017, by and between 8701 Investors, LLC and HSCP Oregon, LLC

2. Lease Agreement, dated August 2, 2016, by and between Airport Road LLC, and HSCP Oregon, LLC as amended by that certain Amendment to Lease dated April 23, 2020

(d)

1. All prepaid expenses, credits, advance payments, and deposits relating to the Business, including all security deposits with the landlords for the Producer Premises and the Retail Premises; provider, however, that Buyer shall reimburse Seller for (a) 50% of the $20,000 security deposit with the landlord for the Retail Premises, such reimbursement to be made at the Closing related to the Retail Business (such 50% being $10,000), and (b) 50% of the $80,000 security deposit with the landlord for the Producer Premises, such reimbursement to be made at the Closing related to the Producer Business (such 50% being $40,000).

2. With respect to the Retail Business, (a) all inventory held for resale, and (b) in each case to the extent transferable to Buyer, all telephone numbers and point-of-sale systems related to the Retail Business.

3. All maintenance files relating to the Tangible Personal Property.

4. With respect to the Retail Business, all customer lists, customer purchasing histories, price lists, supplier lists, and customer complaint and inquiry files.

SCHEDULE 1.03

Assumed Liabilities

(a)(i)

[List of agreed upon assumed trade accounts payable to be included as of Closing]

(a)(iii)

None.

SCHEDULE 1.06

Allocation Schedule

Asset Class	Value		
	Grow	Retail	
I – Cash and Cash Equivalents	$ -	$ -	
II – Securities	-	-	
III – Accounts Receivable	110,837	20,000	Include security deposits
IV – Inventory	99,867	127,521	
V – Fixed Assets	1,749,959	204,699	Net of liability
VI – Intangibles	450,000	200,000	License values at FV
VII – Goodwill	-	591,998	
Total	$ 2,410,663	$ 1,144,218	Purchase price plus liability assumed
	2,410,663	1,144,218	
	-	-	
Excluded all interco assets/liabilities			
Only liability assumed is lease liability			
Accounts receivable			
A/R	30,837	-	
Deposits	80,000	20,000	
	110,837	20,000	
Fixed assets			
Fixed assets	2,857,758	8,504	
Lease/ROU asset	407,507	196,195	
Lease liability	(410,663)	(144,218)	
	2,854,602	60,481	
Intangibles			
Grower license	250,000		
Processing license	100,000		
Wholesale licence	100,000		
Retail license		200,000	
	450,000	200,000	

EXHIBIT A

Form of Promissory Note

See attached.

SECURED PROMISSORY NOTE

$[●] [DATE]
Medford, Oregon

FOR VALUE RECEIVED, Grown Rogue Distribution, LLC, an Oregon limited liability company ("**Maker**"), hereby promises to pay to HSCP Oregon, LLC, an Oregon limited liability company ("**Holder**"), the principal sum of $[●] (the "**Principal**")[1].

This Secured Promissory Note (this "**Note**") has been executed and delivered by Maker pursuant to the terms of that certain Asset Purchase Agreement, dated [●], 2021 (the "**Purchase Agreement Effective Date**"), between Maker and Holder (the "**Purchase Agreement**"). This Note is the "Note" defined in Section 1.05(c) of the Purchase Agreement. Capitalized terms used but not defined in this Note have the respective meanings given to them in the Purchase Agreement.

1. **Principal Payments**. Subject to the terms of this Note and any Offsets (as defined below), Maker will repay the Principal as follows:

(a) one principal payment of $[●] due and payable on the 12-month anniversary of the Purchase Agreement Effective Date; and

(b) one principal payment of $[●] due and payable on the 18-month anniversary of the Purchase Agreement Effective Date.

2. **Maturity**. Maker will pay all then-remaining Principal, plus any other amounts due and owing from Maker to Holder under this Note, on the 18-month anniversary of the Purchase Agreement Effective Date.

3. **Late Charge**. If any payment of Principal due under this Note is not paid within five (5) business days after the due date, Holder shall have the option to charge Maker a late charge of five percent (5%) of the amount that is overdue (the "**Late Charge**"). The Late Charge is for the purpose of defraying the expenses incurred in connection with handling and processing delinquent payments and is payable in addition to any other remedy Holder may have. Unpaid Late Charges shall be added to any subsequent payments due under Note.

4. **Application of Payments**. All payments under this Note will be applied first to any Late Charges due and owing from Maker to Holder under this Note and then to the unpaid Principal.

5. **Prepayment**. Maker may prepay all or any portion of the Principal without notice to, or the prior written consent of, Holder, and without any penalty or premium.

6. **Place of Payment**. All payments to be made to Holder under this Note will be made as directed from time to time in writing from Holder delivered to Maker. Absent

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1 Note to Draft: The Principal, and resulting amount of each payment of Principal, will depend on, and will determined as of, the Closing Date.

such direction, payments shall be delivered to Holder's attention at the address set forth in Section 12(a).

7. **Offset**. Maker has the right to offset any Losses for which it is entitled to indemnification from Holder under the Purchase Agreement against amounts otherwise owing from Maker under this Note (each, an "**Offset**"). Any Offset shall (a) be applied as a permanent reduction of the unpaid amount of the Principal as of the date of such Offset, and (b) reduce on a dollar-for-dollar basis the amount of the principal payments due under Section 1 in the order in which they are due. For the avoidance of doubt, Holder shall be and remain liable to Maker under the Purchase Agreement for any Losses for which Maker is entitled to indemnification under the Purchase Agreement if and to the extent that either (y) Maker does not exercise its right of offset under the Purchase Agreement and this Note, or (z) if Maker does exercise such right, the Losses exceed the amount of the Offset.

8. **Default**.

(a) **Events of Default**. Any one of the following will constitute an "Event of Default" under this Note:

(i) after giving effect to any Offset, Maker's failure to pay any amount under this Note when due after Maker receives written notice of such failure from Holder and Maker does not cure the failure within five (5) business days after receipt of such written notice;

(ii) Maker's breach of any of its obligations under Section 9 with respect to the Collateral (as defined below) if such breach continues uncured for fifteen (15) business days after Maker receives written notice of the breach from Holder;

(iii) pursuant to the United States Bankruptcy Code or any other federal or state Law relating to insolvency of debtors (a "**Bankruptcy Law**"), Maker: (A) commences a voluntary case or proceeding; (B) consents to the entry of any order for relief against it in an involuntary case; (C) consents to the appointment of a trustee, receiver, assignee, liquidator, or similar official with respect to its assets; or (D) makes an assignment for the benefit of its creditors;

(iv) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (A) is for relief against Maker in an involuntary case; (B) appoints a trustee, receiver, assignee, liquidator, or similar official for Maker or substantially all of Maker's property; or (C) orders Maker's liquidation, if, in each case under subsections (A), (B), and (C) of this Section 8(a)(iv), the order or decree has not been dismissed within 90 days after the order or decree was entered; or

(v) Maker's breach of any covenant or obligation contained in this Note or in the Purchase Agreement if such breach continues uncured for fifteen (15) business days after Maker receives written notice of the breach from Holder.

(b) **Remedies**. Upon the occurrence, and during the continuation, of an Event of Default, Holder may exercise the following rights and remedies:

(i) declare the remaining unpaid Principal and any Late Charges immediately due and payable upon advance written notice by Holder to Maker all without presentment, demand, protest, notice of protest, dishonor or other notice, all of which are hereby expressly waived;

(ii) foreclose or otherwise enforce its security interest in the Collateral in any manner permitted by applicable Law (including the Uniform Commercial Code as in effect in the State of Oregon); and

(iii) exercise any other rights and remedies available to Holder under or pursuant to applicable Law or agreement or in equity.

9. **Security.**

(a) **Grant of Security Interest**. To secure the timely payment and performance by Maker of its obligations under this Note (collectively, the "**Obligations**"), Maker hereby grants to Holder a security interest in the Collateral.

(b) **Collateral Defined**. For purposes of this Note, "**Collateral**" means and is limited to the following: (i) the Purchased Assets associated with the Producer Business (the "**Producer Assets**") and (ii) any proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of the Producer Assets.

(c) **Perfection of Security Interest**. To the extent permitted by applicable Law (including the Uniform Commercial Code as in effect in the State of Oregon), Maker hereby authorizes Holder to file UCC financing statements in all jurisdictions and with all filing offices as Holder determines, in its reasonable discretion, are necessary to perfect the security interest in the Collateral granted to Holder in this Note. Such UCC financing statements may describe the Collateral in the same manner as described in Section 9(b) or may contain an indication or description of the Collateral that describes such property in any other manner as Holder determines, in its reasonable discretion, is necessary to ensure the perfection of Holder's security interest in the Collateral

(d) **Release of Collateral**. Upon payment in full of the Obligations: (i) the security interest granted in the Collateral by this Note shall automatically, and without any further action required by any Person, terminate, and (ii) all liens upon any and all Collateral under this Note shall be released, and (iii) Holder shall, at Maker's request and expense, execute and deliver in recordable form any and all documents and instruments appropriate to evidence such release.

(e) **Transactions involving Collateral**. So long as the Obligations remain unpaid, Maker shall not sell or otherwise transfer or dispose of the Collateral except in the ordinary course of business or with Holder's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Without Holder's prior written consent, Maker shall not pledge, mortgage, encumber, or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest granted by this Note. Unless waived by Holder, upon the occurrence of an Event of Default, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for the benefit of Holder and shall not be commingled with any other funds, which

proceeds shall (i) first be applied to reimburse Holder for the costs and expenses, if any, that Holder incurred in connection with such disposition, (ii) then released and paid to Holder to the extent of the then-remaining unpaid Principal, and (iii) finally the remaining balance of such proceeds will be released and paid to Maker.

10. **Cost of Collection**. Maker shall pay all costs of collection, attorney fees, and disbursements incurred by Holder in connection with any default by Maker on this Note, whether or not legal proceedings are instituted. If any legal proceeding is instituted by Holder to collect any sum due and owing under this Note, or if Holder appears in any bankruptcy or similar proceeding with respect to Maker, Maker shall pay Holder's costs, disbursements, and reasonable attorney fees in such proceeding and in any appeal therefrom.

11. **Waivers**.

(a) No failure by Holder to exercise any right or remedy under this Note, whether before or after an Event of Default occurs, will constitute a waiver of such default, and no waiver of any past Event of Default will constitute a waiver of any future Event of Default or of any other Event of Default. No (i) failure to accelerate the debt evidenced by this Note following an Event of Default, (ii) acceptance of a past due installment of Principal, (iii) acceptance of a Late Charge, or (iv) indulgence granted from time to time, will be construed to waive the right to insist upon prompt payment thereafter, the right to impose Late Charges retroactively or prospectively, or will be deemed to be a novation of this Note or as a reinstatement of the debt evidenced by this Note or as a waiver of such right of acceleration or any other right, or be construed to preclude the exercise of any right that Holder may have, whether under the Laws of Oregon, by agreement or otherwise. To the extent permitted by applicable Law, Maker expressly waives the benefit of any statue or rule of law or equity that would produce a result contrary to or in conflict with the preceding.

(b) Maker hereby: (i) waives presentment for payment, notice of dishonor or nonpayment, notice of acceleration, demand, protest, notice of protest, diligence in collection or other indulgence, or notice of any kind whatsoever; and (ii) assents without notice to extensions of time of payment, release, or forbearance or other indulgence.

12. **Miscellaneous**.

(a) **Notice**. All notices, requests, demands, claims and other communications under this Agreement will be in writing. Any notice, request, demand, claim or other communication under this Agreement shall be deemed duly given (i) upon personal delivery; (ii) two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid; (iii) upon receipt if sent by a nationally recognized overnight courier (receipt requested); and (iv) upon successful facsimile or e-mail transmission, and addressed to the intended recipient as set forth below.

If to Holder:

HSCP Oregon, LLC
c/o Acreage Holdings, Inc.
450 Lexington Avenue, #3308
New York, NY 10163 USA
Attention: Zach Davis
Email: z.davis@acreageholdings.com

with a copy, which shall not constitute notice, to:

Cozen O'Connor
One Liberty Place
1650 Market Street
Philadelphia, PA 19103
Attention: Joseph C. Bedwick
E-mail: jbedwick@cozen.com

If to Maker:

Grown Rogue Distribution, LLC
655 Rossanley
Medford, OR 97530
Attention: Obie Strickler
Email: obie@grownrogue.com

with a copy, which shall not constitute notice, to:

Tonkon Torp LLP
888 SW Fifth Avenue, Suite 1600
Portland OR 97204
Attention: Jeffrey Woodcox
Email: jeff.woodcox@tonkon.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth in this section.

(b) **Assignment.** Neither party may assign this Note or delegate its duties hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed.

(c) **Successors and Assigns**. Subject to Section 12(b), this Note will be binding on Maker and Holder and their respective successors and assigns, and will inure to the benefit of and be enforceable by each Person who is the holder of this Note from time to time and each such Person's successors, assigns, heirs, executors, and administrators.

(d) **Amendment**. This Note and any of its terms may be modified, amended, waived, or terminated only by a written instrument signed by the party against whom enforcement of that modification, amendment, waiver, or termination is sought.

(e) **Governing Law; Venue**. This Note is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Note.

(f) **Waiver of Jury Trial. MAKER AND HOLDER EACH HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING INVOLVING THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THE CONTEMPLATED TRANSACTION.**

(g) **Severability**. Each provision of this Note is severable. If any provision is determined to be unenforceable, then this Note will be reformed to the narrowest extent necessary to render it enforceable consistent with the parties' original intentions.

(h) **Entire Agreement**. This Note and the Purchase Agreement constitute the entire agreement of the parties, and supersedes all other prior discussions, agreements, or understandings, with respect to the subject matter hereof.

(i) **Statutory Notice**. ***Under Oregon law, most agreements, promises, and commitments made by a holder concerning loans and other credit extensions that are not for personal, family, or household purposes or secured solely by the Maker's principal residence must be in writing, express consideration, and be signed by the financial institution to be enforceable.***

[*Signature page follows*]

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth above.

Grown Rogue Distribution, LLC

By: _____
J. Obie Strickler, Manager

Acknowledged and Accepted By:

HSCP Oregon, LLC

By: _____
Name:
Title:

[Signature page to Secured Promissory Note]

EXHIBIT B

Form of Management Services Agreement

See attached.

Execution Version

MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT SERVICES AGREEMENT (this "Agreement"), dated and effective February 5, 2021 (the "Effective Date"), is made and entered into between Grown Rogue Distribution, LLC, an Oregon limited liability company ("Manager"), and HSCP Oregon, LLC, an Oregon limited liability company and wholly-owned subsidiary of High Street Capital Partners, LLC, a Delaware limited liability company ("Owner"). Manager and Owner are sometimes referred to in this Agreement individually as a "Party" and, collectively, as the "Parties".

RECITALS

A. Owner leases certain real property located at 550 Airport Road, Medford, Oregon 97504 (the "Licensed Premises"). The Licensed Premises is used for recreational cannabis production operations (the "Business") under OLCC producer license number 020-1003642197C (the "Producer License"), OLCC wholesale license number 060-1013984A526 (the "Wholesale License"), and OLCC processor license number 030-1013975ABC8 (the "Processor License" and together with the Producer License and Wholesale License the "OLCC Licenses").

B. Owner is in the process of changing the location of the Processor License and Wholesaler License to the Licensed Premises.

C. Owner desires that Manager manage and conduct the Business on the Licensed Premises beginning on the Effective Date and continuing through the Term (as defined below).

D. Manager is capable of performing and managing recreational cannabis production operations on the Licensed Premises for Owner.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. Term of Management. The term (the "Term") of this Agreement shall begin on the Effective Date and terminate on the earlier of (a) the closing of the transactions under that certain Asset Purchase Agreement executed by the Parties as of the Effective Date (the "Purchase Agreement") relating to Manager's purchase of substantially all of the assets of the Business; (b) immediately following written notice from Owner to Manager of a material breach of the terms of this Agreement, including any material violation of OLCC rules and regulations relating to the operation of the Business under the OLCC Licenses at the Licensed Premises that is not cured within 30 days after Owner delivers written notice of such breach or violation to Manager; or (c) immediately following written notice from Manager to Owner (which Manager may but shall not be obligated to deliver) at any time after the Purchase Agreement is terminated. This Agreement, and all obligations of Owner and Manager under this Agreement, will automatically terminate at the end of the Term without any further act on the part of either Party or any other person or entity. If this

Agreement is terminated or canceled pursuant to the provisions hereof or by court order, the date of said termination or cancelation shall also be the substituted expiration date of this Agreement.

2. Nature of Management Service.

2.1. Manager Obligations. During the Term, Manager shall act as the exclusive manager for, and, subject to Section 8 of this Agreement, the exclusive operator of, the Business on the Licensed Premises. Manager shall devote such time, skill, and efforts to the performance of its obligations under this Agreement as are required to care for the operation of the Business on the Licensed Premises in accordance with accepted cannabis production in Jackson County, Oregon. In connection with such management, Manager shall supervise, care for, and maintain the Licensed Premises and provide all services, labor, materials, and equipment necessary to operate the Business on the Licensed Premises.

2.2. Owner Obligations. During the Term, Owner shall not, directly or indirectly, sublease the Licensed Premises or contract with any other person or entity to manage or operate the Business. Owner will, at its own cost, continue to process the change of location applications related to the Processor License and the Wholesale License and will keep Manager reasonably informed on the status and progress of such applications.

3. Payment of Fees and Charges.

3.1. Payment of Expenses. Attached Schedule 3.1 sets forth as of the Effective Date all of the operating expenses of the Business (collectively, the "E**xpenses**"), the person to whom each such expense is owed, and the due date and frequency (i.e., monthly, quarterly, annually, or other) of each Expense. Manager will be responsible for the Expenses and any other operating expenses for the Business that Manger incurs or with respect to which Manager agrees in writing to pay and be responsible.

3.2. Manager Compensation. The Parties understand and agree that Section 3.4 and the terms of the Purchase Agreement represent full and fair compensation for Manager's services under this Agreement.

3.3. Additional Charges. If Owner incurs or becomes obligated to pay any expenses with respect to the Business other than those contemplated by Section 3.1, all such additional expenses will be the sole responsibility of Owner and Owner shall pay such additional expenses in full when due. If Owner fails to do so, then Manager may, but will not have any obligation to, pay such additional expenses on behalf of Owner and Owner shall reimburse Manager for the amount paid promptly, but in any event within 10 business days, after receipt of a written invoice from Manager therefor. For the avoidance of doubt, Owner will be responsible for all costs associated with the change of location applications for the Processor License and Wholesale License.

3.4. Product. Manager shall be entitled to transfer all cannabis product produced by the Business at the Licensed Premises to its own OLCC wholesaler license for sale and distribution for Manager's own account.

4. Indemnity.

4.1. Indemnity by Manager. Manager shall be liable for, and shall indemnify, defend, and hold harmless Owner, its affiliates, parents, members, officers, directors, employees, and agents from and against, any and all claims, damages, loss, cost (including reasonable attorneys' fees), causes of action, suits, and liabilities of any kind occasioned by or in connection with or arising out of:

4.1.1. any negligent act or omission or intentional misconduct of Manager, its agents, employees, or contractors in the performance of Manager's duties under this Agreement;

4.1.2. any failure of Manager to perform its obligations under this Agreement;

4.1.3. any failure of Manager to follow applicable law;

4.1.4. any breach of a representation or covenant made or given by Manager under this Agreement; and

4.1.5. any loss or damage, either general, special or consequential, to the Licensed Premises or the Business during the Term, other than loss or damage that is the fault of Owner.

4.2. Indemnity by Owner. Owner shall be liable for, and shall indemnify, defend, and hold harmless Manager, its affiliates, members, officers, directors, employees, and agents from and against, any and all claims, damages, loss, cost (including reasonable attorney's fees), causes of action, suits, and liabilities of any kind occasioned by or in connection with or arising out of:

4.2.1. any negligent act or omission or intentional misconduct of Owner, its agents, employees, or contractors, not including Manager, relating to the use or occupancy of the Licensed Premises;

4.2.2. any failure of Owner to perform its obligations under this Agreement;

4.2.3. any failure of Owner to follow applicable law; and

4.2.4. any breach of a representation or covenant made or given by Owner under this Agreement.

5. Limitation of Liability. EXCEPT WITH RESPECT TO CLAIMS DERIVING FROM THE OBLIGATIONS SET FORTH IN SECTIONS 4 OF THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, OR INCIDENTAL DAMAGES, HOWEVER CAUSED, WHETHER BASED ON CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT, WARRANTY, OR ANY OTHER LEGAL THEORY, EVEN IF THE PARTY HAS BEEN ADVISED OF OR HAD REASON TO KNOW OF THE POSSIBILITY OF SUCH DAMAGES

6. Competition. Owner acknowledges and agrees that Manager shall during the Term have the right to conduct, and shall in no way by virtue of this Agreement be prohibited, restricted, or otherwise limited from conducting, any business activities or operations, including recreational cannabis producing, processing, wholesale distribution, and retail sales operations on properties owned, leased, or under management of owners of other properties in the vicinity of the Licensed Premises, without Manager being in violation of any of the provisions, terms, and conditions of this Agreement.

7. Notices. Any notice required or permitted under the terms of this Agreement or required by law must be in writing and must be: (a) delivered in person, (b) sent by first class registered mail, (c) sent by overnight air courier, or (d) sent by email without rejection, in each case, properly posted and fully prepaid to the appropriate address as set forth below. Either party may change its address for notices by notice to the other party given in accordance with this Section. Notices will be deemed given at the time of actual delivery in person, three business days after deposit in the mail as set forth above, one day after delivery to an overnight air courier service, or when sent without rejection during normal business hours by email, or else the following business day when not sent during normal business hours.

To Owner:

HSCP Oregon LLC
c/o Acreage Holdings, Inc.
450 Lexington Avenue, #3308
New York, NY 10163
Attention: Zach Davis
Email: z.davis@acreageholdings.com

With a copy to:

Cozen O'Connor
One Liberty Place
1650 Market Street
Philadelphia, PA 19103
Attention: Joseph C. Bedwick
E-mail: jbedwick@cozen.com

To Manager:

Grown Rogue Distribution, LLC
655 Rossanley
Medford, OR 97530
Attention: Obie Strickler
Email: obie@grownrogue.com

With a copy to:

Tonkon Torp LLP
888 SW Fifth Avenue, Suite 1600
Portland OR 97204
Attention: Jeffrey Woodcox
Email: jeff.woodcox@tonkon.com

8. Status of the Parties. Owner and Manager hereby acknowledge and agree that this Agreement constitutes only a management agreement and the Parties are not joint venturers or partners of any type. Manager will endeavor to follow the suggestions of Owner so far as possible in the operation of the Business on the Licensed Premises, but in the absence of special instructions agreed upon by the Parties, reserves the right to perform all acts which it deems necessary or desirable in connection with the care and operation of the Business on the Licensed Premises at such times as it, in its judgment, deems proper. Nothing in this Agreement is intended to create an unauthorized ownership or financial interest in the

Business prior to OLCC approval of any change of ownership applications submitted by the Parties.

9. Assignment. Except as provided in this Agreement, this Agreement may not be assigned or encumbered in any manner by Manager or Owner without the prior written consent of the other Party, which will not be unreasonably withheld, conditioned, or delayed.

10. Performance. The Parties understand and agree that Manager, in the performance of its services under this Agreement, shall exercise the judgment and care, under the circumstances then prevailing, which the average manager of recreational marijuana production, processing, and wholesale distribution facilities performing like services as Manager performs hereunder would exercise in the conduct and management of like properties in Jackson County, Oregon. Time is of the essence of this Agreement.

11. Disclaimer of Representations and Warranties. Manager acknowledges and agrees that all information, data, and statements, heretofore or hereafter made or to be made by Owner to Manager, are Owner's opinion only and are not representations, guarantees, or warranties. Owner expressly disclaims, and Manager acknowledges and accepts such disclaimers, any representations, guarantees, or warranties, including warranties of merchantability, whether express or implied, regarding the services, materials, information, or data to be furnished in connection with the Licensed Premises under this Agreement or otherwise. Subject to Manager's indemnification obligations under Section 4.1, the Parties agree that the risk of any loss or damage, either general, special, or consequential, to the Licensed Premises or the Business, shall rest solely on Owner, and Manager shall not be responsible for any such loss or damage. Owner acknowledges and agrees that Manager has no responsibility or liability for the condition of the Licensed Premises at the commencement of the Term. Nothing in this Section 11 shall negate, amend, or otherwise modify or affect in any respect the representations and warranties made by Owner in the Purchase Agreement.

12. Force Majeure Clause. Manager shall not be required to perform, and shall not be in default of any provisions of this Agreement for such noncompliance, if the nonperformance is caused by, arises out of, or results from: (a) strikes, work stoppages or labor demands or difficulties, labor shortages, or inability to procure labor; (b) shortages of equipment, materials, or supplies, or shortages or lack of processing facilities; (c) water shortages; (d) car or truck shortages; (e) transportation difficulties; (f) vendor supply shortages or emergencies, including, without limitation, shortages or unavailability of material supplies, fertilizer, weed control supplies, pest control supplies, and vehicles and aircraft to provide vendor supply services; (g) war, hostilities, or local and national emergencies, (h) pandemics or epidemics; (i) acts of God or the elements, including, without limitation, fires, frost, rain, hail, and flooding; (j) mechanical breakdowns; (k) power and utility failures or shortages; or (l) causes otherwise beyond the control of Manager.

13. Governing Law and Venue. All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of Oregon without giving effect to any choice or conflict of law provision or rule (whether of the State of Oregon or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction Documents, or the Transactions may be instituted in the federal courts of the United States of America or the

courts of the State of Oregon in each case located in the city of Portland and county of Multnomah, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

14. Waiver of Jury Trial. Each Party hereby waives any right to a trial by jury in any action seeking to enforce any provision of this Agreement, for damages for any breach under this Agreement, or otherwise for enforcement of any right or remedy hereunder.

15. Attorneys' Fees. In the event of any legal action by any Party as against the other Party by reason of the breach of any covenant or condition in any way arising out of or connected with this Agreement, then and in that event the Party in whose favor award or final judgment shall be entered shall be entitled to have and recover from the other Party reasonable attorney's fees together with the costs and expenses, including expert fees, to be fixed by the arbitrators or court where said award or judgment shall be made or entered.

16. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

17. Successors. This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, and successors of the Parties.

18. Amendment. This Agreement may be amended only by a written agreement signed by Owner and by Manager.

19. Interpretation. As used in this Agreement: (a) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the term "or" is nonexclusive; and (c) the words "will" and "shall" have the same meaning. The headings and captions used in this Agreement are for convenience of reference only and will not limit or in any way affect the interpretation of any provision of this Agreement. Each Party has been represented by independent legal counsel or afforded the opportunity of representation by independent legal counsel. Therefore, this Agreement shall not be construed against the Party preparing it, but shall be construed as if both Parties prepared the Agreement.

20. Entire Agreement. This Agreement and its exhibits contain the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all previous communications, representations, understandings, and agreements, either oral or written, between the Parties with respect to the subject matter of this Agreement.

21. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

22. No Defense. Each Party agrees that this Agreement's invalidity for public policy reasons and/or its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Agreement. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have entered into and executed this Agreement as of the Effective Date, in the County of Jackson, state of Oregon.

OWNER:

HSCP OREGON, LLC

By: _____
Name: Kevin Murphy
Title: Manager
Date: _____

MANAGER:

GROWN ROGUE DISTRIBUTION, LLC

By: _____
Name: _____
Title: _____
Date: _____

Schedule 3.1
Schedule of Expenses

Rent: $18,500
Internet & Security: $900
Utilities: $2,100

Total Monthly Expenses: $21,500

Exhibit 4.12

Execution Version

MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT SERVICES AGREEMENT (this "Agreement"), dated and effective February 5, 2021 (the "Effective Date"), is made and entered into between Grown Rogue Distribution, LLC, an Oregon limited liability company ("Manager"), and HSCP Oregon, LLC, an Oregon limited liability company and wholly-owned subsidiary of High Street Capital Partners, LLC, a Delaware limited liability company ("Owner"). Manager and Owner are sometimes referred to in this Agreement individually as a "Party" and, collectively, as the "Parties".

RECITALS

A. Owner leases certain real property located at 550 Airport Road, Medford, Oregon 97504 (the "Licensed Premises"). The Licensed Premises is used for recreational cannabis production operations (the "Business") under OLCC producer license number 020-1003642197C (the "Producer License"), OLCC wholesale license number 060-1013984A526 (the "Wholesale License"), and OLCC processor license number 030-1013975ABC8 (the "Processor License" and together with the Producer License and Wholesale License the "OLCC Licenses").

B. Owner is in the process of changing the location of the Processor License and Wholesaler License to the Licensed Premises.

C. Owner desires that Manager manage and conduct the Business on the Licensed Premises beginning on the Effective Date and continuing through the Term (as defined below).

D. Manager is capable of performing and managing recreational cannabis production operations on the Licensed Premises for Owner.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. Term of Management. The term (the "Term") of this Agreement shall begin on the Effective Date and terminate on the earlier of (a) the closing of the transactions under that certain Asset Purchase Agreement executed by the Parties as of the Effective Date (the "Purchase Agreement") relating to Manager's purchase of substantially all of the assets of the Business; (b) immediately following written notice from Owner to Manager of a material breach of the terms of this Agreement, including any material violation of OLCC rules and regulations relating to the operation of the Business under the OLCC Licenses at the Licensed Premises that is not cured within 30 days after Owner delivers written notice of such breach or violation to Manager; or (c) immediately following written notice from Manager to Owner (which Manager may but shall not be obligated to deliver) at any time after the Purchase Agreement is terminated. This Agreement, and all obligations of Owner and Manager under this Agreement, will automatically terminate at the end of the Term without any further act on the part of either Party or any other person or entity. If this

Agreement is terminated or canceled pursuant to the provisions hereof or by court order, the date of said termination or cancelation shall also be the substituted expiration date of this Agreement.

2. Nature of Management Service.

2.1. Manager Obligations. During the Term, Manager shall act as the exclusive manager for, and, subject to Section 8 of this Agreement, the exclusive operator of, the Business on the Licensed Premises. Manager shall devote such time, skill, and efforts to the performance of its obligations under this Agreement as are required to care for the operation of the Business on the Licensed Premises in accordance with accepted cannabis production in Jackson County, Oregon. In connection with such management, Manager shall supervise, care for, and maintain the Licensed Premises and provide all services, labor, materials, and equipment necessary to operate the Business on the Licensed Premises.

2.2. Owner Obligations. During the Term, Owner shall not, directly or indirectly, sublease the Licensed Premises or contract with any other person or entity to manage or operate the Business. Owner will, at its own cost, continue to process the change of location applications related to the Processor License and the Wholesale License and will keep Manager reasonably informed on the status and progress of such applications.

3. Payment of Fees and Charges.

3.1. Payment of Expenses. Attached Schedule 3.1 sets forth as of the Effective Date all of the operating expenses of the Business (collectively, the "E**xpenses**"), the person to whom each such expense is owed, and the due date and frequency (i.e., monthly, quarterly, annually, or other) of each Expense. Manager will be responsible for the Expenses and any other operating expenses for the Business that Manger incurs or with respect to which Manager agrees in writing to pay and be responsible.

3.2. Manager Compensation. The Parties understand and agree that Section 3.4 and the terms of the Purchase Agreement represent full and fair compensation for Manager's services under this Agreement.

3.3. Additional Charges. If Owner incurs or becomes obligated to pay any expenses with respect to the Business other than those contemplated by Section 3.1, all such additional expenses will be the sole responsibility of Owner and Owner shall pay such additional expenses in full when due. If Owner fails to do so, then Manager may, but will not have any obligation to, pay such additional expenses on behalf of Owner and Owner shall reimburse Manager for the amount paid promptly, but in any event within 10 business days, after receipt of a written invoice from Manager therefor. For the avoidance of doubt, Owner will be responsible for all costs associated with the change of location applications for the Processor License and Wholesale License.

3.4. Product. Manager shall be entitled to transfer all cannabis product produced by the Business at the Licensed Premises to its own OLCC wholesaler license for sale and distribution for Manager's own account.

4. Indemnity.

4.1. Indemnity by Manager. Manager shall be liable for, and shall indemnify, defend, and hold harmless Owner, its affiliates, parents, members, officers, directors, employees, and agents from and against, any and all claims, damages, loss, cost (including reasonable attorneys' fees), causes of action, suits, and liabilities of any kind occasioned by or in connection with or arising out of:

4.1.1. any negligent act or omission or intentional misconduct of Manager, its agents, employees, or contractors in the performance of Manager's duties under this Agreement;

4.1.2. any failure of Manager to perform its obligations under this Agreement;

4.1.3. any failure of Manager to follow applicable law;

4.1.4. any breach of a representation or covenant made or given by Manager under this Agreement; and

4.1.5. any loss or damage, either general, special or consequential, to the Licensed Premises or the Business during the Term, other than loss or damage that is the fault of Owner.

4.2. Indemnity by Owner. Owner shall be liable for, and shall indemnify, defend, and hold harmless Manager, its affiliates, members, officers, directors, employees, and agents from and against, any and all claims, damages, loss, cost (including reasonable attorney's fees), causes of action, suits, and liabilities of any kind occasioned by or in connection with or arising out of:

4.2.1. any negligent act or omission or intentional misconduct of Owner, its agents, employees, or contractors, not including Manager, relating to the use or occupancy of the Licensed Premises;

4.2.2. any failure of Owner to perform its obligations under this Agreement;

4.2.3. any failure of Owner to follow applicable law; and

4.2.4. any breach of a representation or covenant made or given by Owner under this Agreement.

5. Limitation of Liability. EXCEPT WITH RESPECT TO CLAIMS DERIVING FROM THE OBLIGATIONS SET FORTH IN SECTIONS 4 OF THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, OR INCIDENTAL DAMAGES, HOWEVER CAUSED, WHETHER BASED ON CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT, WARRANTY, OR ANY OTHER LEGAL THEORY, EVEN IF THE PARTY HAS BEEN ADVISED OF OR HAD REASON TO KNOW OF THE POSSIBILITY OF SUCH DAMAGES

6. Competition. Owner acknowledges and agrees that Manager shall during the Term have the right to conduct, and shall in no way by virtue of this Agreement be prohibited, restricted, or otherwise limited from conducting, any business activities or operations, including recreational cannabis producing, processing, wholesale distribution, and retail sales operations on properties owned, leased, or under management of owners of other properties in the vicinity of the Licensed Premises, without Manager being in violation of any of the provisions, terms, and conditions of this Agreement.

7. Notices. Any notice required or permitted under the terms of this Agreement or required by law must be in writing and must be: (a) delivered in person, (b) sent by first class registered mail, (c) sent by overnight air courier, or (d) sent by email without rejection, in each case, properly posted and fully prepaid to the appropriate address as set forth below. Either party may change its address for notices by notice to the other party given in accordance with this Section. Notices will be deemed given at the time of actual delivery in person, three business days after deposit in the mail as set forth above, one day after delivery to an overnight air courier service, or when sent without rejection during normal business hours by email, or else the following business day when not sent during normal business hours.

To Owner:

HSCP Oregon LLC
c/o Acreage Holdings, Inc.
450 Lexington Avenue, #3308
New York, NY 10163
Attention: Zach Davis
Email: z.davis@acreageholdings.com

With a copy to:

Cozen O'Connor
One Liberty Place
1650 Market Street
Philadelphia, PA 19103
Attention: Joseph C. Bedwick
E-mail: jbedwick@cozen.com

To Manager:

Grown Rogue Distribution, LLC
655 Rossanley
Medford, OR 97530
Attention: Obie Strickler
Email: obie@grownrogue.com

With a copy to:

Tonkon Torp LLP
888 SW Fifth Avenue, Suite 1600
Portland OR 97204
Attention: Jeffrey Woodcox
Email: jeff.woodcox@tonkon.com

8. Status of the Parties. Owner and Manager hereby acknowledge and agree that this Agreement constitutes only a management agreement and the Parties are not joint venturers or partners of any type. Manager will endeavor to follow the suggestions of Owner so far as possible in the operation of the Business on the Licensed Premises, but in the absence of special instructions agreed upon by the Parties, reserves the right to perform all acts which it deems necessary or desirable in connection with the care and operation of the Business on the Licensed Premises at such times as it, in its judgment, deems proper. Nothing in this Agreement is intended to create an unauthorized ownership or financial interest in the Business prior to OLCC approval of any change of ownership applications submitted by the Parties.

9. Assignment. Except as provided in this Agreement, this Agreement may not be assigned or encumbered in any manner by Manager or Owner without the prior written consent of the other Party, which will not be unreasonably withheld, conditioned, or delayed.

10. Performance. The Parties understand and agree that Manager, in the performance of its services under this Agreement, shall exercise the judgment and care, under the circumstances then prevailing, which the average manager of recreational marijuana production, processing, and wholesale distribution facilities performing like services as Manager performs hereunder would exercise in the conduct and management of like properties in Jackson County, Oregon. Time is of the essence of this Agreement.

11. Disclaimer of Representations and Warranties. Manager acknowledges and agrees that all information, data, and statements, heretofore or hereafter made or to be made by Owner to Manager, are Owner's opinion only and are not representations, guarantees, or warranties. Owner expressly disclaims, and Manager acknowledges and accepts such disclaimers, any representations, guarantees, or warranties, including warranties of merchantability, whether express or implied, regarding the services, materials, information, or data to be furnished in connection with the Licensed Premises under this Agreement or otherwise. Subject to Manager's indemnification obligations under Section 4.1, the Parties agree that the risk of any loss or damage, either general, special, or consequential, to the Licensed Premises or the Business, shall rest solely on Owner, and Manager shall not be responsible for any such loss or damage. Owner acknowledges and agrees that Manager has no responsibility or liability for the condition of the Licensed Premises at the commencement of the Term. Nothing in this Section 11 shall negate, amend, or otherwise modify or affect in any respect the representations and warranties made by Owner in the Purchase Agreement.

12. Force Majeure Clause. Manager shall not be required to perform, and shall not be in default of any provisions of this Agreement for such noncompliance, if the nonperformance is caused by, arises out of, or results from: (a) strikes, work stoppages or labor demands or difficulties, labor shortages, or inability to procure labor; (b) shortages of equipment, materials, or supplies, or shortages or lack of processing facilities; (c) water shortages; (d) car or truck shortages; (e) transportation difficulties; (f) vendor supply shortages or emergencies, including, without limitation, shortages or unavailability of material supplies, fertilizer, weed control supplies, pest control supplies, and vehicles and aircraft to provide vendor supply services; (g) war, hostilities, or local and national emergencies, (h) pandemics or epidemics; (i) acts of God or the elements, including, without limitation, fires, frost, rain, hail, and flooding; (j) mechanical breakdowns; (k) power and utility failures or shortages; or (l) causes otherwise beyond the control of Manager.

13. Governing Law and Venue. All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of Oregon without giving effect to any choice or conflict of law provision or rule (whether of the State of Oregon or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction Documents, or the Transactions may be instituted in the federal courts of the United States of America or the

courts of the State of Oregon in each case located in the city of Portland and county of Multnomah, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

14. Waiver of Jury Trial. Each Party hereby waives any right to a trial by jury in any action seeking to enforce any provision of this Agreement, for damages for any breach under this Agreement, or otherwise for enforcement of any right or remedy hereunder.

15. Attorneys' Fees. In the event of any legal action by any Party as against the other Party by reason of the breach of any covenant or condition in any way arising out of or connected with this Agreement, then and in that event the Party in whose favor award or final judgment shall be entered shall be entitled to have and recover from the other Party reasonable attorney's fees together with the costs and expenses, including expert fees, to be fixed by the arbitrators or court where said award or judgment shall be made or entered.

16. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

17. Successors. This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, and successors of the Parties.

18. Amendment. This Agreement may be amended only by a written agreement signed by Owner and by Manager.

19. Interpretation. As used in this Agreement: (a) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the term "or" is nonexclusive; and (c) the words "will" and "shall" have the same meaning. The headings and captions used in this Agreement are for convenience of reference only and will not limit or in any way affect the interpretation of any provision of this Agreement. Each Party has been represented by independent legal counsel or afforded the opportunity of representation by independent legal counsel. Therefore, this Agreement shall not be construed against the Party preparing it, but shall be construed as if both Parties prepared the Agreement.

20. Entire Agreement. This Agreement and its exhibits contain the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all previous communications, representations, understandings, and agreements, either oral or written, between the Parties with respect to the subject matter of this Agreement.

21. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

22. No Defense. Each Party agrees that this Agreement's invalidity for public policy reasons and/or its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Agreement. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have entered into and executed this Agreement as of the Effective Date, in the County of Jackson, state of Oregon.

OWNER:		**MANAGER**:	
HSCP OREGON, LLC		GROWN ROGUE DISTRIBUTION, LLC	
By:	/s/ Kevin Murphy	By:	
Name:	Kevin Murphy	Name:	
Title:	Manager	Title:	
Date:		Date:	

IN WITNESS WHEREOF, the Parties hereto have entered into and executed this Agreement as of the Effective Date, in the County of Jackson, state of Oregon.

OWNER:		**MANAGER**:	
HSCP OREGON, LLC		GROWN ROGUE DISTRIBUTION, LLC	
By:		By:	/s/ J. Obie Strickler
Name:		Name:	J. Obie Strickler
Title:		Title:	Manager
Date:		Date:	

Schedule 3.1
Schedule of Expenses

Rent: $18,500
Internet & Security: $900
Utilities: $2,100

Total Monthly Expenses: $21,500

Exhibit 4.13

GROWN ROGUE INTERNATIONAL INC.

Special Warrant Indenture

Dated as of March 5, 2021

TABLE OF CONTENTS

SPECIAL WARRANT INDENTURE

THIS SPECIAL WARRANT INDENTURE made as of 5th day of March, 2021.

BETWEEN:

GROWN ROGUE INTERNATIONAL INC., a company incorporated under the laws of the Province of Ontario

(the "**Company**")

OF THE FIRST PART

AND:

CAPITAL TRANSFER AGENCY ULC, a trust company existing under the laws of Canada and authorized to carry on business in all provinces of Canada

(the "**Special Warrant Agent**")

OF THE SECOND PART

WHEREAS pursuant to the terms of the Agency Agreement (as hereinafter defined), the Company is proposing to issue and sell an aggregate of 21,056,890 Special Warrants (as hereinafter defined) at a purchase price of $0.225 per Special Warrant;

AND WHEREAS each Special Warrant shall entitle the holder thereof to acquire, upon exercise or deemed exercise thereof, one Unit (as hereinafter defined) without payment of additional consideration, subject to adjustment in accordance with Section 4 of this Indenture;

AND WHEREAS the Company is authorized to create and issue the Special Warrants;

AND WHEREAS the Company represents to the Special Warrant Agent that all necessary resolutions of the directors of the Company have been duly enacted, passed or confirmed and all other proceedings taken and conditions complied with to authorize the execution and delivery of this Indenture and the execution, delivery and issue of the Special Warrants and to make the same legal, valid and binding on the Company in accordance with the laws relating to the Company;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Company and not by the Special Warrant Agent;

AND WHEREAS the Special Warrant Agent has been appointed by the Company and has agreed to act as agent on behalf of the Special Warrant holders (as hereinafter defined) on the terms and conditions set forth herein.

NOW THEREFORE THIS INDENTURE WITNESSETH THAT, in consideration of the premises and in further consideration of the mutual covenants herein set forth, the parties hereto agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Indenture, unless there is something in the subject matter or context inconsistent therewith, the following words have the respective meaning indicated below:

(a) "**Agent**" means Eight Capital, as sole agent and sole bookrunner;

(b) "**Agency Agreement**" means the agency agreement dated the date hereof between the Company and the Agent in relation to the Private Placement;

(c) "**Applicable Legislation**" means the provisions, if any, for the time being, of any statute of Canada or a province or territory thereof, and of the regulations under such statute, relating to special warrant indentures and to the rights, duties and obligations of special warrant agents under special warrant indentures, and of corporations issuing their securities under special warrant indentures, to the extent that any such provisions are in force and applicable to this Indenture;

(d) "**Authenticated**" means (a) with respect to the issuance of a Special Warrant Certificate, a Special Warrant Certificate which has been duly signed by the Company and authenticated by manual signature of an authorized officer of the Special Warrant Agent, and (b) with respect to the issuance of an Uncertificated Special Warrant, an Uncertificated Special Warrant in respect of which the Special Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Special Warrant are entered in the register of holders of Special Warrants, and "Authenticate", "Authenticating" and "Authentication" have the appropriate correlative meanings;

(e) "**Book Entry Exercise Confirmation**" means a confirmation of intention to exercise Special Warrants, delivered to the Special Warrant Agent by the Depository;

(f) "**Book Entry Only Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Special Warrants;

(g) "**Book Entry Only Special Warrants**" means Special Warrants that are to be held only by or on behalf of the Depository;

(h) "**Business Day**" means a day which is not a Saturday, Sunday or legal holiday in the City of Toronto, Ontario;

(i) "**CDS Global Special Warrants**" means Special Warrants representing all or a portion of the aggregate number of Special Warrants issued in the name of the Depository represented by an Uncertificated Special Warrant, or if requested by the Depository or the Company, by a Special Warrant Certificate;

(j) "**Closing**" means the closing on the Closing Date of the Private Placement;

(k) "**Closing Date**" means March 5, 2021, being the closing date of the Private Placement;

(l) "**Common Share**" means a fully paid and non-assessable common share in the capital of the Company as such capital is presently constituted;

(m) "**Company**" means Grown Rogue International Inc., a corporation existing under the laws of the Province of Ontario;

(n) "**Company's auditors**" means the firm of accountants appointed by the shareholders of the Company and serving as the auditors of the Company at the relevant time;

(o) "**Current Market Price**" of a Common Share at any date means the price per share equal to the volume weighted average price at which the Common Shares have traded during the 10 consecutive Trading Days ending on the third trading day immediately prior to such date, on the Canadian Securities Exchange, or, if the Common Shares are not listed thereon, on any stock exchange on which such shares are listed as may be selected for such purpose by the directors or, if such shares are not listed on any stock exchange, then on such over-the-counter market in Canada or the United States as may be selected for such purpose by the directors, provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Company;

(p) "**Deemed Exercise Date**" means, subject to Section 4.2(f), the earlier of:

(i) the date that is the third Business Day after the Qualification Date; and

(ii) the date that is four months and one day following the Closing Date;

(q) "**Deemed Exercise Time**" means 5:00 p.m. (Toronto time) on the Deemed Exercise Date;

(r) "**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Company to act as depository in respect of the Special Warrants;

(s) "**Designated Jurisdictions**" means, collectively, each of the provinces of Canada, other than Quebec, where Special Warrants are sold;

(t) "**director**" means a director of the Company for the time being and, unless otherwise specified herein, a reference to an action by the directors means an action by the directors of the Company as a board or, whenever duly empowered, action by a committee of such board;

(u) "**Indenture**", "**herein**", "**hereto**", "**hereunder**", "**hereof**", "**hereby**" and similar expressions mean or refer to this special warrant indenture and not to any particular Article, Section, paragraph, clause, subdivision or portion hereof and include any indenture, deed or instrument supplemental or ancillary hereto, in each case, as may be amended from time to time; and the expressions "Article", "Section" and "paragraph" followed by a number mean and refer to the specified Article, Section or paragraph of this Indenture;

(v) "**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register of Special Warrant holders at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Special Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Special Warrant Agent;

(w) "**Original QIB Purchaser**" means an original purchaser of Special Warrants who, as a U.S. Purchaser that qualifies as a Qualified Institutional Buyer, has executed and delivered a U.S. QIB Certificate;

(x) "**Passport System**" means the passport system procedures provided for under Multilateral Instrument 11-102 - *Passport System* and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions*;

(y) "**Penalty Units**" has the meaning set forth in Section 4.1(a);

(z) "**Private Placement**" means the private placement of up to 21,056,890 Special Warrants pursuant to the Agency Agreement and the subscription agreements entered into on the Closing Date between the Company and purchasers of Special Warrants;

(aa) "**Prospectus**" means a (final) short form prospectus of the Company filed with the Securities Regulators by the Company which qualifies the distribution of the Unit Shares and the Unit Warrants in the Designated Jurisdictions;

(bb) "**Purchase Price**" means $0.225 per Special Warrant;

(cc) "**Qualification Date**" means the date on which the principal regulator under the Passport System issues the Receipt evidencing that each Securities Regulator has issued a receipt for the Prospectus;

(dd) "**Qualification Deadline**" means 5:00 p.m. (Toronto time) on April 5, 2021;

(ee) "**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A of the U.S. Securities Act;

(ff) "**Receipt**" means the receipt issued by the Ontario Securities Commission for the Prospectus under the Passport System, which is deemed to also be a receipt of the Securities Regulators of the other Designated Jurisdictions pursuant to the Passport System;

(gg) "**Regulation S**" means Regulation S promulgated by the SEC under the U.S. Securities Act;

(hh) "**SEC**" means the United States Securities and Exchange Commission;

(ii) "**Securities Regulators**" means, collectively, the securities commissions or other applicable securities regulatory authorities of each of the Designated Jurisdictions;

(jj) "**Special Warrant**" means a special warrant of the Company created by the Company and issued and Authenticated hereunder and entitling the holder thereof to acquire one Unit (provided that if a Receipt for the Prospectus is not issued prior to the Qualification Deadline then each holder of a Special Warrant will be entitled to 1.1 Units per Special Warrant held instead of one Unit) upon the exercise or deemed exercise thereof, in accordance with this Indenture, without payment of additional consideration or further action on the part of the Special Warrant holders, subject to adjustment as set out herein;

(kk) "**Special Warrant Agent**" means the special warrant agent under this Indenture, initially being Capital Transfer Agency, ULC, in its capacity as special warrant agent hereunder, having an office in Toronto, Ontario, or such other address as it shall inform the Company and Special Warrant holders from time to time;

(ll) "**Special Warrant Certificate**" means a certificate evidencing one or more Special Warrants issuable hereunder, substantially in the form attached hereto as Schedule "A";

(mm) "**Special Warrant holder**" means the registered holder from time to time of an outstanding Special Warrant;

(nn) "**Subsidiary of the Company**" means a corporation of which voting securities carrying a majority of the votes attached to all outstanding voting securities of the Company are owned, directly or indirectly, by the Company or by one or more subsidiaries of the Company, or by the Company and one or more subsidiaries of the Company, and, as used in this definition, voting securities means securities, other than debt securities, carrying a voting right to elect directors either under all circumstances or under some circumstances that may have occurred and are continuing;

(oo) "**Trading Day**" means any day on which the facilities of the Canadian Securities Exchange, or, if the Common Shares are not listed thereon, the facilities of any stock exchange on which the Common Shares are listed, or, if the Common Shares are not listed thereon, an over-the-counter market in Canada as may be selected by the directors on which the Common Shares are traded, are open for trading;

(pp) "**Transaction Instruction**" means a written order signed by a Special Warrant holder or the Depository entitled to request that one or more actions be taken, or such other form as may be reasonably acceptable to the Special Warrant Agent, requesting one or more such actions to be taken in respect of an Uncertificated Special Warrant;

(qq) "**Uncertificated Special Warrant**" means any Special Warrant which is not represented by a Special Warrant Certificate;

(rr) "**Unit**" means a unit of the Company, subject to adjustment in accordance with this Indenture, consisting of one Unit Share and one Unit Warrant (and includes for greater certainty any additional Penalty Units), issuable upon the exercise or deemed exercise of the Special Warrants;

(ss) "**Unit Share**" means a Common Share forming part of a Unit, issuable upon the exercise or deemed exercise of the Special Warrants;

(tt) "**Unit Warrant**" means a Common Share purchase warrant of the Company forming part of a Unit, issuable upon the exercise or deemed exercise of the Special Warrants and pursuant to the Unit Warrant Indenture, with each whole Unit Warrant exercisable by the holder thereof to acquire one Common Share of the Company at a price of $0.30 per Common Share for a period of 24 months following the Closing Date, subject to adjustment in certain events as set forth in the Warrant Indenture;

(uu) "**United States**" has the meaning ascribed thereto in Regulation S, as set out in Schedule "B" hereto;

(vv) "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

(ww) "**U.S. Person**" has the meaning ascribed thereto in Regulation S, as set out in Schedule "B" hereto;

(xx) "**U.S. Special Warrant holder**" means any Special Warrant holder that is a U.S. Person, acquired Warrants in the United States or for the account or benefit of any U.S. Person or Person in the United States appearing on the register of Special Warrant holders;

(yy) "**U.S. QIB Certificate**" means a U.S. Purchaser Certificate executed by an Original QIB Purchaser in connection with its purchase of Special Warrants pursuant to the Private Placement, substantially in the form annexed as Schedule "C" – Annex 2 to the form of subscription agreement used for the Private Placement; "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended; and

(zz) "**Warrant Indenture**" means the warrant indenture governing the terms of the Unit Warrants between the Company and Capital Transfer Agency, ULC in its capacity as warrant agent, dated the Closing Date.

1.2 Headings

The division of this Indenture into Articles, Sections or other subdivisions, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or the Special Warrants.

1.3 Gender

Words importing the singular number also include the plural and vice versa and words importing a particular gender or neuter include both genders and neuters.

1.4 Weekends and Holidays

If the date for the taking of any action under this Indenture expires on a day which is not a Business Day, such action may be taken on the next succeeding Business Day with the same force and effect as if taken within the period for the taking of such action.

1.5 Meaning of "Outstanding"

Every Special Warrant represented by a Special Warrant Certificate countersigned by the Special Warrant Agent or Uncertificated Special Warrant that has been Authenticated and delivered to the holder thereof is deemed to be outstanding until it is cancelled or delivered to the Special Warrant Agent for cancellation or until the Deemed Exercise Time. Where a new Special Warrant Certificate has been issued pursuant to Section 2.9 to replace one which has been mutilated, lost, stolen or destroyed, the Special Warrants represented by only one of such Special Warrant Certificates are counted for the purpose of determining the aggregate number of Special Warrants outstanding. A Special Warrant Certificate representing a number of Special Warrants which has been partially exercised will be deemed to be outstanding only to the extent of the unexercised portion of the Special Warrants.

1.6 Time

Time is of the essence hereof and of each Special Warrant Certificate.

1.7 Applicable Law

This Indenture and each Special Warrant Certificate are subject to and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.8 Severability

Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under Applicable Legislation. In the event that any provision hereof shall be determined to be invalid, illegal or unenforceable in any respect under Applicable Legislation, such provision will be ineffective only to the extent of such invalidity, illegality and unenforceability and the validity, legality and enforceability of the remainder of such provision and any other provision hereof shall not be affected or impaired thereby.

1.9 Currency

All references to currency herein and in the Special Warrant Certificates are to Canadian dollars unless otherwise indicated.

1.10 Conflicts

In the event of any conflict or inconsistency between the provisions of this Indenture and the Special Warrant Certificates, the provisions of this Indenture will govern.

1.11 Schedules

The attached Schedule "A" and Schedule "B" are incorporated into and form part of this Indenture.

2. ISSUE AND PURCHASE OF SPECIAL WARRANTS

2.1 Creation, Form and Terms of Special Warrants

(a) The Company hereby creates and authorizes for issuance 21,056,890 Special Warrants.

(b) The Special Warrants shall be executed by the Company and Authenticated by, or on behalf of, the Special Warrant Agent upon the written order of the Company and delivered by the Special Warrant Agent to the Company or to the order of the Company in accordance with the written order of the Company.

(c) Each Special Warrant shall entitle the holder thereof to acquire, upon the exercise or deemed exercise thereof, one Unit without the payment of additional consideration and subject to adjustment in accordance with Article 4 hereof.

(d) Subject to the provisions hereof, the Special Warrants issued under this Indenture are limited in the aggregate to 21,056,890 Special Warrants, provided that the number and type of securities to be issued upon exercise or deemed exercise of the Special Warrants is subject to increase or decrease so as to give effect to the adjustments required by Article 4.

(e) No fractional Special Warrants shall be issued or otherwise provided for hereunder.

2.2 Form of Special Warrants, Certificated Special Warrants

The Special Warrants may be issued in both certificated and uncertificated form. All Special Warrants issued in certificated form shall be evidenced by a Special Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule "A" hereto, which shall be dated as of the Closing Date, shall bear such distinguishing letters and numbers as the Company may, with the approval of the Special Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Special Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Special Warrant holders to be maintained by the Special Warrant Agent. Notwithstanding the foregoing, all Special Warrants issued to a U.S. Special Warrant holder will be issued in certificated form and will bear the legend set forth in Section 5.9(a) herein.

2.3 Book Entry Only Special Warrants

(a) Registration of beneficial interests in and transfers of Special Warrants held by the Depository shall be made only through the book entry registration system and no Special Warrant Certificates shall be issued in respect of such Special Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Company, from time to time. Except as provided herein, owners of beneficial interests in any CDS Global Special Warrants shall not be entitled to have Special Warrants registered in their names and shall not receive or be entitled to receive Special Warrants in definitive form or to have their names appear in the register. Notwithstanding any terms set out herein, Special Warrants having any legend set forth in Section 5.9(a) herein and held in the name of the Depository may only be held in the form of Uncertificated Special Warrants with the prior consent of the Special Warrant Agent and in accordance with the Internal Procedures of the Special Warrant Agent.

(b) Notwithstanding any other provision in this Indenture, no CDS Global Special Warrants may be exchanged for registered Special Warrants, and no transfer of any CDS Global Special Warrants may be registered, in the name of any person other than the Depository for such CDS Global Special Warrants or a nominee thereof, unless:

(i) the Depository notifies the Company that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Special Warrants and the Company is unable to locate a qualified successor;

(ii) the Company determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Special Warrants and the Company is unable to locate a qualified successor;

(iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Company is unable to locate a qualified successor;

(iv) the Company determines that the Special Warrants shall no longer be held as Book Entry Only Special Warrants through the Depository;

(v) such right is required by Applicable Legislation, as determined by the Company and the Company's counsel;

(vi) the Special Warrant is to be Authenticated to or for the account or benefit of a person in the United States or a U.S. Person (in which case, the Special Warrant Certificate shall contain the legend set forth in Section 5.9(a), if applicable); or

(vii) such registration is effected in accordance with the internal procedures of the Depository and the Special Warrant Agent, following which, Special Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Special Warrants or their nominees as directed by the holder.

The Company shall provide a certificate of an officer of the Company giving notice to the Special Warrant Agent of the occurrence of any event outlined in this Section 2.3(b).

(c) Every Special Warrant that is Authenticated upon registration or transfer of a CDS Global Special Warrant, or in exchange for or in lieu of a CDS Global Special Warrant or any portion thereof, shall be Authenticated in the form of, and shall be, a CDS Global Special Warrant, unless such Special Warrant is registered in the name of a person other than the Depository for such CDS Global Special Warrant or a nominee thereof.

(d) Notwithstanding anything to the contrary in this Indenture, the CDS Global Special Warrant will be issued as an Uncertificated Special Warrant, unless otherwise requested in writing by the Depository or the Company.

(e) The rights of beneficial owners of Special Warrants who hold securities entitlements in respect of the Special Warrants through the book entry registration system shall be limited to those established by Applicable Legislation and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Special Warrants who hold securities entitlements in respect of the Special Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Only Participant in accordance with the rules and procedures of the Depository.

(f) Notwithstanding anything herein to the contrary, neither the Company nor the Special Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Special Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Special Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or

(iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.

(g) The Company may terminate the application of this Section in its sole discretion in which case all Special Warrants shall be evidenced by Special Warrant Certificates registered in the name of a person other than the Depository or pursuant to the Direct Registration System through the Special Warrant Agent.

2.4 Special Warrant Certificate

(a) For Special Warrants issued in certificated form, the form of certificate representing Special Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Special Warrant Agent upon the written order of the Company. Each Special Warrant Certificate shall be Authenticated on behalf of the Special Warrant Agent. Each Special Warrant Certificate shall be signed by any one duly authorized signatory of the Company; whose signature shall appear on the Special Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon (including by way offacsimile signature or signature in Portable Document Format (PDF) and, in such event, certificates so signed are as valid and binding upon the Company as if it had been signed manually. Any Special Warrant Certificate which has one signature as herein before provided shall be valid and binding notwithstanding that one or more of the persons whose signature is so printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Special Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Special Warrant Agent may determine.

(b) The Special Warrant Agent shall Authenticate Uncertificated Special Warrants (whether upon original issuance, exchange, registration of transfer, or otherwise) by completing its Internal Procedures and the Company shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Special Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Special Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Special Warrants with respect to which this Indenture requires the Special Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error, and such Uncertificated Special Warrants are binding on the Company.

(c) No Special Warrant shall be considered issued and shall be valid or obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by the Special Warrant Agent. Authentication by the Special Warrant Agent, including by way of entry on the register or otherwise, shall not be construed as a representation or warranty by the Special Warrant Agent as to the validity of this Indenture or of such Special Warrant Certificates or Uncertificated Special Warrants (except the due Authentication thereof) or as to the performance by the Company of its obligations under this Indenture and the Special Warrant Agent shall in no respect be liable or answerable for the use made of the Special Warrants or any of them or of the consideration thereof. Authentication by the Special Warrant Agent shall be conclusive evidence as against the Company that the Special Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(d) No Special Warrant Certificate shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by manual signature by or on behalf of the Special Warrant Agent substantially in the form of the Special Warrant Certificate set out in Schedule "A" hereto. Such Authentication on any such certificated Special Warrant shall be conclusive evidence that such Special Warrant Certificate is duly Authenticated and is valid and a binding obligation of the Company and that the holder is entitled to the benefits of this Indenture.

(e) No Uncertificated Special Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Special Warrants. Such entry on the register of the particulars of an Uncertificated Special Warrant shall be conclusive evidence that such Uncertificated Special Warrant is a valid and binding obligation of the Company and that the holder is entitled to the benefits of this Indenture.

(f) Each CDS Global Special Warrant originally issued in Canada and held by the Depository, and each CDS Global Special Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Company may prescribe from time to time:

> "UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO GROWN ROGUE INTERNATIONAL INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS, HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.
>
> THIS GLOBAL WARRANT HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY OTHER SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION.
>
> UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY SHALL NOT TRADE THE SECURITY BEFORE [FOUR MONTHS AND ONE DAY AFTER THE ORIGINAL DATE OF ISSUANCE OF SPECIAL WARRANT(S)]."

2.5 Transferability and Ownership of Special Warrants

(a) The Company hereby appoints the Special Warrant Agent as registrar of the Special Warrants and shall cause the Special Warrant Agent to keep a register, whether certificated or uncertificated, which shall contain the information called for below with respect to each

Special Warrant, together with such other information as may be required by law or as the Special Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records, at the Special Warrant Agent's Toronto office set forth in Section 9.1, which the Special Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the Special Warrant holders. The information to be entered for each account in the register of Special Warrants at any time shall include (without limitation):

(i) the name and address of the Special Warrant holder, the date of Authentication thereof and the number of Special Warrants held;

(ii) whether such Special Warrant is a certificated or uncertificated and, if certificated, the unique number or code assigned to and imprinted thereupon and, if an uncertificated, the unique number or code assigned thereto if any;

(iii) whether such Special Warrant has been cancelled; and

(iv) a register of transfers in which all transfers of Special Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Company, the Agent and or any Special Warrant holder during the Special Warrant Agent's regular business hours on a Business Day and upon payment to the Special Warrant Agent of its reasonable fees. Any Special Warrant holder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Company and the Special Warrant Agent stating the name and address of the Special Warrant holder and agreeing not to use the information therein except in connection with an effort to call a meeting of Special Warrant holders or to influence the voting of Special Warrant holders at any meeting of Special Warrant holders.

(b) Once an Uncertificated Special Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Special Warrant Agent from the holder as provided herein, except that the Special Warrant Agent may act unilaterally to make purely administrative changes internal to the Special Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Special Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Special Warrant Agent to make such minor error corrections and (ii) agreed to pay to the Special Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Company and the Special Warrant Agent plus interest, at an appropriate then prevailing rate of interest), sustained by the Company or the Special Warrant Agent as a proximate result of such error caused by the holder if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Special Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Company or to the Special Warrant Agent.

(c) The Special Warrant Certificates may only be transferred by the Special Warrant holder (or its legal representatives or its attorney duly appointed), in accordance with Applicable Legislation and upon compliance with the conditions herein, on the register kept at the office of the Special Warrant Agent pursuant to Section 2.5(a) by delivering to the Special Warrant Agent's Toronto office a duly executed Form of Transfer attached as Appendix 2 to the Special Warrant Certificate and a duly executed Special Warrant Transferee's Certificate attached as Appendix 3 to the Special Warrant Certificate and complying with such other reasonable requirements as the Company and the Special Warrant Agent may

prescribe and such transfer shall be duly noted on the register by the Special Warrant Agent. In the case of Uncertificated Special Warrants, the legal or beneficial interest in the Special Warrants may only be transferred in accordance with the procedures of the Depository under its book-entry registration system.

(d) Notwithstanding anything contained in this Indenture, in the Special Warrant Certificate or in any subscription agreements under which Special Warrants were issued and sold, the Special Warrant Agent, relying solely on the Form of Transfer or such other reasonable requirements as the Company and Special Warrant Agent may prescribe pursuant to Section 2.5(b) or this Section shall not register any transfer of a Special Warrant unless the transfer is made in compliance with this Section or the Special Warrant is transferred outside the United States to a non-U.S. Person who properly completes, executes and delivers to the Special Warrant Agent a certificate in the form attached as Appendix 3 to the Special Warrant Certificate.

(e) If a Special Warrant holder (or any beneficial purchaser on whose behalf it is acting) decides to offer, sell, pledge or otherwise transfer any of the Special Warrants represented by a Special Warrant Certificate bearing the legend set forth in Section 5.9(a) hereof, or any of the Units underlying such Special Warrant Certificate, they may be offered, sold, pledged or otherwise transferred only:

(i) to the Company; or

(ii) outside the United States in compliance with the requirements of Rules 903 or 904 of Regulation S, as applicable, and in compliance with applicable local laws and regulations;

(f) If a Special Warrant Certificate not bearing the legend set forth in Section 5.9(a) hereof is tendered for transfer, the Special Warrant Agent shall not register such transfer if it has reason to believe that the transferee is in the United States or is a U.S. Person, or is acquiring the Special Warrants evidenced thereby for the account or benefit of a person in the United States or a U.S. Person, or if the Company has provided written instructions to the Special Warrant Agent prior to such exercise or deemed exercise to the effect that the Company believes such exercise or deemed exercise would not comply with the U.S. Securities Act or applicable state securities laws.

(g) The Company shall direct the Special Warrant Agent as to matters related to the applicable hold periods and applicable securities legislation. The Special Warrant Agent shall have no obligation to ensure or verify compliance with any Applicable Legislation or regulatory requirements on the issue, exercise or transfer of any Special Warrants, Unit Shares, Unit Warrants or other securities issuable upon the exercise of any Special Warrants. The Special Warrant Agent shall be entitled to process all proffered transfers and exercises of Special Warrants upon the presumption that such transfers or exercises are permissible pursuant to all Applicable Legislation and regulatory requirements and the terms of this Indenture. The Special Warrant Agent may assume for the purposes of this Indenture that the address on the register of Special Warrant holders of any Special Warrant holder is the Special Warrant holder's actual address and is also determinative of the Special Warrant holder's residency and that the address of any transferee to whom any Special Warrants or any Unit Shares and Unit Warrants underlying the Units are to be registered, as shown on the transfer document, is the transferee's actual address and is also determinative of the transferee's residency.

(h) Upon any transfer of Special Warrants in accordance with the provisions of this Indenture, the Company shall covenant and agree with the Special Warrant Agent, on behalf of the transferee holder and with the transferee holder, that the transferee holder is a permitted assignee of the transferring holder and is entitled to the benefits of the covenant of the

Company set forth in Section 5.12 in this Indenture and to be set forth under the heading "Contractual Right of Rescission" in the Prospectus (if any such Prospectus is filed with the Securities Regulators), subject, in each case, to the restrictions and limitations described thereunder. Should a holder of Special Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, the Special Warrant Agent shall not be responsible for ensuring the Special Warrants or the exercise of Special Warrants is cancelled and a refund of the holder's funds is paid back to the holder. In such cases, the holder shall seek a refund directly from the Company and subsequently, the Company shall instruct the Special Warrant Agent in writing, to cancel the Special Warrants or exercise transaction and to cause the cancellation of any underlying Unit Shares and Unit Warrants on the appropriate registers, which may have already been issued upon the Special Warrant exercise.

(i) A person who furnishes evidence that he is, to the reasonable satisfaction of the Special Warrant Agent:

(i) the executor, administrator, heir or legal representative of the heirs of the estate of a deceased Special Warrant holder;

(ii) a guardian, committee, trustee, curator or tutor representing a Special Warrant holder who is an infant, an incompetent person or a missing person; or

(iii) a liquidator or, a trustee in bankruptcy for, a Special Warrant holder,

may, as hereinafter stated, by surrendering such evidence together with the Special Warrant Certificate in question to the Special Warrant Agent (by delivery or mail as set forth in Section 9.1 hereof), and subject to such reasonable requirements as the Special Warrant Agent may prescribe and all applicable securities legislation and requirements of regulatory authorities, become noted upon the register of Special Warrant holders. After receiving the surrendered Special Warrant Certificate and upon the person surrendering the Special Warrant Certificate meeting the requirements as hereinbefore set forth, the Special Warrant Agent shall forthwith give written notice thereof together with confirmation as to the identity of the person entitled to become the holder to the Company. Forthwith after receiving written notice from the Special Warrant Agent as aforesaid, the Company shall cause a new Special Warrant Certificate to be issued and sent to the new holder and the Special Warrant Agent shall alter the register of Special Warrant holders accordingly.

(j) The Company and the Special Warrant Agent shall deem and treat the registered holder of any Special Warrant as the absolute legal and beneficial owner thereof for all purposes, free from all equities or rights of set off or counterclaim between the Company and any previous holder of such Special Warrant, save in respect of equities of which the Company is required to take notice by statute or by order of a court of competent jurisdiction, and neither the Company nor the Special Warrant Agent is affected by any notice to the contrary.

(k) Subject to the provisions of this Indenture and Applicable Legislation, each Special Warrant holder is entitled to the rights and privileges attaching to the Special Warrants, and the issue of the underlying Unit Shares and Unit Warrants by the Company on exercise or deemed exercise of Special Warrants by any Special Warrant holder in accordance with the terms and conditions herein contained discharges all responsibilities of the Company and the Special Warrant Agent with respect to such Special Warrants and neither the Company nor the Special Warrant Agent is bound to inquire into the title of any such registered holder.

(l) No charge will be levied on a presenter of a Special Warrant Certificate pursuant to this Indenture for the transfer of any Special Warrant.

(m) Notwithstanding any other provision of this Section 2.5, in connection with any transfer of Special Warrants, the transferor and transferee shall comply with all reasonable requirements of the Special Warrant Agent as the Special Warrant Agent may deem necessary to secure the obligations of the transferee of such Special Warrants with respect to such transfer.

2.6 Special Warrant holders Not Shareholders

A Special Warrant holder is not deemed or regarded as a shareholder of the Company nor is such Special Warrant holder entitled to any right or interest except as is expressly provided in this Indenture and in the Special Warrant Certificates.

2.7 Signing of Special Warrants

Any one director or officer of the Company shall sign the Special Warrant Certificates either manually or by electronic signature. An electronic signature upon any Special Warrant Certificate is, for all purposes hereof, deemed to be the signature of the person whose signature it purports to be and to have been signed at the time such electronic signature is reproduced. If a person whose signature, either manually or in electronic form, appears on a Special Warrant Certificate is not a director or officer of the Company at the date of this Indenture or at the date of the countersigning and delivery of such Special Warrant Certificate, such fact does not affect in any way the validity of the Special Warrants or the entitlement of the Special Warrant holder to the benefits of this Indenture or of the Special Warrant Certificate.

2.8 Countersigning

The Special Warrant Agent shall countersign the Special Warrant Certificates and Authenticated Uncertificated Special Warrants upon the written direction of the Company. No Special Warrant Certificate shall be issued, or if issued, is valid or exercisable or entitles the holder thereof to the benefits of this Indenture until the Special Warrant Certificate has been countersigned by the Special Warrant Agent or the Uncertificated Special Warrant has been Authenticated by the Special Warrant Agent, as the case may be. The countersignature or Authentication by or on behalf of the Special Warrant Agent will be conclusive evidence as against the Company that the Special Warrant Certificate so countersigned or Uncertificated Special Warrant so Authenticated has been duly issued hereunder and that the holder is entitled to the benefit hereof. The countersignature by or on behalf of the Special Warrant Agent on any Special Warrant Certificate or the Authentication of any Uncertificated Special Warrant by or on behalf of the Special Warrant Agent is not to be construed as a representation or warranty by the Special Warrant Agent as to the validity of this Indenture or of the Special Warrants or as to the performance by the Company of its obligations under this Indenture and the Special Warrant Agent is in no way liable or answerable for the use made of the Special Warrants or the proceeds from the issuance thereof, except as specified by this Indenture. The countersignature or Authentication, as the case may be, by or on behalf of the Special Warrant Agent is, however, a representation and warranty of the Special Warrant Agent that the Special Warrant Certificate has been duly countersigned or Authenticated by or on behalf of the Special Warrant Agent pursuant to the provisions of this Indenture.

2.9 Loss, Mutilation, Destruction or Theft of Special Warrants

In case any of the Special Warrant Certificates issued and countersigned hereunder is mutilated or lost, destroyed or stolen, the Company, in its discretion, may issue and thereupon the Special Warrant Agent will countersign and deliver a new Special Warrant Certificate of like date and tenor, and bearing

the same legend, as applicable, in exchange for and in place of the one mutilated, lost, destroyed or stolen and upon surrender and cancellation of such mutilated Special Warrant Certificate or in lieu of and in substitution for such lost, destroyed or stolen Special Warrant Certificate and the substituted Special Warrant Certificate entitles the holder thereof to the benefits hereof and ranks equally in accordance with its terms with all other Special Warrants issued hereunder.

The Special Warrant holder applying for the issue of a new Special Warrant Certificate pursuant to this Section shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company and the Special Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Special Warrant Certificate so lost, destroyed or stolen as is satisfactory to the Company and the Special Warrant Agent in their discretion. The Company and the Special Warrant Agent shall also, as a condition precedent to issuing a new Special Warrant Certificate, require such applicant to furnish an indemnity and surety bond in amount and form satisfactory to the Company and Special Warrant Agent in their sole discretion but acting reasonably, and the applicant shall pay the reasonable charges of the Company and the Special Warrant Agent in connection therewith.

2.10 Exchange of Special Warrants

A Special Warrant holder may, upon compliance with the reasonable requirements of the Special Warrant Agent (including compliance with applicable securities laws) at any time prior to the Deemed Exercise Date, by written instruction delivered to the Special Warrant Agent at the office of the Special Warrant Agent set forth in Section 9.1, exchange his Special Warrant Certificates for Special Warrant Certificates evidencing Special Warrants in other denominations entitling the Special Warrant holder to acquire in the aggregate the same number of Units to which it was entitled to acquire under the Special Warrant Certificates so surrendered, in which case the Special Warrant Agent may make a charge sufficient to reimburse it for any government fees or charges required to be paid and such reasonable fees as the Special Warrant Agent may determine for every Special Warrant Certificate issued upon exchange. The Special Warrant holder surrendering such Special Warrant Certificate shall bear such fee and charge. Payment of the charges is a condition precedent to the exchange of the Special Warrant Certificate. The Company shall sign and the Special Warrant Agent shall countersign all Special Warrant Certificates necessary to carry out exchanges as aforesaid.

Special Warrant Certificates exchanged for Special Warrant Certificates that bear the legend set forth in Section 5.9 shall bear the same legend.

2.11 Ranking

All Special Warrants will have the same attributes and rank *pari passu* regardless of the date of actual issue.

2.12 Purchase of Special Warrants for Cancellation

Subject to Applicable Legislation, the Company may, at any time or from time to time, purchase all or any of the Special Warrants in the market, by private contract or otherwise, on such terms as the Company may determine. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Special Warrants are then obtainable plus reasonable costs of purchase. The Special Warrants (and if applicable, the Special Warrant Certificates representing the Special Warrants) purchased hereunder by the Company shall immediately following purchase, be delivered to and cancelled by the Special Warrant Agent and no Special Warrants shall be issued in substitution therefor.In the case of Uncertificated Special Warrants, the Special Warrants purchased pursuant to this Section 2.12 shall be reflected accordingly on the register of the Special Warrants and in accordance with procedures prescribed by the Depository under the book-entry registration system. No Special Warrants shall be issued in replacement thereof.

2.13 Cancellation of Surrendered Special Warrants

All Special Warrant Certificates surrendered pursuant to Section 2.5, 2.9, 2.10 and 2.12 and Article 5 shall be cancelled by the Special Warrant Agent and upon such circumstances all such Uncertificated Special Warrants shall be deemed cancelled and so noted on the register by the Special Warrant Agent.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

So long as any Special Warrants remain outstanding, the Company represents, warrants, covenants and agrees with the Special Warrant Agent for the benefit of the Special Warrant Agent and Special Warrant holders as follows:

3.1 To Issue Special Warrants and Reserve Common Shares

(a) That: (i) it is duly authorized to create, issue and sell the Special Warrants and that the Special Warrant Certificates, if and when issued and countersigned by the Special Warrant Agent, and each Uncertificated Special Warrant that has been Authenticated by the Special Warrant Agent, will be valid and enforceable against the Company in accordance with their terms and the terms of this Indenture; (ii) the Company has reserved, allotted and set aside for issuance 23,162,579 Unit Shares (including Unit Shares issued as part of Penalty Units, if applicable) and 23,162,579 Unit Warrants (including Unit Warrants issued as part of Penalty Units, if applicable), subject to adjustment, being the number of Unit Shares and Unit Warrants issuable upon the exercise or deemed exercise of Special Warrants in accordance with the terms of this Indenture; (iii) such Unit Shares, when issued upon the exercise or deemed exercise of Special Warrants pursuant to and in accordance with the terms of this Indenture, are authorized to be issued as fully paid and non-assessable common shares of the Company; and (iv) such Unit Warrants when issued upon exercise or deemed exercise of Special Warrants, pursuant to and in accordance with the terms of this Indenture, are authorized to be created and issued in accordance with the Warrant Indenture.

(b) That Capital Transfer Agency, ULC is the registrar and transfer agent of the Common Shares, and is duly authorized to countersign, register and issue certificates representing, or otherwise document or evidence ownership of, such Common Shares, in each case in accordance with and pursuant to the terms of this Indenture.

(c) That Capital Transfer Agency, ULC is the warrant agent of the Unit Warrants, and is duly authorized to countersign, register and issue certificates representing, or document such other evidence of ownership of, such Unit Warrants, in each case in accordance with and pursuant to the terms of this Indenture and the Warrant Indenture.

3.2 To Execute Further Assurances

That it shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting of the intentions and provisions of this Indenture.

3.3 To Carry On Business

That subject to the express provisions hereof, it shall carry on and conduct and shall cause to be carried on and conducted its business in the same manner as heretofore carried on and conducted and in accordance with industry standards and good business practice, provided, however, that the Company or any Subsidiary of the Company may cease to operate or may dispose of any business, premises, property, assets or operation if in the opinion of the directors or officers of the Company or any Subsidiary of the Company, as the case may be, it would be advisable and in the best interests of the Company or any Subsidiary of the Company, as the case may be, to do so, and subject to the express provisions hereof, it shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate

existence, provided, however, that nothing herein contained shall prevent the amalgamation, consolidation, merger, sale, winding-up or liquidation of the Company or any Subsidiary of the Company or the abandonment of any rights and franchises of the Company or any Subsidiary of the Company if, in the opinion of the directors or officers of the Company or any Subsidiary of the Company, as the case may be, it is advisable and in the best interest of the Company or of such Subsidiary of the Company to do so.

3.4 Reporting Issuer

That the Company is presently a reporting issuer not in default in British Columbia and Ontario and will use its commercially reasonable efforts to maintain its status in such jurisdictions and in each other Designated Jurisdiction in which the Company becomes a reporting issuer for a period of 36 months following the date hereof and it will make all requisite filings under applicable securities laws and stock exchange rules to report the issuance of the Unit Shares and Warrant Shares pursuant to the exercise or deemed exercise of the Special Warrants.

3.5 No Breach of Constating Documents

That the issue of the Special Warrants and the issue of the Unit Shares and Unit Warrants underlying the Units do not or will not conflict with any of the terms, conditions or provisions of the constating documents of the Company or a Subsidiary of the Company or the resolutions of the board of directors, committees of the board of directors or shareholders of the Company or a Subsidiary of the Company or any trust indenture, loan agreement or any other agreement or instrument to which the Company or any Subsidiary of the Company is contractually bound.

3.6 Filing Prospectus and Related Matters

That the Company shall use its commercially reasonable efforts to file the Prospectus with the Securities Regulators and to obtain the Receipt for the Prospectus before the Qualification Deadline; provided however that there is no assurance that a Prospectus will be filed or that a Receipt for the Prospectus will be issued by the Securities Regulators prior to the expiry of the statutory four month hold period. If by the Qualification Deadline, the Prospectus has not been filed or a Receipt for the Prospectus has not been issued, the Company shall continue to use its commercially reasonable efforts to file the Prospectus or obtain the Receipt for the Prospectus as soon as possible thereafter.

3.7 Notices to Special Warrant Agent

That upon the filing of the Prospectus or obtaining the Receipt for the Prospectus or as contemplated in Section 3.6, the Company shall forthwith, and in any event not later than the first Business Day thereafter:

(a) give written notice to the Special Warrant Agent and the Agent of the issuance of the Receipt for the Prospectus or the filing of the Prospectus and the date which constitutes the Deemed Exercise Date; and

(b) provide written confirmation to the Special Warrant Agent and the Agent of any adjustment that has been made pursuant to Article 4.

3.8 Securities Qualification Requirements

That if any instrument is required to be filed with or any permission, order or ruling is required to be obtained from the Securities Regulators or any other step is required under any federal or provincial law of the Designated Jurisdictions before any securities or property which a Special Warrant holder is entitled to receive pursuant to the exercise or deemed exercise of a Special Warrant may properly and legally be delivered upon the due exercise or deemed exercise of a Special Warrant, the Company covenants that it shall use its reasonable efforts to make such filing, obtain such permission, order or ruling and take all such action, at its expense, as is required or appropriate in the circumstances.

3.9 Maintain Listing

That the Company will use its commercially reasonable efforts to maintain the listing of the Common Shares which are outstanding on the Canadian Securities Exchange for a period of 36 months following the date hereof and ensure that the Unit Shares and Common Shares issuable upon exercise of the Unit Warrants will be accepted for trading and listed on such exchange as of the Deemed Exercise Time.

3.10 Satisfy Covenants

That the Company will comply with all covenants and satisfy all terms and conditions on its part to be performed and satisfied under this Indenture and advise the Agent, the Special Warrant Agent and the Special Warrant holders promptly in writing of any default under the terms of this Indenture.

3.11 Performance of Covenants by Special Warrant Agent

If the Company shall fail to perform any of its covenants contained in this Indenture and the Company has not rectified such failure within ten (10) Business Days after receiving notice of such failure by the Special Warrant Agent, the Special Warrant Agent may notify the Special Warrant holders of such failure on the part of the Company or may itself perform any of the covenants capable of being performed by it but, shall be under no obligation to perform said covenants or to notify the Special Warrant holders of such performance by it. All sums expended or advanced by the Special Warrant Agent in so doing shall be repayable as provided in Section 3.12. No such performance, expenditure or advance by the Special Warrant Agent shall relieve the Company of any default hereunder or of its continuing obligations under the covenants herein contained.

3.12 Special Warrant Agent's Remuneration and Expenses

The Company will pay the Special Warrant Agent from time to time such reasonable remuneration for its services hereunder as may be agreed upon between the Company and the Special Warrant Agent and will pay or reimburse the Special Warrant Agent upon its request for all reasonable expenses and disbursements and advances properly incurred or made by the Special Warrant Agent in the administration or execution of its duties hereby created (including the reasonable compensation and disbursements of its counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Special Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise from the gross negligence or wilful misconduct of the Special Warrant Agent. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Special Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation of the Special Warrant Agent and/or the termination of this Indenture.

3.13 Trust for Special Warrant holder's Benefit

The covenants of the Company to the Special Warrant Agent provided for in this Indenture shall be held in trust by the Special Warrant Agent for the benefit of the Special Warrant holders.

3.14 Notice to Special Warrant holders of Certain Events

The Company covenants with the Special Warrant Agent for the benefit of the Special Warrant Agent and the Special Warrant holders that, so long as any of the Special Warrants are outstanding, it will not:

(a) pay any dividend payable in shares of any class to the holders of its Common Shares or make any other distribution to the holders of its Common Shares;

(b) offer to the holders of its Common Shares rights to subscribe for or to purchase any Common Shares or shares of any class or any other securities, rights, warrants or options;

(c) make any repayment of capital on, or distribution of evidences of indebtedness on, any of its assets (excluding cash dividends) to the holders of Common Shares;

(d) amalgamate, consolidate or merge with any other person or sell or lease the whole or substantially the whole of its assets or undertaking;

(e) effect any subdivision, consolidation or reclassification of its Common Shares; or

(f) liquidate, dissolve or wind-up,

unless, in each such case, the Company will have given notice, in the manner specified in Section 9.1 and 9.2, to the Special Warrant Agent, the Agent and each Special Warrant holder, of the action proposed to be taken and the date on which (a) the books of the Company will close or a record will be taken for such dividend, repayment, distribution, subscription rights or other rights, warrants or securities, or (b) such subdivision, consolidation, reclassification, amalgamation, merger, sale or lease, dissolution, liquidation or winding-up will take place, as the case may be, provided that the Company will only be required to specify in the notice those particulars of the action as will have been fixed and determined at the date on which the notice is given. The notice will also specify the date as of which the holders of Common Shares of record will participate in the dividend, repayment, distribution, subscription of rights or other securities, rights, warrants or options, or will be entitled to exchange their Common Shares for securities or other property deliverable upon such reclassification, amalgamation, subdivision, consolidation, merger, sale or lease, other disposition, dissolution, liquidation or winding-up, as the case may be. The notice will be given, with respect to the actions described in Sections (a), (b), (c), (d), (e) and (f) above not less than 10 days prior to the record date or the date on which the Company's transfer books are to be closed with respect thereto.

3.15 Closure of Share Transfer Books

The Company further covenants and agrees that it will not during the period of any notice given under Section 9 close its share transfer books or take any other corporate action which might deprive the Special Warrant holders of the opportunity of exercising their Special Warrants; provided that nothing contained in this Section 3.15 will be deemed to affect the right of the Company to do or take part in any of the things referred to in Section 3.14 or to pay cash dividends on the shares of any class or clauses in its capital from time to time outstanding.

3.16 No Payment of Commissions

The Company will not pay or give any commission or other remuneration within the meaning of section 3(a)(9) of the U.S. Securities Act to any person, directly or indirectly, for soliciting or in respect of the exercise of the Special Warrants.

4. ADJUSTMENT OF NUMBER OF UNITS

4.1 Penalty Units.

If the Receipt for the Prospectus is not issued prior to the Qualification Deadline, then each Special Warrant holder will be entitled to receive upon the exercise or deemed exercise of each Special Warrant, without payment of any additional consideration or action on the part of the holder thereof, 1.1 Units per Special Warrant held (the "**Penalty Units**").

References in this Indenture to "Unit Shares" and "Unit Warrants" shall include any Unit Shares or Unit Warrants issuable pursuant to the adjustment set out in this Section **Error! Reference source not found.**

4.2 Adjustment of Number of Units

The right to acquire Units in effect at any date attaching to the Special Warrants are subject to adjustment from time to time as follows:

(a) if and whenever at any time from the date hereof and prior to the Deemed Exercise Time, the Company:

(i) subdivides, redivides or changes its outstanding Common Shares into a greater number of shares;

(ii) consolidates, reduces or combines its outstanding Common Shares into a smaller number of shares; or

(iii) issues Common Shares or securities exchangeable or exercisable for or convertible into Common Shares ("**convertible securities**") to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (any of the above being a "**Common Share Reorganization**"), the number of Units issuable upon the exercise or deemed exercise of each Special Warrant will be adjusted immediately after the effective date of the Common Share Reorganization or on the record date for the issue of Common Shares or exchangeable, exercisable or convertible securities by way of stock dividend, by multiplying the number of Units previously obtainable on the exercise or deemed exercise of a Special Warrant by the fraction of which:

(A) the numerator is the total number of Common Shares outstanding immediately after the effective or record date of the Common Share Reorganization, or, in the case of the issuance of exchangeable, exercisable or convertible securities, the total number of Common Shares outstanding immediately after the effective or record date of the Common Share Reorganization plus the total number of Common Shares issuable upon conversion, exercise or exchange of such convertible securities; and

(B) the denominator is the total number of Common Shares outstanding immediately prior to the applicable effective or record date of such Common Share Reorganization;

and the Company and Special Warrant Agent, upon receipt of notice pursuant to Section 4.4, shall make such adjustment successively whenever any event referred to in this Section 4.2(a) occurs and any such issue of Common Shares or convertible, exchangeable or exercisable securities by way of a stock dividend is deemed to have occurred on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares under this Section 4.2(a). To the extent that any convertible securities are not converted into or exchanged for Common Shares, prior to the expiration thereof, the number of Units obtainable under each Special Warrant shall be readjusted to the number of Units that is then obtainable based upon the number of Common Shares actually issued on conversion or exchange of such convertible securities;

(b) if and whenever at any time from the date hereof and prior to the Deemed Exercise Time the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue ("**Rights Period**"), to subscribe for or acquire Common Shares (or securities convertible or exchangeable into Common Shares) at a price per share (or having a conversion or exchange price per share) to the holder of less than 95% of the Current Market Price for the Common Shares on such record date (any of such events being called a "**Rights Offering**"), then the number of Units obtainable upon the exercise of each Special Warrant shall be adjusted effective immediately after the end of the Rights Period to a number determined by multiplying the number of Units obtainable upon the exercise or deemed of a Special Warrant immediately prior to the end of the Rights Period by a fraction:

(i) the numerator of which shall be the number of Common Shares outstanding after giving effect to the Rights Offering and including the number of Common Shares actually issued or subscribed for during the Rights Period (or into which the convertible or exchangeable securities so offered are convertible or exchangeable) upon exercise of the rights, warrants or options under the Rights Offering; and

(ii) the denominator of which shall be the aggregate of:

(A) the number of Common Shares outstanding as of the record date for the Rights Offering, and

(B) a number determined by dividing (1) the product of the number of Common Shares issued or subscribed during the Rights Period upon the exercise of the rights, warrants, or options under the Rights Offering and the price at which such Common Shares are offered by (2) the Current Market Price of the Common Shares as of the record date for the Rights Offering;

(c) if and whenever at any time from the date hereof and prior to the Deemed Exercise Time the Company shall issue or distribute to all or to substantially all of the holders of the Common Shares:

(i) securities of the Company including rights, options or warrants to acquire shares of any class or securities exchangeable or exercisable for, or convertible into, any such shares or property or assets or evidence of its indebtedness; or

(ii) any property (including cash) or other assets,

and if such issuance or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the number of Units obtainable upon the exercise or deemed exercise of each Special Warrant shall be adjusted effective immediately after the record date at which the holders of affected Common Shares are determined for purposes of the Special Distribution to a number determined by multiplying the number of Units obtainable upon the exercise or deemed exercise of a Special Warrant in effect on such record date by a fraction:

(iii) the numerator of which shall be the number of Common Shares outstanding on such record date multiplied by the Current Market Price of the Common Shares on such record date; and

(iv) the denominator of which shall be:

(A) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, less

(B) the excess, if any, of (1) the fair market value on such record date, as determined by action by the directors (whose determination absent manifest error shall be conclusive), to the holders of the Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution over (2) the fair market value of the consideration received therefor by the Company from the holders of the Common Shares, as determined by action by the directors (whose determination shall, absent manifest error, be conclusive);

(d) if and whenever at any time from the date hereof and prior to the Deemed Exercise Time, there is a reclassification of the Common Shares or a change or exchange in the Common Shares into or for other shares or securities, or a capital reorganization of the Company other than as described in Section 4.2(a) or the triggering of a shareholders' rights plan or a consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a transfer, sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any of such events being referred to as a "**Capital Reorganization**", every Special Warrant holder who has not exercised its right of acquisition of Units, as at the effective date of such Capital Reorganization is entitled to receive upon exercise of Special Warrants in accordance with the terms and conditions hereof and shall accept, in lieu of the number of Unit Shares and Unit Warrants obtainable under the Special Warrants to which it was previously entitled, the kind and number of Units or other securities or property of the Company or successor thereto that the Special Warrant holder would have been entitled to receive on such Capital Reorganization, if, on the record date or the effective date thereof, as the case may be, the Special Warrant holder had been the registered holder of the number of Units obtainable upon the exercise of Special Warrants then held, subject to adjustment thereafter in accordance with provisions of the same, as nearly as may be possible, as those contained in this Section 4.2. The Company shall not carry into effect any action requiring an adjustment pursuant to this Section 4.2(d) unless all necessary steps have been taken so that the Special Warrant holders are thereafter entitled to receive such kind and number of Units, other securities or property. The Company will not enter into a Capital Reorganization unless its successor, or the purchasing body corporate, partnership, trust or other entity, as the case may be, prior to or contemporaneously with any such Capital Reorganization, enters into an indenture which provides, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Special Warrant holders to the end that the provisions set forth in this Indenture are correspondingly made applicable, as nearly as may reasonably be practicable, with respect to any shares, other securities or property to which a Special Warrant holder is entitled on the exercise of his, her or its acquisition rights thereafter. An indenture entered into by the Company pursuant to the provisions of this Section 4.1(e) is deemed a supplemental indenture entered into pursuant to the provisions of Article 7. An indenture entered into between the Company, any successor to the Company or any purchasing body corporate, partnership, trust or other entity and the Special Warrant Agent must provide for adjustments which are as nearly equivalent as may be practicable to the adjustments provided in this Section 4.2 and which apply to successive Capital Reorganizations;

(e) where this Section 4.2 requires that an adjustment becomes effective immediately after a record date or effective date, as the case may be, for an event referred to herein, the Company may defer, until the occurrence of that event, issuing to the Special Warrant holder exercising his acquisition rights after the record date or effective date, as the case may be and before the occurrence of that event the adjusted number of Units, other securities or property issuable upon the exercise or deemed exercise of the Special Warrants by reason of the adjustment required by that event. If the Company relies on this Section 4.1(f) to defer issuing an adjusted number of Units (or Unit Shares and Unit Warrants comprising such Units), other securities or property to a Special Warrant holder, the Special Warrant holder has the right to receive any distributions made on the adjusted number of Units, other securities or property declared in favour of holders of record on and after the date of exercise or such later date as the Special Warrant holder would but for the provisions of this Section 4.2(e), have become the holder of record of the adjusted number of Units, other securities or property;

(f) notwithstanding any other provision of this Indenture, if an event which would cause an adjustment under Section 4.2(c) or Section 4.2(d) shall become contemplated and the terms and conditions of such event are such that the rights of the Special Warrant holders to the applicable shares or other securities or property that the Special Warrant holders would be entitled to upon such adjustment are adversely affected, considering all relevant facts, by reason of them not holding prior to the Deemed Exercise Time the Unit Shares and Unit Warrants to which they are entitled upon exercise of the Special Warrants, then: (A) the Company shall forthwith deliver notice of such event to the Special Warrant Agent; and (B) on the date that is five (5) Business Days prior to the earliest of the record date, the date on which the Company's transfer books are to be closed, or the effective date with respect to such event, the Special Warrants will be deemed to be exercised and the provisions of this Indenture shall apply *mutatis mutandis* to such accelerated exercise of the Special Warrants;

(g) the adjustments provided for in this Section 4.2 are cumulative. After any adjustment pursuant to this Section 4.2, the terms "Units", "Unit Shares" and "Unit Warrants" where used in this Indenture is interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.2, the Special Warrant holder is entitled to receive upon the exercise of his Special Warrant, and the number of Units obtainable in any exercise made pursuant to a Special Warrant is interpreted to mean the number of Units or other property or securities a Special Warrant holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.2, upon the full exercise of a Special Warrant;

(h) notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Special Warrants if the issue of Common Shares is being made pursuant to any stock option or stock purchase plan in force from time to time for directors, officers or employees of the Company;

(i) in the event of a question arising with respect to the adjustments provided for in this Section 4.2, that question shall be conclusively determined by the Company's auditors who shall have access to all necessary records of the Company, and a determination by the Company's auditors is binding upon the Company, the Special Warrant Agent, all Special Warrant holders and all other persons interested therein; and

(j) no adjustment in the number of Units obtainable upon exercise or deemed exercise of Special Warrants shall be made in respect of any event described in this Section 4.2, if the Special Warrant holders are entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Special Warrant holders had exercised their Special Warrants prior to or on the effective date or record date of such event.

4.3 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which requires an adjustment in any of the acquisition rights pursuant to the Special Warrants, including the number of Units obtainable upon the exercise or deemed exercise thereof, the Company shall take any corporate action which may in its opinion be necessary in order that the Company or any successor to the Company has unissued and reserved Common Shares in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Unit Shares and may validly and legally issue and deliver all Unit Warrants and any other securities or property which the Special Warrant holders are entitled to receive on the full exercise of the Special Warrants in accordance with the provisions hereof.

4.4 Certificate of Adjustment

The Company shall immediately after the occurrence of any event which requires an adjustment as provided in Section 4.2, deliver a notice to the Special Warrant holders, the Agent and the Special Warrant Agent specifying the nature of the event requiring the adjustment, the amount of the adjustment necessitated thereby, and setting forth in reasonable detail the method of calculation and the facts upon

which the calculation is based. In the event of a dispute about such calculation, the certificate shall be supported by a certificate of the Company's auditors verifying such calculation. The Special Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Company or the Company's auditor and any other document filed by the Company pursuant to this Article 4 for all purposes.

4.5 No Action After Notice

The Company covenants with the Special Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the holder of a Special Warrant of the opportunity of exercising the Special Warrants during the period of 14 days after giving of the notice set forth in Section 4.4 hereof and 4.7 hereof.

4.5 Protection of Special Warrant Agent

The Special Warrant Agent shall not:

(a) at any time be under any duty or responsibility to a Special Warrant holder to determine whether any facts exist which require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Special Warrant;

(c) be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver Unit Shares or Unit Warrants comprising the Units or certificates for the Unit Shares or Unit Warrants comprising the Units upon the surrender of any Special Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 4; and

(d) incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Company of any of the representations, warranties or covenants herein contained or of any acts of the Agent or servants of the Company.

4.6 Notice of Special Matters

The Company covenants with the Special Warrant Agent that so long as any Special Warrants remain outstanding it will give notice, not less than 14 days prior to the applicable record date, in the manner provided for in Article 9 to the Special Warrant Agent, each Special Warrant holder and to the Agent of any event which requires an adjustment to the subscription rights attaching to any of the Special Warrants pursuant to this Article 4. The Company covenants and agrees that such notice shall contain the particulars of such event in reasonable detail and, if determinable, the required adjustment in the manner provided for in Article 9. The Company further covenants and agrees that it shall promptly, as soon as the adjustment calculations are reasonably determinable, file a certificate of an officer of the Company with the Special Warrant Agent, on which the Special Warrant Agent may act and rely and be protected in so acting and relying, showing how such adjustment shall be computed and give notice to the Special Warrant holders and the Agent of such adjustment computation.

5. EXERCISE AND CANCELLATION OF SPECIAL WARRANTS

5.1 Notice of Deemed Exercise to Special Warrant holders

Upon receipt of notice from the Company in accordance with Section 3.7, the Special Warrant Agent shall give written notice, in the form to be provided by the Company to the Special Warrant Agent, to each holder of a Special Warrant concurrently with delivery of the certificates or other evidence of

ownership representing the Unit Shares and Unit Warrants comprising the Units in accordance with Section 5.3, which notice will include a statement that any Special Warrants not exercised prior to the Deemed Exercise Time will be deemed to be exercised pursuant to Section 5.3 and will include confirmation that no adjustment has occurred pursuant to section 4.1, or if an adjustment has occurred, provide a certificate as set forth in Section 4.3 herein.

5.2 Voluntary Exercise of Special Warrants

(a) Each Special Warrant may be exercised by the holder thereof at any time on or after the Closing Date, but not at or after the Deemed Exercise Time, upon the terms and subject to the conditions set forth herein.

(b) Subject to and upon compliance with the provisions of this Section 5.2, the holder of any Special Warrant Certificate may exercise the right therein provided for, prior to the Deemed Exercise Time, by surrendering the Special Warrant Certificate to the Special Warrant Agent at its principal transfer office in the City of Toronto, Ontario or at such additional place or places as may be designated by the Company from time to time with the approval of the Special Warrant Agent during normal business hours on a Business Day at that place before the Deemed Exercise Date, together with the exercise form(s) in the form attached as Appendix 1 to the Special Warrant Certificate(s) in accordance with the instructions attached as Appendix 5 to the Special Warrant Certificate duly completed and executed by the holder for the number of Units which the holder desires to acquire, and subject to compliance with such requirements as the Special Warrant Agent may reasonably impose to permit the tracking of such exercises from time to time. Surrender of a Special Warrant Certificate with the exercise form(s) duly completed will be deemed to have been effected, and Special Warrants shall be deemed to have been exercised, only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Special Warrant Agent at the offices specified in this subsection 5.2(b).

(c) Voluntary exercise, at a time when the Company has not received the Receipt for the Prospectus, is subject to compliance with and may be restricted by the securities laws of the Designated Jurisdictions and the United States and applicable states thereof and is further subject to the Special Warrant holders providing such assurances and executing such documents as may, in the reasonable opinion of the Company or the Special Warrant Agent (relying on an opinion of counsel), be required to ensure compliance with applicable securities legislation. If, at the time of the voluntary exercise of the Special Warrants pursuant to this Section 5.2, there remain restrictions on resale under applicable securities legislation on the Unit Shares and Unit Warrants so acquired, the Company may, if required, include an appropriate legend on the certificates representing the Unit Shares and Unit Warrants with respect to those restrictions.

(d) Every exercise form delivered prior to the Deemed Exercise Date shall be signed by the holder of a Special Warrant Certificate who desires to exercise in whole or in part the right of acquisition therein provided for; shall specify the number of Units that such holder wishes to acquire (being not more than the number of Units the holder is entitled to acquire under the applicable Special Warrant Certificate), the person or persons in whose name or names the Unit Shares and Unit Warrants which such holder desires to acquire are to be issued and his, her or its address or addresses and the number of Units to be issued to each such person, and if more than one is so specified, the form shall have one of the boxes in the exercise form checked; and shall be substantially in the form set out in the Special Warrant Certificate.

(e) Subject to and upon compliance with the terms of this Section 5.2, a beneficial holder of Uncertificated Special Warrants evidenced by a security entitlement in respect of Special Warrants in the book entry registration system may exercise the right of acquisition of Units by causing a Book Entry Only Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner’s intention to exercise the Special Warrants in a

manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, the Depository shall deliver to the Special Warrant Agent a Book Entry Exercise Confirmation in a manner acceptable to the Special Warrant Agent, including by electronic means through the book entry registration system. An electronic exercise of the Special Warrants initiated by the Book Entry Only Participant through a book based registration system, shall constitute a representation to both the Company and the Special Warrant Agent that the beneficial owner, at the time of exercise of such Special Warrants: (i)(A) is not in the United States; (B) is not a U.S. Person and is not exercising the Special Warrants on behalf of or for the account or benefit of a U.S. Person or person in the United States; and (C) did not execute or deliver the exercise form in the United States If the Book Entry Only Participant is not able to make or deliver the foregoing representation by initiating the electronic exercise of the Special Warrants, then such Special Warrants shall be withdrawn from the book based registration system by the Book Entry Only Participant and an individually registered Special Warrant Certificate shall be issued by the Special Warrant Agent to such beneficial owner or Book Entry Only Participant and the exercise procedures set forth in Section 5.2(b) shall be followed.

(f) A notice in form acceptable to the Book Entry Only Participant from such beneficial holder should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice to the Depository and for the Depository in turn to deliver notice to the Special Warrant Agent prior to the Deemed Exercise Date. The Depository will initiate the exercise by way of the Book Entry Exercise Confirmation and the Special Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Unit Shares and Unit Warrants to which the exercising Special Warrant holder is entitled pursuant to such exercise. Any expense associated with the exercise process will be for the account of the Company.

(g) By causing a Book Entry Only Participant to deliver notice to the Depository, a Special Warrant holder shall be deemed to have irrevocably surrendered his Special Warrants so exercised and appointed such Book Entry Only Participant to act as his, her or its exclusive settlement agent with respect to the exercise and the receipt of Units in connection with the obligations arising from such exercise.

(h) Any notice which the Depository determines to be incomplete, not in proper form, or not duly-executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Only Participant to exercise or to give effect to the settlement thereof in accordance with the Special Warrant holder's instructions will not give rise to any obligations or liability on the part of the Company or Special Warrant Agent to the Book Entry Only Participant or the Special Warrant holder.

(i) Any exercise form or other Transaction Instruction referred to in this Section 5.2 shall be signed by the Special Warrant holder, or his executors or administrators or other legal representatives or an attorney of the Special Warrant holder, duly appointed by an instrument in writing satisfactory to the Special Warrant Agent.

(j) Any exercise referred to in this Section 5.2 shall require that the original exercise form or other Transaction Instruction executed by the Special Warrant holder or the Depository must be received by the Special Warrant Agent prior to the Deemed Exercise Date.

(k) If the form of exercise notice set forth in the Special Warrant Certificate shall have been amended, the Company shall cause the amended exercise notice to be forwarded to all Special Warrant holders.

(l) Exercise notices, Transaction Instructions and Book Entry Exercise Confirmations must be delivered to the Special Warrant Agent at any time during the Special Warrant Agent's actual business hours on any Business Day prior to the Deemed Exercise Date. Any

exercise notice, Transaction Instruction or Book Entry Exercise Confirmation received by the Special Warrant Agent after business hours on any Business Day other than the Deemed Exercise Date will be deemed to have been received by the Special Warrant Agent on the next following Business Day.

(m) Any Special Warrant with respect to which a Transaction Instruction or Book Entry Exercise Confirmation is not received by the Special Warrant Agent before the Deemed Exercise Time on the Deemed Exercise Date shall be deemed to have expired and become void and all rights with respect to such Special Warrants shall terminate and be cancelled except for the right to receive a Unit in accordance with Section 5.3 of this Indenture.

(n) Within three Business Days after the date of exercise of a Special Warrant, the Special Warrant Agent shall cause to be delivered or mailed to the person or persons in whose name or names the Special Warrant is registered or to such address as the Company or Special Warrant holder may specify in writing to the Special Warrant Agent prior to the exercise of a Special Warrant or, if so specified in writing by the registered holder, cause to be delivered to such person or persons a certificate or certificates for the appropriate number of Unit Shares and Unit Warrants subscribed for, or any other appropriate evidence of the issuance of such Unit Shares and Unit Warrants to such person or persons in respect of Common Shares and Unit Warrants issued under the book entry registration system.

(o) If any Units subscribed for are to be issued to a person or persons other than the Special Warrant holder, the Special Warrant holder must pay to the Company or to the Special Warrant Agent on his behalf an amount equal to all applicable transfer taxes or other government charges, and the Company will not be required to issue or deliver any certificates evidencing, or provide other evidence of the issuance of any Unit Shares or Unit Warrants unless or until that amount has been so paid or the Special Warrant holder has established to the satisfaction of the Company that the taxes and charges have been paid or that no taxes or charges are owing.

(p) The exercise form attached to the Special Warrant Certificate shall not be deemed to be duly completed if the name and mailing address of the Special Warrant holder do not appear legibly on such exercise form and such exercise form is not signed by the Special Warrant holder, his, her or its executor, administrator or other legal representative of such holder's attorney duly appointed.

5.3 Deemed Exercise of Special Warrants

All Special Warrants not exercised by the Special Warrant holder pursuant to Section 5.2 prior to the Deemed Exercise Time will be deemed to have been exercised immediately at the Deemed Exercise Time and deemed surrendered by the Special Warrant holders without any further action on the part of the Special Warrant holder. In that event, the Special Warrant Agent shall, within three Business Days thereafter, deliver in uncertificated form the Unit Shares and Unit Warrants comprising the Units (including any Penalty Units) issued upon deemed exercise of the Special Warrants, registered in the name of the Special Warrant holders, to the addresses of the Special Warrant holders as specified in the register for the Special Warrants or to such address as the Special Warrant holder may specify in writing to the Special Warrant Agent; provided, however, that all Unit Shares and Unit Warrants comprising the Units issued to U.S. Special Warrant holders will have to be represented by definitive certificates.

5.4 Effect of Exercise of Special Warrants

Upon the exercise or deemed exercise of the Special Warrants, each Special Warrant holder is, at that time, deemed to have become the holder or holders of record of the Unit Shares and Unit Warrants comprising the Units, in respect of which such Special Warrant holder's Special Warrants are exercised or are deemed to have been exercised, unless the transfer registers of the Company shall be closed by law on such date, in which case the Units acquired shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Unit Shares and Unit Warrants comprising the Units on the date on which such transfer registers are next reopened.

Notwithstanding any provision herein to the contrary, the Company shall not be required to deliver certificates for Unit Shares and Unit Warrants comprising the Units in any period while the Common Share or Unit Warrant transfer registers of the Company are closed and, in the event of the exercise of any Special Warrant during any such period, the Unit Shares and Unit Warrants subscribed for shall be issued and such person shall be deemed to have become the holder of record of such Unit Shares and Unit Warrants on the date on which such Common Share and Unit Warrant transfer registers, respectively, are reopened.

5.5 Partial Exercise

Any Special Warrant holder may acquire a number of Units less than the number of Units which the holder is entitled to acquire pursuant to the surrendered Special Warrant Certificate(s). In the event of any exercise of a number of Special Warrants less than the number which the holder is entitled to exercise pursuant to the surrendered Special Warrant Certificates, the Special Warrant holder upon such exercise shall, in addition to the number of Units acquired pursuant to the Special Warrants exercised, be entitled to receive, without charge therefor, a new Special Warrant Certificate(s) in respect of the balance of the Special Warrants represented by the surrendered Special Warrant Certificate(s) and which were not then exercised.

5.6 Special Warrants Void After Exercise

After the exercise or deemed exercise of a Special Warrant as provided in this Section, the holder of a Special Warrant no longer has any rights either under this Indenture or the Special Warrant Certificate, other than the right to receive certificates or other evidence of ownership as provided herein representing the Unit Shares and Unit Warrants comprising the Units, and the Special Warrant is void and of no value or effect.

5.7 Fractions of Unit Shares or Unit Warrants

(a) Where a Special Warrant holder is entitled to receive, as a result of the adjustments provided for in Section 4.1 or otherwise, on the exercise or partial exercise of its Special Warrants a fraction of a Unit Share or Unit Warrant, such right may only be exercised in respect of such fraction in combination with another Special Warrant or other Special Warrants which in the aggregate entitle the Special Warrant holder to receive a whole number of Unit Shares and Unit Warrants; and

(b) If a Special Warrant holder is not able to, or elects not to, combine Special Warrants so as to be entitled to acquire a whole number of Unit Shares and Unit Warrants, the Special Warrant holder may not exercise the right to acquire a fractional Unit Share or Unit Warrant on the exercise or deemed exercise of such Special Warrants, and, as a result, has the right to acquire only that number of Unit Shares and Unit Warrants equal to the next lowest whole number of Unit Shares and Unit Warrants and no cash will be paid in lieu of any fractional Unit Share or Unit Warrant.

5.8 Accounting and Recording

The Special Warrant Agent shall promptly notify the Company with respect to Special Warrants exercised. The Special Warrant Agent shall record the particulars of the Special Warrants exercised which include the name or names and addresses of the persons who become holders of Units on exercise pursuant to this Article 5 and the number of Units issued. Within three Business Days of the exercise of each Special Warrant pursuant to Section 5.2, the Special Warrant Agent shall provide those particulars in writing to the Company.

5.9 Legending of Special Warrant Certificates

(a) The Special Warrants have not been, and will not be, registered under the U.S.

Securities Act or applicable securities laws of any state of the United States. Each Special Warrant Certificate originally issued to a U.S. Special Warrant holder and each Special Warrant Certificate issued in exchange therefor or in substitution thereof, shall bear the following additional legend (the "**U.S. Legend**") until such time as the U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION OR EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, AGREES FOR THE BENEFIT OF GROWN ROGUE INTERNATIONAL INC. (THE "COMPANY") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE COMPANY OR (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULES 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS."

provided, that if any of the Special Warrants were issued at a time when the Company qualified as a "foreign issuer" (as defined in Rule 902(e) of Regulation S) and are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, and in compliance with Canadian local laws and regulations, the legend may be removed by providing a declaration to the Company and the Special Warrant Agent in the form attached hereto as Appendix 4 to the Special Warrant Certificate (or as the Company may prescribe from time to time) in addition to such other evidence of exemption as the Company and the Special Warrant Agent may require from time to time, which may include an opinion of counsel in form and substance satisfactory to the Company; and

provided further, that, if any of the Special Warrants are being sold pursuant to Rule 144 under the U.S.Securities Act, if available, the legend may be removed by delivery to the Company and the Special Warrant Agent of an opinion of counsel of recognized standing in form and substance satisfactory to the Company, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws.

The Special Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies of the removal of the legend set forth above.

(b) All Special Warrant Certificates and all certificates issued in exchange therefor or in substitution thereof will have the following additional legends endorsed thereon:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY SHALL NOT TRADE THE SECURITY BEFORE JULY 6, 2021."

(c) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Special Warrants, no duty or responsibility whatsoever shall rest upon the Special Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legends contained in this subsection 5.9, or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Special Warrant Agent shall be entitled to assume that all transfers are legal and proper.

5.10 Issuance of Unit Shares and Unit Warrants

(a) All certificates issued for the Unit Shares, Unit Warrants and any Common Shares issuable upon exercise of the Unit Warrants prior to the Qualification Date and the date which is four months and one day following the Closing Date will have the following legends endorsed thereon:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY SHALL NOT TRADE THE SECURITY BEFORE JULY 6, 2021."

(b) The Unit Shares, Unit Warrants and Common Shares issued on exercise of the Unit Warrants have not been, and will not be, registered under the U.S. Securities Act or applicable securities laws of any state of the United States. Each certificate representing the Unit Shares and Unit Warrants comprising the Units originally issued to a U.S. Special Warrant holder and each certificate representing the Unit Shares and Unit Warrants comprising the Units issued in exchange therefor or in substitution thereof, shall bear the following additional legend until such time as the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED HEREBY [FOR UNIT WARRANTS ADD: AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, AGREES FOR THE BENEFIT OF GROWN ROGUE INTERNATIONAL INC. (THE "COMPANY") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULES 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, OR (C) PURSUANT TO THE EXEMPTIONS FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, IN THE CASE OF CLAUSE (C)(I) OR (D) ABOVE, OR IF OTHERWISE REQUIRED BY THE COMPANY, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. [FOR UNIT SHARES AND COMMON SHARES ISSUED ON EXERCISE OF THE UNIT WARRANTS ADD: DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]"

provided, that if any of the Unit Shares and Unit Warrants comprising the Units were issued at a time when the Company qualified as a "foreign issuer" (as defined in Rule 902(e) of Regulation S) and are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, and in compliance with Canadian local laws and regulations, the legend may be removed by providing a declaration to the Company and either the Company's transfer agent (in the case of the Unit Shares) or the Unit Warrant Agent (in the case of the Unit Warrants) in the form attached hereto as Appendix 4 to the Special Warrant Certificate (or as the Company may prescribe from time to time) in addition to such other evidence of exemption as the Company and the Company's transfer agent (as the case may be) may require from time to time, which may include an opinion of counsel in form and substance satisfactory to the Company; and

provided further, that, if any of the Unit Shares and Unit Warrants comprising the Units are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the legend may be removed by delivery to the Company and the Company's transfer agent (in the case of the Unit Shares) or the Unit Warrant Agent (in the case of the Unit Warrants) of an opinion

of counsel of recognized standing in form and substance satisfactory to the Company, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(c) Each certificate representing the Unit Warrants comprising the Units originally issued to a U.S. Special Warrant holder and each certificate representing the Unit Warrants comprising the Units issued in exchange therefor or in substitution thereof, shall bear the following additional legend until such time as the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF 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. THESE SECURITIES MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THESE SECURITIES AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

5.11 Securities Restrictions

Notwithstanding anything herein contained, in the event that the Special Warrants are exercised prior to the Qualification Date, the certificates representing the Unit Shares and Unit Warrants comprising the Units thereby issued will bear such legends as may, in the opinion of counsel to the Company, acting reasonably, be necessary in order to avoid a violation of any applicable securities laws or to comply with the requirements of any stock exchange on which the Common Shares are listed, provided that, if at any time, in the opinion of counsel to the Company, such legends are no longer necessary in order to avoid violation of such laws, or the holder of any such legended certificates representing the Unit Shares and Unit Warrants comprising the Units, at the holder's expense, provides the Company and the registrar and transfer agent of the Common Shares with evidence satisfactory in form and substance to the Company and the registrar and transfer agent of the Common Shares (which may include an opinion of counsel satisfactory to the Company and the registrar and transfer agent of the Common Shares) to the effect that such holder is entitled to sell or otherwise transfer such Unit Shares or Unit Warrants in a transaction in which such legends are not required, such legended certificates representing Unit Shares or Unit Warrants may thereafter be surrendered to the transfer agent in exchange for a certificate which does not bear such legend.

5.12 Contractual Right of Rescission

The Company covenants with the Special Warrant Agent to provide a right of rescission to each Special Warrant holder as hereinafter set forth, which right shall be exercisable by a Special Warrant holder directly. The Company has agreed that in the event that a holder of Special Warrants who acquires Unit Shares and Unit Warrants pursuant to the exercise of Special Warrants is or becomes entitled under applicable Securities Laws to the remedy of rescission by reason of the Prospectus and any amendments thereto containing a misrepresentation, such holder shall, subject to available defences and any limitation period under applicable securities laws, be entitled to rescission not only of the holder's exercise or deemed exercise of its Special Warrants but also of the private placement transaction pursuant to which the Special Warrants were initially acquired, and shall be entitled in connection with such rescission to a full refund from the Company of the aggregate purchase price paid to the Company on the acquisition of the Special Warrants. In the event such holder is a permitted assignee of the interest of the original holder of Special Warrants, such permitted assignee shall be permitted to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original holder. The holder (or its permitted assignee) shall seek a refund directly from the Company and the Special Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce the return of the funds pursuant to this section, nor shall

the Special Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section, and the Special Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds. The provisions of this Section are a direct contractual right extended by the Company to holders of Special Warrants and permitted assignees of such holders and are in addition to any other right or remedy available to a holder of a purchased security under section 131(1) of the *Securities Act* (Ontario) or equivalent provisions of applicable securities laws, or otherwise at law. The foregoing contractual rights of action for rescission shall be subject to the defences described under section 131 of the *Securities Act* (Ontario) which is incorporated herein by reference and any other defence or defences available to the Company under Applicable Legislation.

6. MEETINGS OF SPECIAL WARRANT HOLDERS

6.1 Definitions

In this Article 6 or otherwise in this Indenture:

(a) "**Adjourned Meeting**" means a meeting adjourned in accordance with Section 6.8;

(b) "**Extraordinary Resolution**" means a resolution proposed to be passed as an extraordinary resolution at a Meeting duly convened for that purpose and held in accordance with the provisions of this Article 6, and carried by not less than 2/3 of the votes cast on such resolution; and

(c) "**Meeting**" means a meeting of the Special Warrant holders.

6.2 Convening Meetings

The Special Warrant Agent or the Company may convene a Meeting at any time at the expense of the Company. Upon receipt of a written requisition signed in one or more counterparts by Special Warrant holders having the right to acquire not less than 25% of the Units which may at such time be acquired hereunder, the Special Warrant Agent or the Company shall convene a Meeting, provided that in the case of the Special Warrant Agent, it has been indemnified and funded to its reasonable satisfaction by the Company or the Special Warrant holders for the costs of convening and holding a Meeting. If the Special Warrant Agent or the Company fails to convene the Meeting within 15 Business Days after being duly requisitioned to do so and indemnified and funded as aforesaid, the Special Warrant holders having the right to acquire not less than 25% of the Units which may be acquired hereunder may themselves convene a Meeting, the notice for which must be signed by one or more of those Special Warrant holders at such time, provided that the Special Warrant Agent and Company receive notice of the Meeting in accordance with Section 6.4. A written requisition must state, generally, the reason for the Meeting and business to be transacted at the Meeting.

6.3 Place of Meeting

Every Meeting must be held in Toronto, Ontario or at such other place in Canada that the Special Warrant Agent and Company approve. A Meeting may also be held by electronic communication facility that allows Special Warrant holders to participate and vote at the Meeting.

6.4 Notice

The Special Warrant Agent or the Company, as the case may be, shall give written notice of each Meeting to each Special Warrant holder, the Special Warrant Agent (unless the Meeting has been called by the Special Warrant Agent), the Agent and the Company (unless the Meeting has been called by the Company) in the manner specified in Article 9 at least 21 days before the date of the Meeting. The Special Warrant Agent shall give written notice of each Adjourned Meeting to each Special Warrant holder in the manner specified in Article 9 at least 7 days before the date of the Adjourned Meeting. The notice for a Meeting must state the time and place of the Meeting and, generally, the reason for the Meeting and the business to be transacted at the Meeting, together with such additional information as may be required to

sufficiently inform the Special Warrant holders regarding the business to be transacted at the Meeting. The notice for an Adjourned Meeting must state the time and place of the Adjourned Meeting but need not specify the business to be transacted at an Adjourned Meeting. The accidental omission by the Special Warrant Agent or the Company, as the case may be, to give notice of a Meeting or an Adjourned Meeting to a Special Warrant holder does not invalidate a resolution passed at a Meeting or Adjourned Meeting.

6.5 Persons Entitled to Attend

The Company and the Agent may, and the Special Warrant Agent shall, each by its authorized representatives, attend every Meeting and Adjourned Meeting but neither the Company, the Agent nor the Special Warrant Agent has the right to vote unless they are acting in their capacity as Special Warrant holder or a proxy for a Special Warrant holder. The legal advisors of the Company, the Agent, the Special Warrant Agent, and any Special Warrant holders, respectively, may also attend a Meeting or Adjourned Meeting but do not have the right to vote, unless they have the right to vote as a Special Warrant holder or a proxy for a Special Warrant holder.

6.6 Quorum

Subject to the provisions of Section 6.18, a quorum for a Meeting shall consist of two or more persons present in person and owning or representing by proxy the right to acquire, not less than 10% of the Units which may at that time be acquired hereunder.

6.7 Chairman

The Special Warrant Agent shall nominate a natural person as the chairman of a Meeting or Adjourned Meeting. If the person so nominated is not present within 15 minutes after the time set for holding the Meeting or Adjourned Meeting, the Special Warrant holders and proxies for Special Warrant holders present shall choose one of their number to be chairman. The chairman may vote any Special Warrants for which he or she is the registered holder.

6.8 Power to Adjourn

The chairman of any Meeting at which a quorum of the Special Warrant holders is present may, with the consent of the Meeting, adjourn any such meeting. Notice of such adjournment will be given in accordance with Section 6.4 with such other requirements, if any, as the Meeting may prescribe.

6.9 Adjourned Meeting

If a quorum of the Special Warrant holders is not present within 30 minutes after the time fixed for holding a Meeting, the Meeting stands adjourned to a date not less than 10 calendar days and not more than 30 calendar days later, at a place determined in accordance with Section 6.3, and at a time specified by the chairman. The Special Warrant Agent shall promptly and in accordance with Section 6.4 send a notice of the Adjourned Meeting to each Special Warrant holder and the Company. At an Adjourned Meeting, two or more Special Warrant holders or persons representing Special Warrant holders by proxy constitutes a quorum for the transaction of business for which the Meeting was convened.

6.10 Show of Hands

Subject to a poll and except as otherwise required herein, every question submitted to a Meeting or Adjourned Meeting, except an Extraordinary Resolution, shall be decided, in the first instance, by the majority of votes in a show of hands. If the vote is tied, the chairman does not have a casting vote and the motion will not be carried. On a show of hands, each Special Warrant holder present in person or represented by proxy and entitled to vote is entitled to one vote for every Special Warrant then outstanding of which such Special Warrant holder is the registered owner.

6.11 Poll

When requested by a Special Warrant holder acting in person or by the proxy representing the Special Warrant holder, and on every Extraordinary Resolution, the chairman of a Meeting or Adjourned Meeting shall request a poll on a question submitted to the Meeting. Except as otherwise required herein, if a question has been put to a poll, that question shall be decided by the affirmative vote of not less than a majority of the votes given on the poll. If the vote is tied, the motion shall not be carried. On a poll, each Special Warrant holder or person representing a Special Warrant holder shall be entitled to one vote for every Unit which he or she is entitled to acquire upon exercise of the Special Warrants of which he is the registered holder. A declaration made by the chairman that a resolution has been carried or lost is conclusive evidence thereof. In the case of joint registered Special Warrant holders, any one of them present in person or represented by proxy may vote in the absence of the other or others but when more than one of them is present in person or by proxy, they may only vote together in respect of the Special Warrants of which they are joint registered holders.

6.12 Regulations

Subject to the provisions of this Indenture, the Special Warrant Agent, or the Company with the approval of the Special Warrant Agent, may from time to time make and, thereafter, vary regulations not contrary to the provisions of this Indenture as it deems fit providing for and governing the following:

(a) setting a record date for a Meeting for determining Special Warrant holders entitled to receive notice of and vote at a Meeting;

(b) voting by proxy, the manner in which a proxy instrument must be executed, and the production of the authority of any person signing an instrument of a proxy on behalf of a Special Warrant holder;

(c) lodging and the means of forwarding the instruments appointing proxies, and the time before a Meeting or Adjourned Meeting by which an instrument appointing a proxy must be deposited;

(d) the form of the instrument of proxy; and

(e) any other matter relating to the conduct of a meeting of Special Warrant holders, including the conduct of a Meeting held by electronic communication facility.

A regulation so made is binding and effective and votes given in accordance with such a regulation are valid. The Special Warrant Agent may permit Special Warrant holders to make proof of ownership in the manner the Special Warrant Agent approves.

6.13 Powers of Special Warrant holders

By Extraordinary Resolution passed pursuant to this Article 6, the Special Warrant holders may:

(a) agree to any modification, abrogation, alteration, compromise, or arrangement of the rights of the Special Warrant holders whether arising under this Indenture, or otherwise at law, including the rights of the Special Warrant Agent in its capacity as special warrant agent hereunder or on behalf of the Special Warrant holders against the Company, which has been agreed to by the Company;

(b) direct and authorize the Special Warrant Agent to exercise any discretion, power, right, remedy or authority given to it by or under this Indenture in the manner specified in such resolution or to refrain from exercising any such discretion, power, right, remedy, or authority;

(c) direct the Special Warrant Agent to enforce any covenant or obligation on the part of the Company contained in this Indenture or to waive any default by the Company in compliance with any provision of this Indenture either unconditionally or upon any conditions specified in such resolution;

(d) assent to any change in or omission from the provisions contained in this Indenture or the Special Warrant Certificates or any ancillary or supplemental instrument which is agreed to by the Company, and to authorize the Special Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(e) without limiting the generality of Sections 6.13(a) and (d), assent to an extension of time thereunder;

(f) with the consent of the Company, remove the Special Warrant Agent or its successor in office and to appoint a new special warrant agent, registrar and trustee to take the place of the Special Warrant Agent so removed;

(g) upon the Special Warrant Agent being furnished with funding and an indemnity that is, in its discretion, sufficient, require the Special Warrant Agent to enforce any covenant of the Company contained in this Indenture or the Special Warrant Certificates, or to enforce any right of the Special Warrant holders in any manner specified in such Extraordinary Resolution, or to refrain from enforcing any such covenant or right;

(h) restrain any Special Warrant holder from instituting or continuing any suit or proceeding against the Company for the enforcement of a covenant on the part of the Company contained in this Indenture or any of the rights conferred upon the Special Warrant holders as set out in this Indenture or the Special Warrant Certificates;

(i) direct a Special Warrant holder who, as such, has brought a suit, action or proceeding to stay or discontinue or otherwise deal with the same upon payment of the costs, charges, and expenses reasonably and properly incurred by such Special Warrant holder in connection therewith;

(j) waive and direct the Special Warrant Agent to waive a default by the Company in complying with any of the provisions of this Indenture or the Special Warrant Certificate either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(k) assent to a compromise or arrangement with a creditor or creditors or a class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company; or

(l) amend, alter, or repeal any Extraordinary Resolution previously passed pursuant to this Section 6.13.

6.14 Powers Cumulative

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercised by the Special Warrant holders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Special Warrant holder to exercise such power or combination of powers then or thereafter from time to time.

6.15 Minutes of Meetings

The Special Warrant Agent shall make and maintain minutes and records of all resolutions and proceedings at a Meeting or Adjourned Meeting at the expense of the Company and shall make available those minutes and records at the office of the Special Warrant Agent for inspection by a Special Warrant holder or his authorized representative and the Agent at reasonable times. If signed by the

chairman of the Meeting or by the chairman of the next succeeding Meeting, such minutes shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such Meeting in respect of which minutes shall have been made shall be deemed to have been duly convened and held, and all the resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

6.16 Written Resolutions

Notwithstanding any other provision of this Article 6, a written resolution or instrument signed in one or more counterparts by the Special Warrant holders holding the right to acquire not less than a majority of the Units which may at that time be acquired hereunder in the case of a resolution, or not less than 2/3 of the Units which may at that time be acquired hereunder in the case of an Extraordinary Resolution, is deemed to be the same as, and to have the same force and effect as, a resolution or Extraordinary Resolution, as the case may be, duly passed at a Meeting or Adjourned Meeting.

6.17 Binding Effect

A resolution of the Special Warrant holders passed pursuant to this Article 6 is binding upon all Special Warrant holders. Upon the passing of a Special Warrant holder's resolution at a meeting of the Special Warrant holders, or upon the signing of a written resolution or instrument pursuant to Section 6.16 and delivery by the Company to the Special Warrant Agent of an original, certified or notarial copy, or copies, of such resolution as executed or passed by the Special Warrant holders, the Special Warrant Agent is entitled to and shall give effect thereto.

6.18 Holdings by the Company or Subsidiaries of the Company Disregarded

In determining whether Special Warrant holders holding Special Warrants evidencing the required number of Units which may be acquired pursuant to the exercise of the Special Warrants are present at a meeting of Special Warrant holders for the purpose of determining a quorum or have concurred in any consent, waiver, resolution, Extraordinary Resolution or other action under this Indenture, Special Warrants owned legally or beneficially by the Company or any Subsidiary of the Company shall be disregarded.

7. SUPPLEMENTAL INDENTURES, MERGER, SUCCESSORS

7.1 Provision for Supplemental Indentures for Certain Purposes

From time to time the Company (when authorized by the directors of the Company) and the Special Warrant Agent may, subject to the provisions of this Indenture, and they will when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, deeds, indentures or instruments supplemental hereto, which thereafter form part hereof for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants, enforcement provisions, and release provisions (if any) as in the opinion of counsel acceptable to the Company and the Special Warrant Agent are necessary or advisable, provided the same are not, in the opinion of counsel to the Special Warrant Agent prejudicial to the interests of the Special Warrant holders;

(b) adding to the covenants of the Company in this Indenture for the protection of the Special Warrant holders;

(c) evidencing any succession (or successive successions), of other companies to the Company and the covenants of, and obligations assumed by, such successor (or successors) in accordance with the provisions of this Indenture;

(d) setting forth any adjustments resulting from the application of the provisions of Article 4;

(e) making such provisions not inconsistent with this Indenture as may be deemed necessary or desirable with respect to matters or questions arising hereunder, provided that such

provisions are not, in the opinion of counsel to the Special Warrant Agent, prejudicial to the interests of the Special Warrant holders;

(f) giving effect to any Extraordinary Resolution;

(g) rectifying any ambiguity, defective provision, clerical omission or mistake or manifest or other error contained herein or in any deed or indenture supplemental or ancillary hereto provided that, in the opinion of the counsel to the Special Warrant Agent, the interests of the Special Warrant holders are not prejudiced thereby;

(h) adding to or altering the provisions hereof in respect of the transfer of Special Warrants, making provision for the exchange of Special Warrant Certificates of different denominations, and making any modification in the form of the Special Warrant Certificate which does not affect the substance thereof; or

(i) for any other purpose not inconsistent with the provisions of this Indenture, provided that, in the opinion of counsel to the Special Warrant Agent, the rights of the Special Warrant holders are in no way prejudiced thereby.

7.2 Company May Consolidate, etc. on Certain Terms

Nothing in this Indenture prevents any consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate or bodies corporate, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any body corporate lawfully entitled to acquire and operate the same, provided, however, that the body corporate formed by such consolidation, amalgamation, arrangement or into which such merger has been made, or which has acquired by conveyance or transfer all or substantially all the properties and assets of the Company as an entirety in circumstances resulting in the Special Warrant holders being entitled to receive property from or securities of such body corporate, shall execute prior to or contemporaneously with such consolidation, amalgamation, arrangement, merger, conveyance or transfer, an indenture supplemental hereto wherein the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed or observed by the Company are assumed by the successor body corporate. The Special Warrant Agent is entitled to receive and is fully protected in relying upon an opinion of counsel that any such consolidation, amalgamation, arrangement, merger, conveyance or transfer, and a supplemental indenture executed in connection therewith, complies with the provisions of this Section.

7.3 Successor Body Corporate Substituted

Where the Company, pursuant to Section 7.2 hereof, is consolidated, amalgamated, arranged or merged with or into any other body corporate or bodies corporate or conveys or transfers all of substantially all of the properties and assets of the Company as an entirety to another body corporate, the successor body corporate formed by such consolidation, amalgamation, arrangement or into which the Company has been merged or which has received a conveyance or transfer as aforesaid succeeds to and is substituted for the Company hereunder with the same effect as nearly as may be possible as if it had been named herein. Such changes may be made in the Special Warrants as may be appropriate in view of such consolidation, amalgamation, arrangement, merger, conveyance or transfer.

8. CONCERNING THE SPECIAL WARRANT AGENT

8.1 Duties of Special Warrant Agent

By way of supplement to the provisions of any statute for the time being relating to agents, and notwithstanding any other provision of this Indenture, in the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Special Warrant Agent shall act honestly and in good faith with a view to the best interests of the Special Warrant holders and shall exercise that degree of care, diligence and skill that a reasonably prudent special warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Special Warrant Agent from,

or require any other person to indemnify the Special Warrant Agent against any liability for its own gross negligence, wilful misconduct or fraud under this Indenture.

8.2 Action by Special Warrant Agent

The Special Warrant Agent is not obligated or bound to give any notice or to do or take any act action, proceeding or thing by virtue of the powers conferred on it hereby unless and until it shall have been required to do so by this Indenture and, in the case of a default, only when it has received actual written notice thereof, which notice shall distinctly specify the default desired to be brought to the attention of the Special Warrant Agent and in the absence of any such notice the Special Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Special Warrant Agent to determine whether or not the Special Warrant Agent shall take action with respect to any default. Proof of execution of any document or instrument in writing by a holder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution, or in any other manner the Special Warrant Agent considers adequate. The Special Warrant Agent shall not be bound to give notice to any person of execution hereof.

8.3 Certificate of the Company

In the administration of its duties under this Indenture, prior to taking or suffering any action hereunder, the Special Warrant Agent may accept, act, and rely on, and shall be protected in accepting, acting, and relying upon, a certificate of the Company, resolutions, opinions, orders or other documents as conclusive evidence of the truth of any fact relating to the Company or its assets therein stated and proof of the regularity of any proceedings or actions associated therewith, but the Special Warrant Agent may in its discretion require further evidence or information before acting or relying on any such certificate. In addition to the reports, certificates, opinions, and other evidence required by this Indenture, the Corporation shall furnish to the Special Warrant Agent such additional evidence of compliance with any provision hereof, and in such form as may be prescribed by Applicable Legislation or as the Special Warrant Agent may reasonably require by written notice to the Corporation. Whenever Applicable Legislation requires that evidence referred to in this Section be in the form of a statutory declaration, the Special Warrant Agent may accept such statutory declaration in lieu of a certificate of the Corporation required by any provision hereof. Any such statutory declaration may be made by any one or more of the [Chair of the Board and Chief Executive Officer, President or Chief Financial Officer] of the Corporation or by any other officer or director of the Corporation to whom such authority is delegated by the directors from time to time.

Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Special Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and thefacts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Special Warrant Agent take the action to be based thereon.

8.4 Special Warrant Agent May Employ Experts

The Special Warrant Agent may, at the Company's expense, employ or retain such counsel, lawyers, accountants, engineers, appraisers or other experts, advisers or Agent as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for such services rendered to it, without taxation of costs of any counsel or lawyers, but it is not responsible for any misconduct, mistake, negligence or error of judgment on the part of any of them. The Company shall pay or reimburse the Special Warrant Agent for any reasonable fees, expenses and

disbursements of such counsel, lawyers, accountants, engineers, appraisers or other experts, advisers or Agent retained under this Section 8.4. The Special Warrant Agent may rely upon and act upon and shall be protected in acting and relying in good faith upon the opinion or advice of, or information obtained from, any such counsel, lawyer, accountant, engineer, appraiser or other expert, adviser or agent, whether retained or employed by the Company or by the Special Warrant Agent, in relation to any matter arising in the administration of the agency hereof. The Special Warrant Agent shall not incur any liability for the acts or omissions of such counsel, lawyers, accountants, engineers, appraisers or other experts, advisers or agent retained or employed by the Special Warrant Agent in good faith.

8.5 Resignation and Replacement of Special Warrant Agent

(a) The Special Warrant Agent may resign its trust and be discharged from all further obligations hereunder by giving to the Company and the Special Warrant holders written notice at least 60 days, or such shorter time period if acceptable to the Special Warrant Agent, the Company and the Special Warrant holders, before the effective date of the resignation. If the Special Warrant Agent resigns, or becomes incapable of acting hereunder, the Company shall forthwith appoint in writing a new person as special warrant agent. Failing such appointment by the Company or by the Special Warrant holders by Extraordinary Resolution, the retiring Special Warrant Agent (at the expense of the Corporation) or any Special Warrant holder may apply to a Judge of the Superior Court of Justice on such notice as such Judge may direct, for the appointment of a new special warrant agent. The Special Warrant holders may, by Extraordinary Resolution, remove the Special Warrant Agent (including a special warrant agent appointed by the Company or by a Judge as aforesaid) and appoint a new special warrant agent. On any new appointment, the new special warrant agent is vested with the same powers, rights, duties and obligations as if it had been originally named as Special Warrant Agent without any further assurance, conveyance, act or deed. If for any reason it becomes necessary or expedient to execute any further deed or assurance, the former Special Warrant Agent shall execute the same in favour of the new special warrant agent.

(b) Upon payment by the Company to the retiring Special Warrant Agent of any and all outstanding fees or charges still properly owing to it, the retiring Special Warrant Agent shall undertake to transfer all requisite files, inventory and other records to the successor special warrant agent upon request of the Company. Any Special Warrant Certificates Authenticated but not delivered by a predecessor Special Warrant Agent may be Authenticated by the successor Special Warrant Agent in the name of the successor Special Warrant Agent.

(c) Any company into or with which the Special Warrant Agent may be merged or consolidated or amalgamated, or any company resulting from a merger, consolidation, arrangement or amalgamation to which the Special Warrant Agent for the time being is a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Special Warrant Agent shall be the successor Special Warrant Agent under this Indenture without any further act on its part or any of the parties hereto.

8.6 Indenture Legislation

The Company and the Special Warrant Agent agree that each shall at all times in relation to this Indenture and to any action to be taken hereunder, observe and comply with and be entitled to the benefits of all Applicable Legislation. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with any mandatory requirement of Applicable Legislation, such mandatory requirement prevails.

8.7 Notice

The Special Warrant Agent is not required to give notice to third parties, including the Special Warrant holders, of the execution of this Indenture.

8.8 Use of Proceeds

The Special Warrant Agent is in no way responsible for the use by the Company of the proceeds of the issue or any other funds that may be realized hereunder.

8.9 Documents, Monies, etc. Held by Special Warrant Agent

Until released in accordance with this Indenture, any funds received hereunder shall be kept in segregated records of the Special Warrant Agent and the Special Warrant Agent shall place the funds in accounts of the Special Warrant Agent at one or more of the Canadian Chartered Banks listed in Schedule 1 of the *Bank Act* (Canada) ("**Approved Bank**"). All amounts held by the Special Warrant Agent pursuant to this Agreement shall be held by the Special Warrant Agent for the Company and the delivery of the funds to the Special Warrant Agent shall not give rise to a debtor-creditor or other similar relationship. The amounts held by the Special Warrant Agent pursuant to this Agreement are at the sole risk of the Company and, without limiting the generality of the foregoing, the Special Warrant Agent shall have no responsibility or liability for any diminution of the funds which may result from any deposit made with an Approved Bank pursuant to this section, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default). The parties hereto acknowledge and agree that the Special Warrant Agent will have acted prudently in depositing the funds at any Approved Bank, and that the Special Warrant Agent is not required to make any further inquiries in respect of any such bank. The Special Warrant Agent may hold cash balances constituting part or all of such monies and need not, invest the same, and the Special Warrant Agent shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity. Any written direction for the investment or release of funds shall be received by the Special Warrant Agent by 1:00 p.m. (Toronto time) on the Business Day on which such release is to be made, failing which such direction will be handled on a commercially reasonable efforts basis and may result in funds being invested or released on the next Business Day.

8.10 No Inquiries

In the exercise of any right or duty hereunder the Special Warrant Agent, if it is acting in good faith, may act and rely, and shall be protected in so acting and relying, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declaration, opinion, report, written requests, consents, or orders of the Company, certificates of the Company or other evidence furnished to the Special Warrant Agent pursuant to a provision hereof or of Applicable Legislation or pursuant to a request of the Special Warrant Agent, if such evidence complies with Applicable Legislation and the Special Warrant Agent examines such evidence and determines that it complies with the applicable requirements of this Indenture. The Special Warrant Agent may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The Special Warrant Agent is not bound to make any inquiry or investigation as to the performance by the Company of the Company's covenants hereunder.

8.11 Actions by Special Warrant Agent to Protect Interest

The Special Warrant Agent shall have the power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Special Warrant holders.

8.12 Special Warrant Agent Not Required to Give Security

The Special Warrant Agent is not required to give any bonds or security with respect to the execution or administration of the duties and powers of this Indenture.

8.13 No Conflict of Interest

The Special Warrant Agent represents to the Company that, at the date of execution and delivery by it of this Indenture, there exists no material conflict of interest in the role of the Special Warrant Agent as a fiduciary hereunder but if, notwithstanding the provisions of this Section 8.13, such a material conflict of interest exists, the validity and enforceability of this Indenture and the instruments issued hereunder is not

affected in any manner whatsoever by reason only that such material conflict of interest exists or arises. The Special Warrant Agent shall, within 30 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 8.5.

8.14 Special Warrant Agent Not Ordinarily Bound

No provision of this Indenture shall require the Special Warrant Agent to expend or risk its own funds or otherwise incur liability, financial or otherwise, in the performance of any of its duties or in the exercise of any of its rights or powers unless it is indemnified and funded to its satisfaction. The obligation of the Special Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Special Warrant holders hereunder, is conditional upon Special Warrant holders furnishing, when required in writing so to do by the Special Warrant Agent, notice specifying the act, action or proceeding which the Special Warrant Agent is requested to take, an indemnity reasonably satisfactory to the Special Warrant Agent, and funds sufficient for commencing or continuing the act, action or proceeding and an indemnity reasonably satisfactory to the Special Warrant Agent to protect and hold harmless the Special Warrant Agent and its officers, directors, employees and Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss, damage or liability it may suffer by reason thereof. The Special Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Special Warrant holders, at whose instance it is acting to deposit with the Special Warrant Agent the Special Warrant Certificates held by them, for which Warrants the Special Warrant Agent shall issue receipts.

8.15 Special Warrant Agent May Deal in Instruments

The Special Warrant Agent may in its personal or other capacity, buy, sell, lend upon and deal in and hold securities of the Company and generally contract and enter into financial transactions with the Company or otherwise, without being liable to account for any profits made thereby.

8.16 Recitals or Statements of Fact Made by Company

Except for the representations contained in Sections 8.13 and 8.20 subject to the provisions hereof, the Special Warrant Agent is not liable for or by reason of any of the statements of fact or recitals contained in this Indenture or in the Special Warrant Certificates and is not required to verify the same but all such statements and recitals are and are deemed to have been made by the Company only.

8.17 Special Warrant Agent's Discretion Absolute

The Special Warrant Agent, except as herein otherwise provided, has, as regards all the duties, powers, authorities and discretions vested in it, absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof.

8.18 No Representations as to Validity

The Special Warrant Agent is not:

(a) under any responsibility in respect of the validity of this Indenture or the execution and delivery thereof or (subject to Section 2.8 hereof) in respect of the validity or the execution of any Special Warrant Certificate;

(b) liable or in any way responsible for the consequences of any breach by the Company of any representation, warranty, covenant or condition contained in this Indenture or in any Special Warrant Certificate or for any acts of the directors, officers, employees, agents or servants of the Corporation; or

(c) by any act hereunder, deemed to make any representation or warranty as to the authorization or reservation of any Unit Shares or Unit Warrants to be issued as provided

in this Indenture or in any Special Warrant Certificate or as to whether any shares will when issued be duly authorized or be validly issued and fully paid and non-assessable.

The duty and responsibility as to all the matters and things referred to in this Section 8.18 rests upon the Company and not upon the Special Warrant Agent and the failure of the Company to discharge any such duty and responsibility does not in any way render the Special Warrant Agent liable or place upon it any duty or responsibility for breach of which it would be liable.

8.19 Acceptance of Agency

The Special Warrant Agent hereby accepts the agency in this Indenture and agrees to perform the same upon the terms and conditions herein set forth or referred to unless and until discharged therefrom by resignation or in some other lawful way. No trust is intended to be or will be created hereby and the Special Warrant Agent shall owe no duties hereunder as a trustee.

8.20 Special Warrant Agent's Authority to Carry on Business

The Special Warrant Agent represents to the Company that at the date hereof it is authorized to carry on the business of a trust company in all of the Designated Jurisdictions. If, notwithstanding the provisions of this Section 8.20, it ceases to be authorized to carry on such business in any of the Designated Jurisdictions, the validity and enforceability of this Indenture and of the Special Warrants issued hereunder are not affected in any manner whatsoever by reason only of such event, provided that the Special Warrant Agent shall, within 30 days after ceasing to be authorized to carry on business in any of the Designated Jurisdictions, either become so authorized or resign in the manner and with the effect specified in Section 8.5.

8.21 Additional Protections of Special Warrant Agent

By way of supplement to the provisions of any law for the time being relating to the Special Warrant Agent and this Indenture, it is expressly declared and agreed as follows:

(a) the Special Warrant Agent shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture;

(b) the Special Warrant Agent shall incur no liability with respect to the delivery or non- delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;

(c) nothing herein contained shall impose any obligation on the Special Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto; and

(d) the Special Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Company of any of its covenants herein contained or of any acts of any directors, officers, employees, Agent or servants of the Company.

8.22 Indemnification of Special Warrant Agent

Without limiting any protection or indemnity of the Special Warrant Agent under any other provision hereof, or otherwise at law, the Company hereby agrees to indemnify and hold harmless the Special Warrant Agent, its affiliates, and each of their officers, directors, employees, Agent, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal or advisor fees and disbursements, of whatever kind and nature which may at any time be imposed on, incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising,

directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Special Warrant Agent may provide in connection with or in any way relating to this Indenture and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Company. Notwithstanding any other provision hereof, the Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Company shall not be required to indemnify the Indemnified Parties in the event of the gross negligence or wilful misconduct or fraud of the Special Warrant Agent. The Special Warrant Agent shall not be under any obligation to prosecute or to defend any action or suit in respect of the relationship which, in the opinion of its counsel, may involve it in expense or liability, unless the Company shall, so often as required, furnish the Special Warrant Agent with satisfactory indemnity and funding against such expense or liability. This provision shall survive the resignation or removal of the Special Warrant Agent, or the termination of this Indenture.

Notwithstanding the foregoing or any other provision of this Indenture, any liability of the Special Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Company to the Special Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Special Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Special Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages. This provision shall survive the resignation or removal of the Special Warrant Agent, or the termination of this Indenture.

8.23 Performance of Covenants by Special Warrant Agent

If the Company fails to perform any of its covenants contained in this Indenture, then the Company will notify the Special Warrant Agent in writing of such failure and upon receipt by the Special Warrant Agent of such notice, the Special Warrant Agent will notify the Special Warrant holders of such failure on the part of the Company and may itself perform any of the said covenants capable of being performed by it, but shall be under no obligation to perform said covenants or to notify the Special Warrant holders of such performance by it. All sums expended or disbursed by the Special Warrant Agent in so doing shall be reimbursed as provided in Section 3.12. No such performance, expenditure or disbursement by the Special Warrant Agent shall be deemed to relieve the Company of any default hereunder or of its continuing obligations under the covenants herein contained.

8.24 Third Party Interests

Each party to this Indenture hereby represents to the Special Warrant Agent that any account to be opened by, or interest to held by the Special Warrant Agent in connection with this Indenture, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Special Warrant Agent's prescribed form as to the particulars of such third party.

8.25 Not Bound to Act

The Special Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Special Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti- money laundering, anti-terrorist or sanctions legislation, regulation or guideline. Further, should the Special Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the

Company, provided (i) that the Special Warrant Agent's written notice shall describe the circumstances of such noncompliance to the extent permitted by any applicable anti-money laundering, anti-terrorist or sanctions legislation, regulation or guideline; and (ii) that if such circumstances are rectified to the Special Warrant Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

9. NOTICES

9.1 Notice to Company, Special Warrant Agent and Agent

Any notice to the Company, Special Warrant Agent or the Agent under the provisions of this Indenture is valid and effective if in writing delivered, sent by registered letter, postage prepaid or sent by facsimile or email:

If to the Company:

Grown Rogue International Inc.
340 Richmond Street West
Toronto, ON M5V 1X2

Attention: Corporate Secretary
Email: info@grownrogue.com

With a copy to (which shall not constitute notice):

Irwin Lowy LLP
Suite 401, 217 Queen Street West
Toronto, ON M5V 0R2

Attention: Eric Lowy
Email: elowy@irwinlowy.com

If to the Special Warrant Agent:

Capital Transfer Agency, ULC
Suite 920, 390 Bay Street
Toronto, ON M5H 2Y2

Attention: Sarah Morrison
Email: smorrison@capitaltransferagency.com

If to the Agent:

Eight Capital
100 Adelaide Street West, Suite 2900
Toronto, Ontario M5H 1S3

Attention: Elizabeth Staltari
Email: estaltari@viiicapital.com

With a copy to (which shall not constitute notice):

Wildeboer Dellelce LLP
365 Bay Street, Suite 800
Toronto, ON M5H 2V1

Attention: Peter Volk
Email: pvolk@wildlaw.ca

Any notice, direction or other instrument aforesaid will, if delivered, be deemed to have been given and received on the day it was delivered and, if mailed, be deemed to have been received on thefifth Business Day following the date of the postmark on such notice and, if sent by facsimile or email, be deemed to have been given and received on the day it was so sent unless it was sent:

(a) on a day which is not a business day in the place to which it was sent; or

(b) after 4:30 p.m. in the place to which it was sent,

in which cases it will be deemed to have been given and received on the next day which is a business day in the place to which it was sent.

9.2 Notice to Special Warrant holders

Any notice to the Special Warrant holders under the provisions of this Indenture is valid and effective if delivered, sent by regular mail or sent by courier, to each Special Warrant holder at its address appearing on the register of Special Warrants kept by the Special Warrant Agent or, in the case of joint holders, to the first such address, and, if delivered or couriered, shall be deemed to have been given and received on the day it was delivered and, if mailed, be deemed to have been received on the fifth Business Day following the date of the postmark on such notice.

A copy of any notice provided to the Special Warrant holders shall be concurrently provided to the Agent in the manner specified in Section 9.1. The Company, the Special Warrant Agent or the Agent, as the case may be, may from time to time notify the other in the manner provided in Section 9.1 of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Company, the Special Warrant Agent or the Agent, as the case may be, for all purposes of this Indenture.

10. POWER OF BOARD OF DIRECTORS

10.1 Board of Directors

In this Indenture, where the Company is required or empowered to exercise any acts, all such acts may be exercised by the directors of the Company, by any duly appointed committee of the directors of the Company or by those officers of the Company authorized to exercise such acts.

11. MISCELLANEOUS PROVISIONS

11.1 Further Assurances

The parties covenant and agree from time to time, as may be reasonably required by any party hereto, to execute and deliver such further and other documents and do all matters and things which are convenient or necessary to carry out the intention of this Indenture more effectively and completely.

11.2 Unenforceable Terms

If any term, covenant or condition of this Indenture or the application thereof to any party or circumstance is invalid or unenforceable to any extent, the remainder of this Indenture or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable is not affected thereby and each remaining term, covenant or condition of this Indenture is valid and enforceable to the fullest extent permitted by law.

11.3 No Waiver

No consent or waiver, express or implied, by either party to or of any breach or default by the other

party in the performance by the other party of its obligations hereunder is deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, does not constitute a waiver by such party of its rights hereunder.

11.4 Waiver by Special Warrant holders and Special Warrant Agent

Notwithstanding Section 11.3 above, upon the happening of any default hereunder:

(a) the holders of not less than 50% of the Special Warrants plus one Special Warrant then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Special Warrant Agent to waive any default hereunder and the Special Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Special Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Special Warrant Agent may deem advisable, if, in the Special Warrant Agent's opinion, relying on the opinion of legal counsel, the same shall have been cured or adequate provision made therefor; provided that no delay or omission of the Special Warrant Agent or of the Special Warrant holders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Special Warrant Agent or of the Special Warrant holders shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

11.5 Suits by Special Warrant holders

(a) No Special Warrant holder has any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the Bankruptcy and Insolvency Act (Canada) or to have the Company wound up or to file or prove a claim in any liquidation or bankruptcy proceedings or for any other remedy hereunder unless the Special Warrant holders by Extraordinary Resolution have made a request to the Special Warrant Agent and the Special Warrant Agent has been afforded reasonable opportunity to proceed or complete any action or suit for any such purpose whether or not in its own name and the Special Warrant holders, or any of them, have furnished to the Special Warrant Agent, when so requested by the Special Warrant Agent sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby and the Special Warrant Agent has failed to act within a reasonable time or the Special Warrant Agent has failed to actively pursue any such act or proceeding.

(b) Subject to the provisions of this Section and otherwise in this Indenture, all or any of the rights conferred upon a Special Warrant holder by the terms of a Special Warrant may be enforced by such Special Warrant holder by appropriate legal proceedings without prejudice to the right which is hereby conferred upon the Special Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Special Warrant holders from time to time.

11.6 SEC Reporting Status

The Company confirms that it has either (i) a class of securities registered pursuant to Section 12 of the U.S. Exchange Act; or (ii) a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, and has provided the Special Warrant Agent with an officers' certificate (in a form provided by the Special Warrant Agent) certifying such reporting obligation and other information as requested by the Special Warrant Agent. The Company covenants that in the event that any such registration or reporting obligation

shall be terminated by the Company in accordance with the U.S. Exchange Act, the Company shall promptly notify the Special Warrant Agent of such termination and such other information as the Special Warrant Agent may require at the time. The Company acknowledges that the Special Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain SEC obligations with respect to those clients who are filing with the SEC.

11.7 Force Majeure

Except for the payment obligations of the Company contained herein, neither party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics or pandemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

11.8 Privacy Matters

The Company acknowledge that the Special Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Special Warrant Agent manage its servicing relationships with such individuals;

(c) to meet the Special Warrant Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Special Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

The Company acknowledges and agrees that the Special Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of its acting as agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Special Warrant Agent shall make available on its website, www.EndeavorTrust.com, or upon request, including revisions thereto. The Special Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, the Company agrees that it shall not provide or cause to be provided to the Special Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

11.9 Enurement

This Indenture enures to the benefit of and is binding upon the parties hereto and their respective successors and assigns.

11.10 Counterparts

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. Delivery of

an executed copy of the Indenture by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

11.11 Governing Law

This Indenture and the Special Warrant Certificates will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and will be treated in all respects as Ontario contracts. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising out of this Indenture and the transactions contemplated herein.

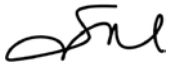
IN WITNESS WHEREOF the parties hereto have executed this Special Warrant Indenture under the hands of their proper officers in that behalf as of the date first written above.

GROWN ROGUE INTERNATIONAL INC.

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: CEO

CAPITAL TRANSFER AGENCY, ULC

By: 
Name:
Title: Corporate Trust Officer

By: 
Name:
Title: Manager, Corporate Trust

Signature Page to Special Warrant

SCHEDULE "A"

FORM OF SPECIAL WARRANT CERTIFICATE

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION OR EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, AGREES FOR THE BENEFIT OF GROWN ROGUE INTERNATIONAL INC. (THE "COMPANY") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE COMPANY or (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULES 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS.

[Note: The legend above need only be endorsed on the special warrant certificate issued to or for the account or benefit of a U.S. Special Warrant holder]

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY SHALL NOT TRADE THE SECURITY BEFORE JULY 6, 2021.

THE SPECIAL WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE DEEMED TO BE EXERCISED IMMEDIATELY PRIOR TO THE DEEMED EXERCISE TIME (AS DEFINED BELOW) AND WILL BE VOID THEREAFTER."

[Note: Each CDS Global Special Warrant originally issued in Canada and held by the Depository, and each CDS Global Special Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Company may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO GROWN ROGUE INTERNATIONAL INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS, HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

THIS GLOBAL WARRANT HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY OTHER SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION."]

SPECIAL WARRANT CERTIFICATE

GROWN ROGUE INTERNATIONAL INC.
(incorporated under the laws of Ontario)

No. SW-«Warrant» CUISP:	«Number» SPECIAL WARRANTS entitling the holder to acquire one Unit (comprised of one Unit Share and one Unit Warrant) for each Special Warrant, subject to adjustment as set out below

THIS IS TO CERTIFY that, for value received, «Name» (the "**Special Warrant holder**") is the registered holder of the number of special warrants (the "**Special Warrants**") stated above and is entitled to acquire in the manner and at the time, and subject to the restrictions contained in the Indenture (as defined below) hereinafter referred to, one unit (collectively, the "**Units**") of Grown Rogue International Inc. (the "**Company**") per Special Warrant represented hereby (subject to adjustment as set out in the Indenture), all without payment of any additional consideration. Each Unit is comprised of one common share (a "**Unit Share**") and one common share purchase warrant (a "**Unit Warrant**"). Each Unit Warrant will be issued pursuant to the terms of a warrant indenture dated the date of the Indenture between the Company and Capital Transfer Agency, ULC (the "**Unit Warrant Agent**") in its capacity as warrant agent for the Unit Warrants and will entitle the holder thereof to acquire one common share of the Company at a price of $0.30 per common share for a period of 24 months following the date hereof, subject to adjustment and/or accelerated expiry in certain circumstances.

The Special Warrants represented by this certificate are issued under and pursuant to a certain indenture (the "**Indenture**") made as of March 5, 2021 between the Company and Capital Transfer Agency, ULC (the "**Special Warrant Agent**") (which expression includes any successor special warrant agent appointed under the Indenture), to which Indenture and any instruments supplemental thereto reference is hereby made for a full description of the rights of the holders of the Special Warrants and the terms and conditions upon which such Special Warrants are, or are to be, issued and held, all to the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth, to all of which provisions the holder of these Special Warrants by acceptance hereof assents. All terms defined in the Indenture are used herein as so defined. In the event of any conflict or inconsistency between the provisions of the Indenture and the provisions of this Special Warrant Certificate, except those that are necessary by context, the provisions of the Indenture shall prevail. The Company will furnish to the holder of this Special Warrant Certificate, upon request and without charge, a copy of the Indenture.

Unless previously exercised by way of voluntary exercise, the Special Warrants represented by this Special Warrant Certificate will be deemed to be exercised immediately prior to 5:00 p.m. (Toronto time) on the earlier of:

(i) the date that is the third Business Day after the date on which the receipt (the "**Receipt**") for a (final) short form prospectus qualifying the distribution of the Unit Shares and Unit Warrants issuable upon the exercise or deemed exercise of the Special Warrants (the "**Prospectus**") has been issued by the securities commissions or similar regulatory authority (the "**Securities Regulators**") in each of the provinces of Canada, except Quebec, in which Special Warrants are sold (the "**Designated Jurisdictions**"); and

(ii) the date that is 4 months and one day after the date hereof (the "**Deemed Exercise Time**").

If any Special Warrants have not been voluntarily exercised by the holders thereof prior to the Deemed Exercise Time, then such Special Warrants will be deemed to have been exercised, delivered and surrendered by the holder thereof immediately at the Deemed Exercise Time without any further action on the part of the holder.

The Company will use its commercially reasonable efforts to obtain the Receipt for the Prospectus on or before 5:00 p.m. (Toronto time) on April 5, 2021 (the "**Qualification Deadline**"). If the Receipt for the Prospectus is not issued prior to the Qualification Deadline, then each holder of a Special Warrant will be entitled to receive upon the deemed exercise of each Special Warrant, without payment of any additional consideration or further action on the part of the holder thereof, 1.1 Units per Special Warrant, on the Deemed Exercise Date. References to "Unit Shares" and "Unit Warrants" herein include any additional Unit Shares and Unit Warrants resulting from such adjustment.

The holder of this Special Warrant Certificate may, at any time prior to the Deemed Exercise Time, exercise all or any number of the Special Warrants represented hereby, by surrendering to the Special Warrant Agent a Special Warrant Certificate or Special Warrant Certificates representing the number of Special Warrants to be exercised, together with the duly completed and executed exercise form attached as Appendix 1 hereto in accordance with the instructions contained in Appendix 5 attached hereto. Any such exercise, at a time when the Company has not received the Receipt for the Prospectus from the Securities Regulators, is subject to compliance with, and may be restricted by, applicable securities laws. If, at the time of the exercise of the Special Warrants, there remain restrictions on resale under applicable securities laws on the Unit Shares and Unit Warrants acquired, the Company may endorse the certificates representing the Unit Shares and Unit Warrants acquired with respect to such resale restrictions.

The Unit Shares and Unit Warrants in respect of which the Special Warrants are exercised or deemed exercised will be deemed to have been issued on the date of such exercise, at which time each Special Warrant holder will be deemed to have become the holder of record of such Unit Shares and Unit Warrants.

After the exercise or deemed exercise of Special Warrants, the Special Warrant Agent shall within three Business Days of such exercise or deemed exercise cause to be issued the appropriate number of Unit Shares and Unit Warrants issuable in respect of such Special Warrants, not exceeding those which such Special Warrant holder is entitled to acquire pursuant to the Special Warrants so exercised. If the holder of this Special Warrant Certificate exercises some but not all of the Special Warrants represented hereby, he or she will be entitled to receive, without charge, a new Special Warrant Certificate or other evidence of ownership representing the unexercised number of the Special Warrants represented hereby.

The holder of this Special Warrant Certificate may at any time prior to the Deemed Exercise Time, upon written instruction delivered to the Special Warrant Agent and payment of the charges provided for in the Indenture and otherwise in accordance with the provisions of the Indenture, exchange this Special Warrant Certificate for other Special Warrant Certificates evidencing Special Warrants entitling the holder to acquire in the aggregate the same number of Unit Shares and Unit Warrants as may be acquired under this Special Warrant Certificate.

The number of Units which may be acquired by a Special Warrant holder upon exercise of Special Warrants, are also subject to and governed by Article 4 of the Indenture with respect to the Penalty Units, anti- dilution provisions, including provisions for the appropriate adjustment of the class, number and price of the securities issuable hereunder upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the shares, payment of stock dividends, or amalgamation of the Company.

The holding of the Special Warrants evidenced by this Special Warrant Certificate does not constitute the Special Warrant holder a shareholder of the Company or entitle such holder to any right or interest in respect thereof except as herein and in the Indenture expressly provided.

The Special Warrants may only be transferred by the Special Warrant holder (or its legal representatives or its attorney duly appointed), in accordance with applicable laws and upon compliance with the conditions set out in the Indenture, on the register kept at the office of the Special Warrant Agent by delivering to the Special Warrant Agent's Toronto office a duly executed Form of Transfer attached as Appendix 2 hereto and a duly executed Special Warrant Transferee's certificate attached as Appendix 3 hereto and complying with such other reasonable requirements as the Company and the Special Warrant Agent may prescribe and such transfer shall be duly noted on the register by the Special Warrant Agent.

The holder understands and acknowledges that the Special Warrants, Unit Shares and Unit Warrants issuable hereunder (together, the "**Securities**") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state of the United States, and that Special Warrants originally issued in the United States or to, or for the account or benefit of, a person in the United States or a U.S. person are, and any Securities issued upon exercise of such Special Warrants will be, "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act. "United States" and "U.S. person" have the respective meanings assigned in Regulation S ("**Regulation S**") under the U.S. Securities Act.

The holder understands that the Special Warrants represented hereby may not be exercised within the United States or by or for the account or benefit of a U.S. person or a person in the United States, and the Securities issuable upon exercise of such Special Warrants may not be delivered within the United States or for the account or benefit of a U.S. Person, unless such Securities are registered under the U.S. Securities Act and any applicable state securities laws, or unless an exemption from such registration requirements is available.

The holder understands that, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, certificates representing Securities which are "restricted securities", and all certificates issued in exchange therefor or in substitution thereof, will bear a U.S. restrictive legend substantially in the form prescribed by the Special Warrant Indenture.

This Special Warrant Certificate shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

After the exercise or deemed exercise of any of the Special Warrants represented by this Special Warrant Certificate, the Special Warrant holder shall no longer have any rights under either the Indenture or this Special Warrant Certificate with respect to such Special Warrants, other than the right to receive certificates or other evidence of ownership representing the Unit Shares and Unit Warrants issuable on the exercise of those Special Warrants, and those Special Warrants shall be void and of no further value or effect.

The Indenture contains provisions making binding upon all Special Warrant holders resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by the Special Warrant holders holding a specified percentage of the Special Warrants.

IN WITNESS WHEREOF the Company has caused this Special Warrant Certificate to be executed and the Special Warrant Agent has caused this Special Warrant Certificate to be countersigned by its duly authorized officers as of this _____ day of__, 2021.

GROWN ROGUE INTERNATIONAL INC.

Per: _____
Authorized Signatory

COUNTERSIGNED BY:

CAPITAL TRANSFER AGENCY, ULC

Per: _____
Authorized Signatory

APPENDIX 1 TO
SPECIAL WARRANT CERTIFICATE
EXERCISE FORM

TO: GROWN ROGUE INTERNATIONAL INC. (the "**Company**")

1. The undersigned hereby irrevocably subscribes for and exercises the right to acquire _____ Units of the Company (or such number of other securities or property to which such Special Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the accompanying Special Warrant Certificate) according to the provisions of the Indenture referenced in the accompanying Special Warrant Certificate.

2. The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Special Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Special Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) did not execute or deliver this exercise form in the United States and (v) delivery of the underlying Units will not be to an address in the United States; OR

☐ (B) the undersigned holder (a) is the original U.S. purchaser who purchased the Special Warrants pursuant to the Private Placement who delivered the U.S. Accredited Investor Certificate attached as Schedule C – Annex 1 to the Subscription Agreement in connection with its purchase of Special Warrants, (b) is exercising the Special Warrants for its own account or for the account of a disclosed principal that was named in the Subscription Agreement pursuant to which it purchased such Special Warrants, and (c) is, and such disclosed principal, if any, is an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of exercise of these Special Warrants and the representations and warranties of the holder made in the original Subscription Agreement including the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants; OR

☐ (C) the undersigned holder (a) is the original U.S. purchaser who purchased the Special Warrants pursuant to the Private Placement who delivered the Qualified Institutional Buyer Letter attached as Schedule C – Annex 2 to the Subscription Agreement in connection with its purchase of Special Warrants, (b) is exercising the Special Warrants for its own account or for the account of a disclosed principal that was named in the Subscription Agreement pursuant to which it purchased such Special Warrants, and (c) is, and such disclosed principal, if any, is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act at the time of exercise of these Special Warrants and the representations and warranties of the holder made in the original Subscription Agreement including the Qualified Institutional Buyer remain true and correct as of the date of exercise of these Warrants; OR

☐ (D) the undersigned holder has delivered to the Company and the Special Warrant Agent an opinion of counsel (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Company and Special Warrant Agent) or such other evidence reasonably satisfactory to the Company and the Special Warrant Agent to the effect that with respect to the Units to be delivered upon exercise of the Special Warrants, the issuance of such securities has been registered under the U.S. Securities Act, or an exemption from such registration requirements is available.

3. The Common Shares and Warrants underlying the Units are to be registered as follows:

Name: _____
(print clearly)

Address in full: _____

Number of Units _____

4. Such securities should be sent by courier to:

Name: _____
(print clearly)

Address in full: _____

If the number of Special Warrants exercised is less than the number of Special Warrants represented hereby, the undersigned requests that the new Special Warrant Certificate representing the balance of the Special Warrants be registered in the name of the undersigned and should be sent by courier to:

Name: _____
(print clearly)

Address in full: _____

5. The undersigned understands that upon the exercise of Special Warrants issued in the United States or to, or for the account or benefit of, a "U.S. person" or a person in the United States, which bear the legend in section 5.9(a) of the Special Warrant Indenture, the certificate(s) representing the Common Shares and Warrants will bear a legend substantially in the form prescribed by section 5.10(b) and 5.10(c), as applicable, of the Special Warrant Indenture restricting transfer of the Common Shares without registration under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and applicable state securities laws unless an exemption from registration is available. "U.S. person" and "United States" have the respective meanings assigned in Regulation S under the U.S. Securities Act.

DATED at _____,_____, this _____ day of _____, 20__.

_____ Signature Witnessed or Guaranteed (See instructions to Special Warrant holders in Appendix 5)	_____ (Signature of Special Warrant holder, to be the same as appears on the face of this Special Warrant Certificate)
Name of Special Warrant holder: Address (**please print**):	_____ _____ _____

Notes to Special Warrant holders:

(1) In order to voluntarily exercise the Special Warrants represented by this certificate, prior to the Deemed Exercise Time pursuant to section 5.2 of the Indenture, this exercise form must be delivered to the Special Warrant Agent, together with this Special Warrant Certificate. Refer to the instructions to Special Warrant holders attached as Appendix 5 to this Special Warrant Certificate.

(2) If this exercise form indicates that the Common Shares and Warrants are to be issued to a person or persons other than the registered holder of this Special Warrant Certificate, the registered holder must pay to the Special Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed. The signature of such holder on the exercise form and transfer form must be guaranteed by a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

APPENDIX 2 TO
SPECIAL WARRANT CERTIFICATE
FORM OF TRANSFER

TO: GROWN ROGUE INTERNATIONAL INC. (the "**Company**")

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (name) _____ (the "**Transferee**"), of _____ (residential address) _____ Special Warrants of Grown Rogue International Inc. registered in the name of the undersigned on the records of Capital Transfer Agency, ULC represented by the attached certificate, and irrevocably appoints _____ as the attorney of the undersigned to transfer the said securities on the books or register of transfer, with full power of substitution.

In the case of a special warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made only to the Company;

☐ (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations and the holder has provided herewith Appendix 3 to the Special Warrant Indenture, or

☐ (C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Company and the Special Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Special Warrant Agent to such effect.

In the case of a Special Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Special Warrants evidenced by the Special Warrant Certificate is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Company and the Special Warrant Agent either an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Special Warrant Agent to such effect.

☐ If transfer is to a U.S. Person, check this box.

DATED the _____ day of _____, 20__.

_____ _____

Signature Guaranteed (See instructions to Special Warrant holders in Appendix 5) Name of Special Warrant holder: Address	(Signature of Special Warrant holder, to be the same as appears on the face of this Special Warrant Certificate) _____ _____ _____

REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).

☐ Gift **☐ Estate** **☐ Private Sale** **☐ Other (or no change in ownership)**

Date of Event (Date of gift, death or sale):

☐☐/☐☐/☐☐☐☐

Value per Special Warrant on the date of event:

$ ☐☐☐.☐☐ **☐ CAD OR ☐ USD**

Note to Special Warrant holders:

(1) The signature of the holder on the transfer form must be guaranteed by a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- Canada and the USA: A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.

- Canada: A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guaranteed" Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- Outside North America: For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's

then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US RESIDENTS ONLY:

Consistent with US IRS regulations, the Special Warrant Agent is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

APPENDIX 3

SPECIAL WARRANT TRANSFEREE'S CERTIFICATE

1. The Transferee acknowledges that the Special Warrants and the Units, Common Shares and Warrants issuable upon exercise thereof (collectively, the "**Securities**") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold in the United States unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirements is available, and that the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities;

2. The Transferee is not a "U.S. person" (as defined in Regulation S under the U.S. Securities Act (a "**U.S. Person**"), which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States;

3. The Transferee is resident at the address set forth on the signature page of this certificate;

4. The Securities are not being acquired directly or indirectly for the account of benefit of a U.S. Person or a person in the United States, and the Transferee does not have any agreement or understanding (either written or oral) with any U.S. Person or a person in the United States respecting:

   (a) the transfer or assignment of any rights or interest in any of the Securities;

   (b) the division of profits, losses, fees, commissions, or any financial stake in connection with this purchase; or

   (c) the voting of the Common Shares issuable on the exercise of the Special Warrants;

5. It has no intention to distribute either directly or indirectly any of the Securities in the United States or to U.S. Persons;

6. No offers to sell the Special Warrants were made by any person to the Transferee while the Transferee was in the United States;

7. The Transferee was outside the United States at the time of the Transferee's purchase of the Special Warrants;

8. The Transferee acknowledges that the certificates representing the Special Warrants will state that the Special Warrants and underlying Units, Common Shares and Warrants, have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Special Warrants may not be exercised in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available; and

9. The Transferee acknowledges that the Special Warrants may be transferred only if:

(a) the Special Warrants are transferred outside the United States to a non-U.S. person who properly completes, executes and delivers to the Company the certificate attached as Appendix 2 to the form of Special Warrant, or

(b) in the event of the transfer of the Special Warrants to or for the account or benefit of a U.S. Person or a person in the United States, or in the event of the transfer of the Special Warrants to a person whom the agent for the Special Warrants (the "**Special Warrant Agent**") has reasonable grounds to believe is or is acting for the account or benefit of a U.S. Person or a person in the United States, the Company has received a written opinion of counsel of recognized standing or other evidence satisfactory to it that the transfer of Special Warrants to such person is in compliance with applicable United States federal and state securities laws, and the Company has provided a direction to the Special Warrant Agent to proceed with such registration, subject to such terms or conditions, including legending the certificates representing the Special Warrants, as may be required at law.

Signature of Transferee	Address
Name	

APPENDIX 4

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: GROWN ROGUE INTERNATIONAL INC. (the "**Company**")

AND TO: ☐ Capital Transfer Agency, ULC, as registrar and transfer agent for the Common Shares of Grown Rogue International Inc., OR

☐ Capital Transfer Agency, ULC, as Special Warrant Agent for the Special Warrants of Grown Rogue International Inc., OR

☐ Capital Transfer Agency, ULC, as Warrant Agent for the Warrants of Grown Rogue International Inc

The undersigned (A) acknowledges that the sale of the securities of the Company represented by certificate number _____ or held in Direct Registration System account number _____. to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market within the meaning of Rule 902(b) under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated _____, 20__.

X _____
Signature of individual (if Holder **is** an individual)

X _____
Authorized signatory (if Holder is **not** an individual)

_____
Name of Holder (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(required for sales in accordance with Section (B)(2)(b) above)

We have read the representations of our customer _____ (the "**Seller**") contained in the foregoing Declaration for Removal of Legend, dated _____, 20__, with regard to the sale, for such Seller's account, of _____ common shares (the "**Securities**") of the Company represented by certificate number _____ or held in Direct Registration System account number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) no offer to sell Securities was made to a person in the United States;

(2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

By: _____
Authorized Officer

Date: _____

APPENDIX 5

INSTRUCTIONS TO SPECIAL WARRANT HOLDERS

TO EXERCISE:

If the Special Warrant holder voluntarily exercises Special Warrants prior to the Deemed Exercise Time pursuant to section 5.2 of the Indenture, it must complete, sign and deliver:

(a) the Exercise Form, attached as Appendix 1; and

(b) the Special Warrant Certificates,

to the Special Warrant Agent indicating the number of Common Shares and Warrants to be acquired. In such case, the signature of such registered holder on the Exercise Form must be witnessed.

TO TRANSFER:

If the Special Warrant holder wishes to transfer Special Warrants, then the Special Warrant holder must complete, sign and deliver (as appropriate):

(a) the Transfer Form attached as Appendix 2;

(b) the Special Warrant Certificates;

(c) the Special Warrant Transferee's Certificate attached as Appendix 3, if applicable; and

(d) opinion of U.S. counsel, if applicable.

to the Special Warrant Agent indicating the number of Special Warrants to be transferred.

If the Special Warrant Certificate is transferred, the Special Warrant holder's signature on the Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

For the protection of the holder, it would be prudent to use registered mail if forwarding by mail.

GENERAL:

If the Transfer Form or Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Special Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Special Warrant Agent.

The name and address of the Special Warrant Agent is:

Capital Transfer Agency, ULC
Suite 920, 390 Bay Street
Toronto, ON M5H 2Y2

SCHEDULE "B"

DEFINITION OF "U.S. PERSON" AND "UNITED STATES"

"**U.S. Person**"

1. U.S. person means:

   (a) any natural person resident in the United States;

   (b) any partnership or corporation organized or incorporated under the laws of the United States;

   (c) any estate of which any executor or administrator is a U.S. person;

   (d) any trust of which any trustee is a U.S. person;

   (e) any agency or branch of a foreign entity located in the United States;

   (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

   (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and

   (h) any partnership or corporation if:

      (i) organized or incorporated under the laws of any foreign jurisdiction; and

      (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the U.S. Securities Act) who are not natural persons, estates or trusts.

2. Notwithstanding paragraph 1 of this section, any discretionary account or similar account (other than an estate or trust) held for the benefit of or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the United States shall not be deemed a U.S. person.

3. Notwithstanding paragraph 1 of this section, any estate of which any professional fiduciary acting as executor or administrator is a U.S. person shall not be deemed a U.S. person if:

   (a) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and

   (b) the estate is governed by foreign law.

4. Notwithstanding paragraph 1 of this section, any trust of which any professional fiduciary acting as trustee is a U.S. person shall not be deemed a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person.

5. Notwithstanding paragraph 1 of this section, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. person.

6. Notwithstanding paragraph 1 of this section, any agency or branch of a U.S. person located outside the United States shall not be deemed a "U.S. person" if:

   (a) the agency or branch operates for valid business reasons; and

   (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed "U.S. persons."

"**United States**"

1. "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

Exhibit 4.14

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "**Agreement**"), dated as of May 1, 2021 (the "**Effective Date**"), is entered into among David Pleitner ("**David**"), Allan Pleitner ("**Allan**"), and Canopy Management, LLC, a Michigan limited liability company or its assignee ("**Buyer**"). David and Allan are each referred to in this Agreement as a "**Seller**" and, collectively, as the "**Sellers**". David, Allan, the Company (as defined below), and Buyer are each referred to in this Agreement as a "**Party**" and, collectively, as the "**Parties**".

RECITALS

A. Sellers (i) are all of the members of Golden Harvests, LLC, a Michigan limited liability company (the "**Company**"), and (ii) own 100% of the outstanding membership interests of the Company (the "**Membership Interests**"). The Membership Interests constitute all of the issued and outstanding equity securities of the Company.

B. Pursuant to an Option to Purchase Controlling Interest dated and effective February 4, 2021 (the "**Option Agreement**"), Sellers have granted Buyer an option to purchase 60% of the Membership Interests (the "**Controlling Interest**").

C. Pursuant to this Agreement, Sellers wish to sell to Buyer, and Buyer wishes to purchase from Sellers, the Controlling Interest, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01. Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing (as defined in Section 1.03), Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, all of Sellers' right, title, and interest in and to the Controlling Interest, free and clear of any mortgage, pledge, lien, charge, security interest, community property interest, claim, or other encumbrance ("**Encumbrance**"), for the consideration specified in Section 1.02. For purposes of this Agreement, all of Sellers' right, title, and interest in and to the Controlling Interest shall include, but is not limited to: (a) that portion of Sellers' capital account in the Company; (b) that portion of Sellers' right to share in the profits and losses of the Company; (c) that portion of Sellers' right to receive distributions from the Company; and (d) the exercise of all member rights, including the voting rights attributable to the Controlling Interest. For the avoidance of doubt, Buyer is purchasing all of Allan's Membership interests and such portion of David's Membership Interest so that Buyer acquires the Controlling Interest.

Section 1.02. Purchase Price. The aggregate purchase price for the Controlling Interest (the "**Purchase Price**") shall be the cash and the shares of common stock of Grown Rogue International, Inc. ("**GRIN**") set forth in Section 4 of the Option Agreement. The Purchase Price has been paid or issued, as applicable (or, to the extent not paid or issued as of the Closing, will be paid or issued, as applicable) pursuant to Section 4(b)(ii) of the Option Agreement. If any Installment Payment has not been paid or any Installment Shares have not been issued as of the Closing, then such payment(s) will be made and shares will be issued in the amounts and at the times set forth in Section 4 of the Option Agreement. The Parties acknowledge and agree that (a) the balance of the Purchase Price to be paid upon the Closing is (i) $200,000 in cash and (ii) 200,000 shares of the common stock of GRIN and (b) all other cash and shares of common stock of GRIN comprising the Purchase Price have been paid or issued (as applicable) as of the Effective Date.

Section 1.03. Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place simultaneously with the execution of this Agreement on the Effective Date at the offices of Tonkon Torp LLP, 888 SW Fifth Ave., 16th Floor, Portland, OR 97204, or such other place or manner as the Parties may mutually agree upon. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. (P.S.T.) on the Effective Date.

Section 1.04. Transfer Taxes. Sellers shall pay, and shall reimburse Buyer for, any sales, use, or transfer taxes, documentary charges, recording fees, or similar taxes, charges, fees, or expenses, if any, that become due and payable as a result of the transactions contemplated by this Agreement.

Section 1.05. Withholding Taxes. Buyer and the Company shall be entitled to deduct and withhold from the Purchase Price all taxes that Buyer and the Company may be required to deduct and withhold under any provision of tax law. All such withheld amounts shall be treated as delivered to Sellers hereunder.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLER

Sellers, jointly and severally, represent and warrant to Buyer that the statements contained in this Article II are true and correct as of the Closing. For purposes of this Article II, "**Sellers' knowledge**," "**knowledge of Seller**," and any similar phrases shall mean the actual or constructive knowledge of the Sellers and the manager(s) or officer(s) of the Company, after due inquiry. The term "**Disclosure Schedules**" means the Disclosure Schedules delivered by Sellers concurrently with the execution, closing, and delivery of this Agreement.

Section 2.01. Capacity and Authority of Seller; Enforceability. Each Seller has full capacity, power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out his obligations hereunder, and to consummate the transactions contemplated hereby. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by each Seller, and (assuming due authorization, execution, and delivery by Buyer) this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of each Seller, enforceable against each Seller in accordance with their respective terms.

Section 2.02. Organization, Authority, and Qualification of the Company. The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Michigan. The Company has full limited liability company power and authority to own, operate, or lease the properties and assets now owned, operated, or leased by it and to carry on its business as it has been and is currently conducted. Section 2.02 of the Disclosure Schedules sets forth each jurisdiction in which the Company is licensed or qualified to do business, and the Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

Section 2.03. No Conflicts; Consents. The execution, delivery, and performance by Sellers of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the Governing Documents of the Company (as defined below); (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to either Seller or the Company; (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration, or modification of, any obligation or loss of any benefit under any contract or other instrument to which Seller or the Company is a party; (d) result in any violation of, conflict with, or constitute a default under the Company's Governing Documents, including the Articles of Organization of the Company filed with the Michigan Secretary of State on December 26, 2017 (as amended or restated, the "**Articles**") and the Operating Agreement of the Company dated May 19, 2018 (as amended or restated, the "**Company Agreement**"); or (e) result in the creation or imposition of any Encumbrance on the Membership Interests. Except as disclosed in Section 2.03 of the Disclosure Schedules, no consent, approval, waiver, or authorization is required to be obtained by Sellers or the Company from any Person in connection with the execution, delivery, and performance by Sellers of this Agreement and the consummation of the transactions contemplated hereby. For purposes of this Agreement: (i) the term "**Governing Documents**" means, with respect to an entity, the entity's articles of incorporation, articles of organization, certificate of incorporation, certificate of formation, charter, bylaws, operating agreement, company agreement, or other certificates, instruments, documents, or agreements adopted to govern the formation or internal affairs of the entity, as applicable, including any and all amendments or restatements to such documents; and (ii) the term "**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

Section 2.04. Legal Proceedings. Except as set forth on Section 2.04 of the Disclosure Schedule, there is no claim, action, suit, proceeding, or governmental investigation (collectively, "**Action**") of any nature pending or, to Sellers' knowledge, threatened: (a) against or by Sellers relating to or affecting the Membership Interests; or (b) against or by Sellers or the Company that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. Except as set forth on Section 2.04 of the Disclosure Schedule, there is no Action against any current or, to Sellers' knowledge, former member, manager, or employee of the Company with respect to which the Company has, or is reasonably likely to have, an indemnification obligation. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 2.05. Financial Statements. True, correct, and complete copies of the unaudited balance sheet and statements of operations, members' equity, and cash flows of the Company as of and for the fiscal year ended December 31, 2020, and the Company's unaudited balance sheet and statements of operations, members' equity, and cash flows as of and for the three months ended March 31, 2021 (collectively, the "**Financial Statements**"), are attached as Exhibit A hereto. The Financial Statements: (a) have been prepared in accordance with generally accepted accounting principles in the United States, applied on a consistent basis throughout the period involved; (b) are based on the books and records of the Company; and (c) fairly present in all material respects the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated.

Section 2.06. Undisclosed Liabilities. The Company has no liabilities, obligations, or commitments of any nature whatsoever, whether asserted, known, absolute, accrued, matured, or otherwise, except: (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date; and (b) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount. The balance sheet of the Company as of the fiscal year ended December 31, 2020, is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**".

Section 2.07. Ownership of Membership Interest.

(a) Each Seller is the sole legal, beneficial, record, and equitable owner of the Membership Interests owned by him (and in the percentages set forth in the Option Agreement), free and clear of all Encumbrances whatsoever other than the Company Agreement.

(b) The Membership Interests were issued in compliance with applicable laws. The Membership Interests were not issued in violation of the Governing Documents of the Company or any other agreement, arrangement, or commitment to which either Seller or the Company is a party and are not subject to or in violation of any preemptive or similar rights of any Person.

(c) Other than the Governing Documents of the Company, there are no voting trusts, proxies, or other agreements or understandings in effect with respect to the voting or transfer of any part of the Membership Interest.

Section 2.08. Governing Documents. Attached hereto as Exhibit B and Exhibit C are the Certificate of Formation and the Company Agreement, which documents are in full force and effect and are the only documents in effect with respect to the matters described therein.

Section 2.09. Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of either Seller or the Company.

Section 2.10. Non-Foreign Status. No Seller is a foreign person as such term is used in Section 1446(f) of the Internal Revenue Code of 1986, as amended (the "**Code**") or Treasury Regulation Section 1.1445-2.

Section 2.11. Capital Account. As of the Effective Date, each Seller's capital account in the Company (as determined under Treasury Regulations Section 1.704-1(b)(2)(iv)) is as follows:

David's is $ _____.

Allan's is $ _____.

Section 2.12. Compliance with Laws; Permits.

(a) The Company has complied, and is now complying, with all statutes, laws, ordinances, regulations, rules, codes, treaties, or other requirements of any governmental authority applicable to it or its business, properties, or assets.

(b) All permits, licenses, franchises, approvals, registrations, certificates, variances, and similar rights obtained, or required to be obtained, from governmental authorities (collectively, "**Permits**") that are required for the Company to conduct its business have been obtained and are valid and in full force and effect. Section 2.12(b) of the Disclosure Schedules list all current Permits issued to the Company and no event has occurred that would reasonably be expected to result in the revocation or lapse of any such Permit.

Section 2.13. Taxes. (a) all tax returns (including information returns) required to be filed on or before the Effective Date by the Company have been timely filed; (b) all such tax returns are true, complete, and correct in all respects; (c) all taxes due and owing by the Company (whether or not shown on any tax return) have been timely paid; (d) all deficiencies asserted, or assessments made, against the Company as a result of any examinations by any taxing authority have been fully paid; and (e) there are no pending or threatened actions by any taxing authority.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that the statements contained in this Article III are true and correct as of the Closing. For purposes of this Article III, "**Buyer's knowledge**," "**knowledge of Buyer**," and any similar phrases shall mean the actual knowledge of any member, manager or officer of Buyer, after due inquiry.

Section 3.01. Organization and Authority of Buyer; Enforceability. Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the state of Michigan. Buyer has full limited liability company power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. The execution, delivery, and performance by Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This

Agreement and the documents to be delivered hereunder have been duly executed and delivered by Buyer and, assuming due authorization, execution, and delivery by Sellers, this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

Section 3.02. No Conflicts; Consents. The execution, delivery, and performance by Buyer of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the Articles of Organization, Operating Agreement, or other governing documents of Buyer; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Buyer. Except as disclosed in Section 3.02 of the Disclosure Schedules, no consent, approval, waiver, or authorization is required to be obtained by Buyer from any Person in connection with the execution, delivery, and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.03. Investment Purpose. Buyer is acquiring the Controlling Interest solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Controlling Interest is not registered under the Securities Act of 1933, as amended, or registered under any state securities laws, and that the Controlling Interest may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

Section 3.04. Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

Section 3.05. Legal Proceedings. There is no Action of any nature pending or, to Buyer's knowledge, threatened against or by Buyer that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

ARTICLE IV
CLOSING DELIVERABLES

Section 4.01. Seller's Deliverables. At the Closing, Sellers shall deliver to Buyer the following:

(a) The assignment and assumption agreement, in the form attached hereto as Exhibit D (the "**Assignment and Assumption**"), duly executed by Sellers.

(b) The amended and restated operating agreement of the Company (the "**A&R Operating Agreement**"), duly executed by Sellers and each of their respective spouses.

(c) Copies of all consents, approvals, waivers, and authorizations referred to in Section 2.03 of the Disclosure Schedules.

(d) Copies of the resignation or resignations of each Seller and any representatives of any Seller, effective as of the Effective Date, if any Seller or any of its representatives are serving as a manager, on the management committee, or similar governing body of the Company, or as an officer of the Company.

Section 4.02. Buyer's Deliverables. At the Closing, Buyer shall deliver the following to Sellers:

(a) The Assignment and Assumption, executed by Buyer.

(b) The A&R Operating Agreement, executed by Buyer.

(c) Copies of all consents, approvals, waivers, and authorizations referred to in Section 3.02 of the Disclosure Schedules.

ARTICLE V
TAX MATTERS

Section 5.01. Allocation of Company Income and Loss. Buyer and Sellers shall request that the Company allocate all items of Company income, gain, loss, deduction, or credit attributable to the Controlling Interest for the taxable year of the Closing based on a closing of the Company's books as of the Effective Date.

Section 5.02. 754 Election. Buyer and Seller shall request that the Company make an election under Section 754 of the Code.

Section 5.03. Tax Audit Procedures. Buyer and Seller shall request that the Company agree: (a) not to elect into the partnership audit procedures enacted under Section 1101 of the Bipartisan Budget Act of 2015 (the "**BBA Procedures**") for any tax year beginning before January 1, 2018; (b) to annually elect out of the BBA Procedures for tax years beginning on or after January 1, 2018 pursuant to Section 6221(b) of the Code; and (c) for any year in which applicable law and regulations do not permit the Company to elect out of the BBA Procedures and in which it receives a notice of final partnership adjustment, to timely elect the alternative procedure under Section 6226 of the Code.

ARTICLE VI
INDEMNIFICATION

Section 6.01. Survival of Representations and Covenants. All representations, warranties, covenants, and agreements contained herein and all related rights to indemnification shall survive the Closing.

Section 6.02. Indemnification by Sellers. Subject to the other terms and conditions of this Article VI, Sellers shall, jointly and severally, defend, indemnify, and hold harmless Buyer, its Affiliates, and their respective shareholders, members, directors, managers, officers, and employees from and against:

(a) all claims, judgments, damages, liabilities, settlements, losses, costs, and expenses, including reasonable attorneys' fees and disbursements (collectively, a "**Loss**"), arising from or relating to any inaccuracy in or breach of any of the representations or warranties of either Seller contained in this Agreement or any document delivered in connection herewith;

(b) any Loss arising from or relating to any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by either Seller pursuant to this Agreement or any document delivered in connection herewith; or

(c) the amount of any imputed underpayment (as described in Section 6225 of the Code) imposed on the Company and allocable to any Seller or attributable to the Controlling Interest during taxable years, or portions thereof, when Sellers owned the Controlling Interest (the "**Seller Ownership Period**"), or any other income tax assessment imposed on the Company under any similar provision of state or local law and allocable to the Sellers or attributable to the Controlling Interest during the Seller Ownership Period.

For purposes of this Agreement, "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

Section 6.03. Indemnification by Buyer. Subject to the other terms and conditions of this Article VI, Buyer shall defend, indemnify, and hold harmless Sellers from and against all Losses arising from or relating to:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or any document delivered in connection herewith; or

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement or any document delivered in connection herewith.

Section 6.04. Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the other Party (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including, but not limited to, settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by

the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations hereunder. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld or delayed.

Section 6.05. Payments. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article VI, the Indemnifying Party shall satisfy its obligations within 15 business days of such agreement or final, non-appealable adjudication by wire transfer of immediately available funds. The Parties agree that should an Indemnifying Party not make full payment of any such obligations within such 15 business day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to 12% per annum. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

Section 6.06. Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by applicable law.

Section 6.07. Effect of Investigation. Buyer's right to indemnification or other remedy based on the representations, warranties, covenants, and agreements of Sellers contained herein will not be affected by any investigation conducted by Buyer, or any knowledge acquired by Buyer at any time, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or agreement.

Section 6.08. Cumulative Remedies. The rights and remedies provided in this Article VI are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE VII
MISCELLANEOUS

Section 7.01. Expenses. Except as otherwise provided in Section 1.04, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

Section 7.02. Further Assurances. Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 7.03. Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent

during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 7.03):

If to Sellers:	David Pleitner 387 Trestle Drive Howell, MI 48843 Facsimile: _____ Email: dpleitner@gmail.com
with a copy to: (which shall not constitute notice)	Smith & Brooker, P.C. 703 Washington Avenue Bay City, Michigan 48708 Facsimile: (989) 893-5113 Email: CTH@smithbrooker.com Attention: Charles Hewitt
If to Buyer:	Canopy Management, LLC Address: P.O. Box 266 Eaton Rapids, MI 48827 Facsimile: _____ Email: obie@grownrogue.com Attention: J. Obie Strickler, Manager
with a copy to: (which shall not constitute notice)	Tonkon Torp LLP 888 SW Fifth Avenue, Suite 1600 Portland, OR 97204 Facsimile: _____ Email: Jeffrey.woodcox@tonkon.com Attention: Jeffrey W. Woodcox

Section 7.04. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 7.05. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify the Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 7.06. Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the terms and provisions in the body of this Agreement and those in the documents delivered in connection herewith, the Exhibits, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the terms and provisions in the body of this Agreement shall control.

Section 7.07. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, except that Buyer may assign this Agreement and its rights and obligations hereunder to any Affiliate of Buyer without the consent of Sellers. No assignment shall relieve the assigning Party of any of its obligations hereunder.

Section 7.08. No Third-Party Beneficiaries. Except as provided in Article VI, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.09. Amendment and Modification. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party.

Section 7.10. Waiver. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 7.11. Governing Law. All matters arising out of or relating to this Agreement and all related documents shall be governed by and construed in accordance with the internal laws of the State of Michigan without giving effect to any choice or conflict of law provision or rule (whether of the State of Michigan or any other jurisdiction).

Section 7.12. Submission to Jurisdiction. Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement or the transactions contemplated hereby may be instituted in the courts of the State of Michigan located in Bay County, Michigan, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

Section 7.13. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 7.14. Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. Each Party: (a) agrees that it shall not oppose the granting of such specific performance or relief; and (b) hereby irrevocably waives any requirements for the security or posting of any bond in connection with such relief.

Section 7.15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 7.16. Waiver of Defense. Each Party agrees that this Agreement's invalidity for public policy reasons and/or its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Agreement. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Agreement.

[*Signatures on following page*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date by their respective representatives thereunto duly authorized.

SELLERS:

/s/ David Pleitner
David Pleitner

/s/ Allan Pleitner
Allan Pleitner

BUYER:

CANOPY MANAGEMENT, LLC,
a Michigan limited liability company

By: /s/ Obie Strickler
Name: Obie Strickler
Title: Manager

[Signature Page to Membership Interest Purchase Agreement]

Schedule 2.02

Qualifications

Michigan

Schedule 2.03

Consents

Approval from the Michigan Marijuana Regulatory Agency ("**MRA**") of the transfer of the Controlling Interest from Sellers to Buyer.

Schedule 2.04

Legal Proceedings

None.

Schedule 2.12(b)

Permits

Medical Marihuana Facility Operating License No. P693160 (Facility License Grower License C) issued by the City of Bay City, Michigan, and expiring December 21, 2021 (License # GR-C-000025)

Medical Marihuana Facility Operating License No. P693159 (Facility License Grower License C) issued by the City of Bay City, Michigan, and expiring December 21, 2021 (License # Gr-C-000426)

Medical Marihuana Facility Operating License No. P727372 (Facility License Grower License C) issued by the City of Bay City, Michigan, and expiring August 10, 2021 (License # AU-G-C-000309)

Medical Marihuana Facility Operating License No. P510160 (Facility License Grower License C) issued by the City of Bay City, Michigan, and expiring August 10, 2021 (License # AU-G-C-000226)

Schedule 3.02

Consents

Approval from the MRA of the transfer of the Controlling Interest from Sellers to Buyer.

Approval from the MRA of Buyer as a licensee under applicable Michigan law.

Exhibit 4.15

LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and entered into as of July 1, 2021, ("Effective Date"), by and between 2046 Lars, LLC ("Lessor"), and Grown Rogue Gardens, LLC an Oregon limited liability company ("Lessee"). Lessee and Lessor are sometimes collectively referred to herein as the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, Lessor controls approximately 20,000 square feet of industrial warehouse building with fenced yard and loading docks, located at 2046 Lars Way in Jackson County, Oregon, 97501 (the "Property"), as legally described on Exhibit A; and

WHEREAS, Lessee desires to lease the Property from Lessor, and Lessor desires to lease the Property to Lessee, subject to the terms and conditions set forth herein;

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

Article 1
AGREEMENT TO LEASE

Lessor agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the Property, subject to the terms and conditions of this Lease.

Article 2
PREMISES

2.1 **Description.** Lessor hereby leases Property, together with all improvements located thereon, to Lessee, on the terms and conditions stated herein, (collectively the "Premises"). Any unidentified areas on the Property are reserved for the continued and exclusive use of Lessor and are excluded from this Lease.

2.2 **Permitted Uses.** Lessee will use the Premises to produce, process and make wholesale sales of marijuana under Oregon law and ancillary uses customarily associated with agricultural production ("Permitted Uses"). No other use may be made of the Premises without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

2.3 **Compliance with Laws and Regulations.** Lessee will comply with all applicable laws, ordinances, rules, and regulations of the United States, the State of Oregon, and all other government authorities with jurisdiction over the Premises, including but not limited to, local fire codes, zoning regulations, and occupancy codes; provided, however, that federal laws and regulations prohibiting the production, processing wholesaling and retailing of marijuana are expressly excluded from the legal requirements with which Lessee is required to comply herein. Lessee will promptly provide to Lessor copies of all communications to or from any government entity that relate to Lessee's noncompliance, or alleged noncompliance, with any laws or other government requirements impacting the Premises.

Article 3
TERM

3.1 **Initial Term.** The term of this Lease will commence on July 1, 2021 (the "Commencement Date"), and continue until June 31, 2026 ("Expiration Date"), unless sooner terminated under the terms of this Lease ("Lease Term"). Lessor has the right, but not the obligation to terminate this Lease, on December 31, 2021.

3.2 **Extension Option.** If the Lessee is not then in Default of this Lease (as defined in Article 8), Lessee will have the option, in its sole discretion, to extend the Initial Lease Term ("Extension Option") as follows: (a) for two (2) five-year renewal terms on the same terms and conditions as herein except for Basic Rent, which will be as described in Section 4.1 (each, an "Extension Term"). An Extension Option may be exercised by written notice given to Lessor not less than 60 days, nor more than 270 days before the expiration of the Initial Lease Term or any Extension Term. Failure to exercise any Extension Option will terminate any subsequent Extension Option(s).

Article 4
RENT

4.1 **Basic Rent Amount and Due Date.**

(a) The base monthly rent ("Basic Rent") during the Lease Term shall be $15,000 per month. Basic Rent will increase by 3% each year, starting on January 1, 2022.

(b) In the event Lessee exercises its Extension Option of the Lease under Section 3.2, Basic Rent will increase to $20,000 per month and increase 3% starting in the first year of the Extension Term and continuing for each year for the duration of the Extension Term.

4.2 **Time and Place of Payments.** Lessee will pay Lessor Basic Rent monthly, in advance, and on the first day of the month without abatement, deduction, or offset. Additional Rent will be paid on or before the due date. Payment of all Rent will be made to Lessor to the address set forth in Section 12.3.

4.3 **Additional Rent.** This Lease is a "triple net lease," meaning that unless otherwise specifically provided herein, Lessee is responsible to pay all insurance, utilities, taxes, and other costs associated with the Premises. All amounts due hereunder in addition to the Basic Rent are deemed "Additional Rent." Any reference to "Rent" herein includes Basic Rent and Additional Rent.

4.4 **Taxes.** Lessee agrees to pay, on or before the date they become due, all real property taxes, assessments, special assessments, user fees, and other charges, however named, that, after the Effective Date and before the expiration of this Lease, may become a lien or that may be levied by any state, county, city, district, or other governmental authority on the Premises, any interest of Lessee acquired under this Lease, or any possessory right that Lessee may have in or to the Premises by reason of its occupancy thereof, as well as all taxes, assessments, user fees, or other charges on all property, real or personal, owned or leased by Lessee in or about the Premises (collectively, "Taxes"), together with any other charge levied wholly or partly in lieu thereof. Taxes

are considered Additional Rent under this Lease. Lessee may contest the validity of an assessment against the Premises as long as Lessee deposits with an escrow agent approved by Lessor, with irrevocable instructions to pay to the taxing authority on written instruction from Lessor, sufficient funds to satisfy any amount determined to be owing at the conclusion of the proceeding to contest the assessment. Not later than 14 days after the date any Tax is due, Lessee will provide Lessor with written proof that payment has been made, as required by this Section 4.4. If Lessee fails to pay Taxes before any delinquency, then, in addition to all other remedies set forth in this Section 4.4, Lessor will automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, any time after Lessor gives Lessee 5 days' written notice that Taxes are past due and Lessee continues to fail to pay the past due Taxes within that 5-day period. Lessee will immediately reimburse Lessor for any sums so paid.

4.5 **Operating Expenses and Utilities.** Lessee will promptly pay any and all charges for gas, electricity, telephone, garbage, Internet, and all other charges for utilities or services that may be furnished directly to the Premises. Lessor has no responsibility to provide any utility services to the Premises that are not already in place. If additional services are required, Lessee will obtain Lessor's permission for their installation, at Lessee's sole cost and expense. Lessor will not unreasonably withhold such permission.

4.6 **Late Charge.** If Lessee fails to pay any Rent required under this Lease within 10 days after it is due, Lessor may elect to impose a late charge of 5-percent of the overdue payment. Lessor's election not to impose a late charge in any instance will not be a waiver of Lessor's other rights and remedies for the late payment nor of Lessor's right to later charge and collect a late charge for the late payment or any other overdue amount. Acceptance of payment of a late charge by Lessor will not constitute a waiver of Lessee's default with respect to the overdue amount in question, nor will it prevent Lessor from exercising any other rights or remedies granted under this Lease, by law, or in equity. In addition to the late charge, all amounts of Rent past due will bear interest at a "Delinquency Rate" of 12 percent per annum, or the highest rate allowed by law, if it is less, from the due date until paid in full.

4.7 **Time and Place of Payments.** Lessee will pay Lessor Basic Rent monthly, in advance, and on the fifth day of the month without abatement, deduction, or offset. Additional Rent will be paid on or before the due date. Payment of all Rent will be made to Lessor to the address set forth in Section 12.3 or such other place as Lessor may designate in accordance with the requirements of Section 12.3.

4.8 **Acceptance of Rent.** Lessor's acceptance of a partial payment of Rent will not constitute a waiver of any Event of Default (defined in Section 8.1), nor will it prevent Lessor from exercising any of its other rights and remedies granted to Lessor under this Lease, by law, or in equity. Any endorsements or statements on checks of waiver, compromise, payment in full, or any other similar restrictive endorsement will have no legal effect. Lessee will remain in violation of this Lease and will remain obligated to pay all Rent due, even if Lessor has accepted a partial payment of Rent. Acceptance of a late but full payment of Rent (including Rent plus all interest due thereon at the Delinquency Rate) will constitute a waiver and satisfaction of that late payment, violation, or Default only and will not constitute a waiver of any other late payment, violation, or Default.

Article 5
OBLIGATIONS

5.1 **Repairs and Maintenance.** The Lessee will maintain the Property in good condition and will not commit, permit, or suffer any waste of the Property. The Lessee will maintain the Property, improvements, and fixtures on the Property, including structures and fences, in as good a condition and repair as they were in at the commencement of this Lease, reasonable wear and tear excepted.

5.2 **Alterations and Improvements.** Lessee shall have the right to make additions, improvements and replacements of and to all or any part of the Property from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials (collectively, the "Alterations").

5.3 **Lessor Access to Premises.** Subject to applicable law governing the Permitted Uses, Lessor and its respective agents have the right to enter the Premises for the purposes of: (a) confirming the performance by Lessee of all obligations under this Lease, (b) doing any other act that Lessor may be obligated or have the right to perform under this Lease, and (c) for any other lawful purpose. Such entry will be made on not less than 24 hours' advance notice and during normal business hours, when practical, except in cases of emergency or a suspected violation of this Lease or the law.

5.4 **Signs.** Except as may be required by applicable law, Lessee will not erect, install, nor permit on the Premises any sign or other advertising device without first having obtained Lessor's written consent,

5.5 **Lessor Cooperation**. Lessor agrees to cooperate with Lessee with respect to all governmental permits, licenses and approvals, including without limitation executing documents as may be required by the Oregon Liquor Control Commission.

Article 6
INSURANCE REQUIREMENTS

6.1 **Lessee Insurance.** Lessee shall procure and maintain property and casualty insurance (a) as reasonably necessary to restore the Property in good condition following termination of this Lease and (b) required under rules and regulations applicable to Lessee's business. All policies shall name Lessor as an additional insured.

6.2 **Lessor Insurance** Lessor will obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor insuring loss or damage to the Property, Premises and any Lessor-owned improvements located thereon.

Article 7
TERMINATION OF LEASE

7.1 **Termination**. Upon termination of this Lease, Lessee will surrender the Premises to Lessor in good condition, ordinary wear and tear excepted. All repairs for which Lessee is responsible will be completed before the surrender.

7.2 **Special Termination Rights.** Either Lessor or Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to the other party in the event that any of the following shall occur (each, a "Termination Event"): (a) the Permitted Uses become illegal due to any revocation or modification of applicable State or local law; and (b) governmental requirements and/or the enforcement of such governmental requirements change such that Lessee cannot operate its business from the Premises.

7.3 **Removal of Equipment**. Upon the termination of the Lease, Lessee shall remove all of its equipment from the Property and restore the Property and Premises to good condition. Notwithstanding the foregoing, any fixtures installed on the Property shall become the property of Lessor and shall not be removed at the termination of the Lease, unless otherwise required by Lessor.

7.4 **Right of First Offer and Refusal**. In the event Lessor desires to sell the Property, it shall first approach Lessee and allow Lessee to make an offer for the purchase of the Property. In the event Lessor receives a bona fide offer from a third party to purchase the Property, it shall give Lessee 30 days to match such offer. In the event Lessee matches the offer from the third party, the Lessor and Lessee shall in good faith negotiate a purchase agreement for the Property.

Article 8
LESSEE DEFAULT

8.1 **Events of Default.** The following will constitute an "Event of Default" if not cured within the applicable cure period as set forth below:

(a) *Default in Rent*. Failure of Lessee to pay any Rent or other charge within 10 days after written notice from Lessor. However, Lessor will not be required to provide such notice more than 2 times in any calendar year. Thereafter, failure to pay Rent by the due date will be deemed an automatic Event of Default for which no additional notice or cure period need be granted.

(b) *Default in Other Covenants*. Failure of Lessee to comply with any term or condition or fulfill any material obligation of the Lease (other than the payment of Rent or other charges) within 20 days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, Lessee will be in compliance with this provision if Lessee begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

(c) *Insolvency*. An assignment by Lessee for the benefit of creditors; filing by Lessee of a voluntary petition in bankruptcy; adjudication that Lessee is bankrupt or the appointment of receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within 60 days after filing; or attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within 30 days.

8.2 **Remedies on Default.** If an Event of Default occurs, Lessor, at Lessor's sole option, may terminate this Lease by notice, in writing, in accordance with Section 12.3. The notice may be given before or within any of the above-referenced cure periods or grace periods for default and may be included in a notice of failure of compliance, but the termination will be effective only on the expiration of the above-referenced cure periods or grace periods. If the Premises is abandoned by Lessee in connection with a default, termination may be automatic and without notice, at Lessor's sole option.

Article 9
LESSOR DEFAULT

9.1 **Breach by Lessor**

(a) *Notice of Breach.* Lessor will not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Section 9.1(a), a reasonable time will in no event be less than 20 days after receipt by Lessor, and any Lender whose name and address have been furnished to Lessee in writing for such purpose, of written notice specifying what obligation of Lessor has not been performed; however, a Lessor event of default will not occur if Lessor's performance is commenced within the 20-day period and thereafter diligently pursued to completion.

(b) *No Self-Help.* In the event that neither Lessor nor any Lender of Lessor cures any breach within the applicable cure period, Lessee will be entitled to seek any of the remedies provided in Section 9.1(c) but will not be entitled to take self-help action.

(c) *Remedies in the Event of a Lessor Default.* If an uncured event of default is committed by Lessor, Lessee will be entitled to any remedies available at law or in equity for breach of lease; however, damages will be limited to Lessor's interest in the Property unless caused by the gross negligence or intentional acts of the Lessor, its employees, agents, contractors or invitees.

Article 10
INDEMNITIES AND REIMBURSEMENT

Each Party agrees to defend (using legal counsel reasonably acceptable to Lessor, taking into account insurance defense requirements), indemnify, and hold harmless the other Party from and against any and all actual or alleged claims, damages, expenses, costs, fees (including but not limited to attorney, accountant, paralegal, expert, and escrow fees), fines, liabilities, losses, penalties, proceedings, and/or suits (collectively "Costs") that may be imposed on or claimed against such Party, in whole or in part, directly or indirectly, arising from or in any way connected with (a) any act, omission, or negligence by the other Party or its partners, officers, directors, members, managers, agents, employees, invitees, or contractors; (b) any use, occupation, management, or control of the Premises or Property by indemnifying Party, whether or not due to such Party's own act or omission; (c) any condition created in or about the Premises or Property by the indemnifying Party, including any accident, injury, or damage occurring on or about the Premises or Property during this Lease as a result of indemnifying Party's use thereof; (d) any breach, violation, or nonperformance of any of indemnifying Party's obligations under this Lease; or (e) any damage caused on or to the Premises or Property by Lessee's use or occupancy thereof.

Article 11
ASSIGNMENT; SUBLEASE; ESTOPPELS

11.1 **Assignment.**

(a) Lessors Consent This Lease shall not, either voluntarily or by operation of law, sell, assign, or transfer this Lease or sublet the Premises or any part thereof, or assign any right to use the Premises or any part thereof (each a "Transfer") without the prior written consent of Lessor, which consent shall not be unreasonably withheld, and any attempt to do so without such prior written consent shall be void and, at Lessor's option, shall terminate this Lease. If Lessee requests Lessor's consent to any

Transfer, Lessee shall promptly provide Lessor with a copy of the proposed agreement between Lessee and its proposed transferee as Lessor may request. Lessor may withhold such consent unless the proposed transferee (i) is satisfactory to Lessor as to credit, managerial experience, net worth, character, and business or professional standing, (ii) is a person or entity whose possession of the Premises would not be inconsistent with Lessor's commitments with other tenants or with the mix of uses Lessor desires at the Property, (iii) will occupy the Premises solely for the use authorized under this Lease, and (iv) expressly assumes and agrees in writing to be bound by and directly responsible for all Tenants obligations hereunder. Lessor's consent to any such Transfer shall in no event release Lessee from its liabilities or obligations hereunder, including any renewal term, no relieve Lessee from the requirements of obtaining Lessor's prior written consent to any further Transfer. Lessor's acceptance of rent from any other personal shall not be deemed to be a waiver by Lessor of any provision of this Lease or consent to any Transfer. No modification, amendment, assignment, or sublease shall release Lessee, any assignee, or any guarantor of its liabilities or obligations under this Lease.

(b) Payment to Lessor and Termination of Lease

i. Lessor may, as a condition to its consideration of any request for consent to a proposed Transfer, impose a fee in the amount of one-thousand five-hundred and No/100 Dollars ($1,500) to cover Lessors administrative expenses and Lessee shall also be responsible to promptly pay all Lessor's reasonable legal fees and expenses in connection therewith. Such fee shall be (i) payable by Lessee upon demand, and (ii) retained by Lessor, regardless of whether such consent is granted.

ii. If any such proposed Transfer provides for the payment of, or if Lessee otherwise receives, rent, additional rent, or other consideration for such Transfer that is in excess of the Rent and all other amounts Lessee is required to pay under this Lease (regardless of whether such excess is payable on a lump-sum basis or over a term), then in the event Lessor grants its consent to such proposed Transfer, Lessee shall pay Lessor the amount of such excess as it is received by Lessee. Any violation of this paragraph shall be deemed a material and non-curable breach of this Lease.

iii. If Lessee proposes a sublease or assignment of the entire Premises, Lessor shall have the option to terminate this Lease and deal directly with the proposed sublease, assignee, or any third party with regard to the Premises

iv. If Lessee is a corporation, an unincorporated association, a partnership, a limited partnership, or a limited liability company, the transfer, assignment, or hypothecation of any stock or interest in such entity in the aggregate in excess of fifty percent (50%) shall be deemed a Transfer of this Lease within the meaning and provisions of this Section 11.

11.2 **Estoppel Certificate**. Each Party agrees to execute and deliver to the other, at any time and within 10 days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) whether the other Party is in default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such default; and (d) whether any event has occurred that, with the giving of notice, the passage of time, or both, would constitute a default and, if so, specifying the nature of each such event.

Article 12
GENERAL PROVISIONS

12.1 **Covenants, Conditions, and Restrictions.** This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, rights of way, and any other matters of record imposed on the Property and to any applicable land use or zoning laws or regulations.

12.2 **Nonwaiver.** Waiver by either Party of strict performance of any provision of this Lease will not be a waiver of or prejudice the Party's right to require strict performance of the same provision in the future or of any other provision.

12.3 **Notices.** All notices required under this Lease will be deemed to be properly served when actually received or on the third business day after mailing, if sent by certified mail, return receipt requested, to the last address previously furnished by the Parties hereto. Notices shall be sent to the following addresses:

If to Lessor: 2046 Lars, LLC
2802 Oakridge Ave
Central Point, OR 97502

If to Lessee: Grown Rogue Gardens, LLC
PO Box 1055
Jacksonville, OR 97530

The addresses to which notices are to be delivered may be changed by giving notice of the change in address in accordance with this Notice provision.

12.4 **Governing Law.** This Lease is governed by and will be construed according to the laws of the State of Oregon, without regard to its choice-of-law provisions. Any dispute arising out of or related to this Lease shall be resolved by binding arbitration in Jackson County, in front of a single arbitrator (who must be a member in good standing of the Oregon State Bar with no fewer than 10 years' experience as a licensed attorney), in accordance with such arbitrator's rules.

12.5 **Survival.** Any covenant or condition (including, but not limited to, environmental obligations and all indemnification agreements) set forth in this Lease, the full performance of which is not specifically required before the expiration or earlier termination of this Lease, and any covenant or condition that by its terms is to survive, will survive the expiration or earlier termination of this Lease and will remain fully enforceable thereafter.

12.6 **Entire Agreement.** This Lease, together with all exhibits attached hereto and by this reference incorporated herein, constitutes the entire agreement between Lessor and Lessee with respect to the leasing of the Premises.

12.7 **Counterparts.** This Lease may be executed in one or more counterparts.

IN WITNESS WHEREOF, the Parties have executed this Lease to be effective as of the Effective Date.

LESSOR:

2046 Lars, LLC

/s/ J. Obie Strickler
Jesse Strickler

LESSEE:

Grown Rogue Gardens, LLC

By: /s/ Obie Strickler
Name: Obie Strickler
Title: President

EXHIBIT A
Legal Description

10 – LEASE – TRAIL PROPERTY

Exhibit 4.16

UNSECURED PROMISSORY NOTE

DATED: September 9, 2021

To or to the order of: **PLANT-BASED INVESTMENT CORP.**
("**Lender**")

RECITALS:

A. The Lender has extended a loan (the "**Loan**") to and in favour of the undersigned, **GROWN ROGUE INTERNATIONAL INC.**, a company existing under the laws of Ontario (the "**Borrower**").

B. The Borrower is making this promissory note (as the same may be amended or replaced from time to time, the "**Note**") in favour of the Lender to evidence its indebtedness under the Loan and to set forth other terms and conditions in relation thereto.

FOR VALUE RECEIVED the Borrower hereby promises to pay, in accordance with the terms and conditions hereof, to or to the order of the Lender at the office of the Lender, **Eight Hundred Thousand US Dollars (US. $800,000)** (the "**Principal Amount**") it being understood that the Principal Amount will be made in multiple advances of no less than $200,000 per advance unless otherwise determined by the Borrower and the Lender and is expected to be fully advanced no later than September 30,2021, and the Lender at its sole discretion may fully advance the balance up to the aggregate amount of US$800,000 at any time.

The following are the terms and conditions of this Note:

1. PAYMENTS.

1.1 The Borrower will repay the outstanding Principal Amount, if any, together with any and all accrued and unpaid amounts due pursuant to Section 2 and Section 5 herein, on December 15, 2022 (the "**Maturity Date**"), such that all obligations under this Note will have been repaid in full on the Maturity Date. Upon the full payment of the Principal Amount on the Maturity Date together with all other amounts due and unpaid under this Note or in accordance with Section 2 or Section 5, this Note shall be automatically terminated and have no further force or effect.

2. PRE-PAYMENTS BASED ON SALE OF CANNABIS PRODUCT.

2.1 The Lender shall be entitled to receive from the Borrower on the 15th day of each month, beginning on January 15, 2022 through to and including December 15, 2022 (each such 15th day of a calendar month, a "**Payment Date**"), an amount equal to the Pro Rata Percentage of the gross proceeds received from the sale during the prior calendar month (the "**Sold Product**") of cannabis flower from the A-flower 2021 harvest obtained from the two licensed outdoor production facilities operated by Grown Rogue Gardens, LLC, the Borrower's operating subsidiary (the "**Harvest**"), less 15% of such amount to account for costs of sales as accounted for under International Financial Reporting Standards (the "**Harvest Payment Amount**").

For purposes of this Note, "**Pro Rata Percentage**" means a percentage determined with respect to the denominator being equal to the total volume in pounds obtained from the

Harvest and the numerator being equal to 2,000. For example, if the total volume in pounds of the Harvest is 4,000 pounds then the Pro Rata Percentage shall equal 50%.

2.2 The portion of the Harvest Payment Amount equal to US$400 multiplied by the Pro Rata Percentage of the total volume of pounds of the Sold Product for any calendar month (the "**Pre-Payment Amount**") shall be applied to prepay the outstanding Principal Amount of the Note until such time as the Principal Amount is repaid in full.

2.3 Any amount of the Harvest Payment Amount that does not constitute part of the Pre-Payment Amount shall be treated as bonus payment under this Note. For greater certainty, if the Pro Rata Percentage is 40% and if the total gross sales during any calendar month is US$600,000 (being US$600/lb multiplied by a total volume of Sold Product of 1,000lbs), the Harvest Payment Amount shall equal US$204,000 (being the Pro Rata Percentage of US$600,000 multiplied by 0.85). Of that amount, US$160,000 shall be applied to the Principal Amount as the Pre-Payment Amount (being US$400/lb multiplied by 400lbs) and the balance of US$44,000 shall be paid to the Lender as a bonus payment under the Loan.

Notwithstanding the foregoing Sections 2.1, 2.2 and 2.3, should this Note be deemed to be a note that is subject to any applicable usury laws, it is the intention of the Lender and the Borrower to conform strictly to any such applicable usury laws. Accordingly, if Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall the Lender's option be applied to the outstanding amount of advances made under this Note or be refunded to Borrower. For purposes hereof, "Highest Lawful Rate" shall mean in the event this Note is held to be a loan or note subject to any usury law, the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to the Lender and the Borrower in the Province of Ontario which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

2.4 If the Borrower is unable to complete the Harvest due to circumstances beyond its control, such as fire or drought, then this Section 2 shall become inoperative and no further Pre-Payment Amounts shall be paid to the Lender, and the Borrower shall be obligated to pay the Lender 15% interest on any unpaid Principal Amount due and owing on the Maturity Date.

3. INTEREST RATE.

3.1 Unless otherwise stated herein, no interest will be payable upon the unpaid balance of the Principal Amount outstanding under this Note and any other amounts due and owing hereunder**.** Upon the occurrence and continuation of an Event of Default, until such time as all obligation then due and owing hereunder are paid in full, such amounts due and owing hereunder shall accrue interest at the Default Rate. For purposes of this Note, "**Default Rate**" shall mean 15% per annum

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender to enter into this Note, the Borrower for itself and for Grown Rogue Gardens LLC (the "Subsidiary") agrees, represents and warrants to the Lender as follows on the date of this Note, which representations and warranties shall survive the execution and delivery of this Note:

4.1 Organization, Etc. Each of the Borrower and the Subsidiary are in good standing and duly organized under the laws of the jurisdiction of its formation and has the requisite power and authority to own its properties and to transact the business in which it is engaged in all places at which it engages in business. All actions heretofore taken, and agreements heretofore entered into by each of the Borrower and the Subsidiary in connection with this Note and the transactions contemplated hereby and thereby, were duly authorized and constitute actions and obligations of the Borrower.

4.2 Financial Statements. The financial statements available on the Borrower's profile on www.SEDAR.com are, in all material respects, accurate and correct, prepared in accordance with International Financial Reporting Standards and accurately represent the financial condition of such of the Borrower and the Subsidiary; no materially adverse changes have occurred from April 30, 2021 to the date of this Note; and no material liabilities, contingent or otherwise, not shown or contemplated on said financial statements exist.

4.3 Power and Authority. The Borrower has the power and authority to execute, deliver and carry out the terms and provisions of this Note, and has taken all necessary corporate action to authorize the execution and delivery of this Note. This Note has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

4.4 No Conflicts. Neither the execution and delivery of this Note, any other instrument or agreement to be executed pursuant hereto, nor the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof (i) will violate any provision of law or of any applicable regulation, order or decree of any court or governmental instrumentality or administrative body or agency, (ii) will conflict or will be inconsistent with, or will result in any breach of, any of the terms, covenants, conditions or provisions of any mortgage, indenture, deed of trust, agreement or other instrument to which the Borrower is a party or by which it may be bound or to which it may be subject, or (iii) will violate any provision of the articles of incorporation pursuant to which the Borrower was formed or any other organizational document thereof.

4.5 No Pending Legal Actions; Compliance with Laws. There are no claims, actions, suits or proceedings, pending or, to the knowledge of the Borrower, threatened, against, affecting or relating to, the Borrower or the Subsidiary or relating to any part of the Harvest before any court or governmental or administrative body or agency which might result in any Material Adverse Effect on the business, operations, properties or assets or in the condition, financial or otherwise on the Borrower or the Subsidiary. Each of the Borrower and the Subsidiary are not in default under any applicable statute, rule, order or regulation of any governmental authority, bureau or agency having jurisdiction over it which has or would have a Material Adverse Effect.

4.6 No Violation. Other than federal laws relating to cannabis in the United States, neither the Borrower nor the Subsidiary is in violation of, nor will the continued operation of its respective business as currently conducted violate, any applicable law, rule or regulation (including any zoning or building ordinance, code or approval or any building permits) which has or would have a Material Adverse Effect.

4.7 Binding Obligation. This Note when executed and delivered pursuant hereto, will constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with the respective terms hereof and thereof (except as may be limited by bankruptcy, insolvency, reorganization, or moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally).

4.8 No Other Consent. In connection with the execution, delivery, performance, validity and enforceability of this Note or any other instrument, agreement or document to be executed and delivered hereunder or thereunder, no consent of any Person, and no consent, license, approval, authorization, registration or declaration with any governmental authority, bureau or agency is required.

4.9 Third Party Rights. Neither the Borrower nor the Subsidiary has transferred, assigned, or encumbered any rights heretofore acquired by them with respect to the Harvest, other than sales of cannabis flower by the Borrower and the Subsidiary in the ordinary course of its business, and no Person (other than the Borrower and the Subsidiary) has any rights of any kind in or to the Harvest. No rights, property or interests exist or will be granted to any third party which are in any way inconsistent with or adversely affect the Lender's rights to receive payments under this Note from the Sold Product.

4.10 No Litigation. No litigation, suits, proceedings or claims exist or, to the knowledge of the Borrower, are threatened relating to the Borrower or the Subsidiary or to the Harvest or any Sold Product, or rights therein or thereto or otherwise, which would have a Material Adverse Effect on the rights granted to the Lender or for the Borrower to perform its obligations hereunder or under any other agreement to which it is a party.

4.11 No Pending Insolvency Proceeding. No insolvency proceedings of any nature are now pending or threatened by or against the Borrower or the Subsidiary.

4.12 Timely Performance. Each of the Borrower and the Subsidiary will duly and timely perform all of its respective material obligations and agreements hereunder and under any other material agreement to which it is a party and which relates to the operation of its business and its applicable obligations under this Note.

4.13 Accurate Information. There is no fact presently known to the Borrower or the Subsidiary which has not been disclosed to the Lender which Materially Adversely Effects, nor could reasonably be expected to Materially Adversely Effect, the property or the business, operations or condition (financial or otherwise) of the Borrower or the Subsidiary or the value or sufficiency of the Harvest.

4.14 For purposes of this Note:

"**Licensed Person**" shall refer to a Person that possesses a commercial cannabis license issued by the State of Oregon pursuant to the regulations implementing and any successor regulations thereto (the "Regulations"), the applicable cannabis tax laws ("**CTL**"), and regulations implementing the CTL and any successor regulations thereto (the "**Tax Regulations**").

"Lien" shall mean any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, lien (statutory or other), charge, or other encumbrance of any kind or nature whatsoever (including, without limitation, pursuant to any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the laws of any jurisdiction to evidence any of the foregoing on personal or real property or fixtures.

"**Material Adverse Effect**" shall mean (a) a material adverse effect on the financial condition, results of operations, assets, liabilities (contingent or otherwise) or business of the Borrower or the Subsidiary, (b) a material impairment of the ability of the Borrower or the Subsidiary to fully and timely perform any of its material obligations under this Note, (c) a material impairment of the rights of or benefits or remedies available to the Lender under this Note, or (d) a material adverse effect on the value of the Harvest.

"**Person**" means any natural person, entity, corporation, company, association, partnership, limited liability company, joint venture, association, joint stock company, unincorporated organization, trust, individual (including personal representatives, executors and heirs of a deceased individual), nation, state, government (including governmental agencies, departments, bureaus, boards, divisions and instrumentalities thereof), trustee, receiver or liquidator.

5. COVENANTS

5.1 Books and Records. The Borrower and the Subsidiary shall maintain, at all times and in accordance with good and generally accepted accounting principles that are customary in the commercial cannabis industry, true, full and complete books and records showing the financial transactions of the Borrower and the Subsidiary (including, without limitation, all documents relating to the purchase and sale of Sold Product) and the Borrower and the Subsidiary shall permit the Lender (or its designee) to examine the same at such time(s) during reasonable business hours as the Lender (or its designee) may request upon reasonable notice and to take excerpts therefrom and to make copies thereof until this Note has been paid in full together with all accruing and unpaid amounts due hereunder.

5.2 Notice of Legal Proceedings. The Borrower and the Subsidiary shall promptly give written notice to the Lender of all litigation and legal proceedings (which in any way may have a Material Adverse Effect on the Lender's rights hereunder or under any documents referred to herein) or claims that may have a Material Adverse Effect on the Harvest or Sold Product or any of the rights of the Lender with respect thereto, and, where applicable, the Borrower or the Subsidiary shall appear in and defend any and all such actions and proceedings. In this regard, the Borrower and the Subsidiary shall defend the Harvest and any Sold Product against the claims and demands of all other parties where the failure to do so would reasonably be expected to have a Material Adverse Effect, and will keep the Harvest free and clear from all security interests or other encumbrances created by, through or under the Borrower and the Subsidiary which would prohibit the Borrower or Subsidiary from performing any of its obligations under this Note.

5.3 Corporate Existence; Compliance with Laws. The Borrower and the Subsidiary shall, at all times hereunder, maintain its corporate existence, and comply, in all material respects, with all laws, rules, regulations applicable to its business where the failure to do so would reasonably be expected to have a Material Adverse Effect.

5.4 Costs and Expenses; Taxes. The Borrower and the Subsidiary shall pay all actual, out-of-pocket costs and expenses incurred in connection the preparation of this Note and the

enforcement of the rights of the Lender hereunder. Any reasonable attorneys' fees, court costs and reasonable out-of-pocket expenses incurred by the Lender in connection with this Note shall be payable by the Borrower and the Subsidiary to the Lender immediately upon demand by the Lender.

5.5 Indemnity. The Borrower and the Subsidiary shall, at all times indemnify and hold the Lender (which shall include the shareholders, officers, directors, employees of the Lender) harmless from and against any and all liabilities, claims, demands, causes of action, losses, damages, expenses (including, without limitation, reasonable outside attorneys' fees), costs, settlements, judgments or recoveries, unless a court of competent jurisdiction determines in a final and non-appealable judgment that any such claim results from the Lender's gross negligence, fraud or willful misconduct, arising out of or resulting from (i) any breach of the representations, warranties, agreements or covenants made by the Borrower and the Subsidiary herein, (ii) any suit or proceeding of any kind or nature whatsoever against the Lender arising from or connected with the transactions contemplated by this Note or any of the documents, instruments or agreements to be executed pursuant hereto or any of the rights and properties assigned to the Lender hereunder, and/or (iii) any suit or proceeding that the Lender may deem necessary or advisable to institute, in the name of the Lender or the Borrower or the Subsidiary or both, against any other Person for any reason whatsoever to protect the title and/or the rights of the Lender hereunder, or any rights granted to the Lender, including reasonable outside attorneys' fees and court costs and all other out-of-pocket costs and expenses incurred by the Lender, all of which shall be charged to and paid by the Borrower and the Subsidiary. The foregoing indemnity shall survive repayment of the Note and the termination of this Note for a period of two (2) years and the total liability of the Borrower and Subsidiary under this Section 5.5 shall not exceed the Principal Amount plus the Default Rate.

5.6 Notice of Events of Default. The Borrower and the Subsidiary shall give the Lender prompt written notice of all Events of Default under any of the terms or provisions of this Note.

5.7 Liability Insurance. During the term of this Note, the Borrower and the Subsidiary will maintain at its own expense, in addition to all legally required insurance, policies of insurance in such amounts and on such other terms and conditions as it reasonably determines are necessary with regard to its business, provided that the amounts and other terms and conditions of such policies must be at least equivalent to its existing policies. Each of the Borrower and the Subsidiary will provide, upon written request of the Lender, proof of its insurance coverage (such as a certificate of insurance executed by an authorized representative of the Borrower and/or the Subsidiary). The Borrower shall provide the Lender with thirty (30) days written notice of any expected cancellation or reduction of any insurance policies of the Borrower or the Subsidiary.

5.8 Change of Control Neither the Borrower nor the Subsidiary shall cause, permit, or suffer, directly or indirectly, any Change of Control. "**Change of Control**" shall mean any of the following: (i) the acquisition by an arm's length third party, directly or indirectly, by way of takeover bid, amalgamation, plan of arrangement or other process (other than a subscription for shares issued from the treasury of the Company), of outstanding shares of the Borrower or Subsidiary representing more than fifty percent (50%) of the votes attaching to all outstanding voting shares of the Borrower or Subsidiary, or (ii) the acquisition by an arm's length third party, directly or indirectly, of all or substantially all of the assets of the Borrower of the Subsidiary, or (iii) the liquidation of the Borrower or the Subsidiary, whether through the declaration of a liquidating dividend or through an amalgamation or restructuring that leads to liquidation or otherwise.

5.9 Use of Proceeds. The proceeds of the Loan are to be used for working capital purposes

6. EVENT OF DEFAULT.

6.1 For purposes of this Note, if:

(a) the Borrower fails to pay any amount of principal hereunder or any other amounts under this Note when due and payable,

(b) any representation or warranty made by the Borrower in the Note shall prove to have been false or misleading in any respect as of the date of the Note,

(c) the Borrower shall default in the due performance or observance by it of any term, covenant or agreement contained in the Note and provided that if such covenant is capable of being cured, the Corporation fails to cure within a period of fifteen (15) days after such default,

(d) An event, condition or act shall exist or occur which causes or results in a Material Adverse Effect that continues for a period of fifteen (15) days; or

(e) (A) the Borrower shall commence any case, proceeding or other action (x) under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, liquidation, moratorium, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, compositions, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, liquidator, custodian, administrator, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower shall make a general assignment for the benefit of its creditors; or (C) there shall be commenced against the Borrower any case, proceeding or other action of a nature referred to in clause (A) above that (x) results in the entry of an order for relief or any such adjudication or appointment or (y) remains undismissed, undischarged or unbonded for a period of 10 days; or (D) there shall be commenced against the Borrower any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 10 days from the entry thereof; or (E) the Borrower shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (A), (B), or (C) above;,

such events will constitute an event of default ("**Event of Default**").

6.2 Upon the occurrence of an Event of Default the total Principal Amount then outstanding, together with all other amounts then due and outstanding hereunder, will, at the option of the Lender and upon notice to the Borrower, become immediately due and payable to the Lender without further notice, demand or other formality, all of which are hereby waived by Borrower. For greater certainty, upon the Lender's option to accelerate the payment of the Principal Amount, and any other payments then due and outstanding, the Lender

shall not be entitled to any future Harvest Payment Amounts other than any Harvest Payment Amount payable on the next Payment Date.

7. INTERPRETATION/GENERAL.

7.1 In this Note,

(a) The division into sections and paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Note. The words "hereto", "herein", "hereof", "hereunder" and similar expressions refer to this Note and not to any particular portion of it.

(b) Words in the singular include the plural and vice versa, words in one gender include all genders, and the words "including", "include" and "includes" mean "including (or include or includes) without limitation".

(c) "**Business Day**" means any day other than a day which is a Saturday, Sunday or other day on which commercial banks are closed in the Province of Ontario.

7.2 Borrower and the Lender intend that the relationship between them created under this Note will be solely that of creditor and debtor.

7.3 This Note may only be amended by written agreement signed by each of the Borrower and the Lender. Any waiver of any provision of this Note will be effective only if it is in writing and signed by the party to be bound thereby, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Note will operate as a waiver of such right. No single or partial exercise of any such right will preclude any further or other exercise of such right.

7.4 All references in this Note to dollars or to "$" are deemed to be references to Canadian currency unless otherwise specifically indicated.

8. GOVERNING LAW.

This Note is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

9. ASSIGNMENT, ETC.

9.1 Neither this Note nor any of the rights or obligations under this Note are assignable by the Borrower without the prior written consent of the other party.

9.2 The terms and provisions of this Note are binding upon and enure to the benefit of the Borrower, the Lender and their respective successors and permitted assigns.

10. NOTICE.

10.1 Any notice, direction or other communication required or contemplated by any provision of this Note (a "**Notice**") will be in writing and given by personal delivery, by registered mail, by electronic mail transmission, or by overnight courier and addressed:

(a) in the case of a Notice to the Lender, at:

240 Richmond Street West
Toronto, Ontario
M5V1V6

Attention: Paul Crath
E-mail: pcrath@pbinvest.ca

(b) in the case of a Notice to the Borrower, at:

40 King Street West, Suite 5800
Toronto, Ontario
M5H 3S1

Attention: J. Obie Strickler
E-mail: obie@grownrogue.com

10.2 Any Notice:

(a) delivered before 4:30 p.m. local time on a Business Day will be deemed to have been received on the date of delivery and any Notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, will be deemed to have been received on the next Business Day.

(b) mailed will be deemed to have been received seventy two (72) hours after the date it is postmarked, provided that if the day on which the Notice is deemed to have been received is not a Business Day, then the Notice will be deemed to have been received on the next Business Day.

(c) transmitted by electronic mail will be deemed to have been received upon the sender's receipt of acknowledgement from the intended recipient.

10.3 If the party sending the Notice knows or might reasonably be expected to know that, at the time of sending or within 72 hours thereafter, normal mail service has been disrupted, then the Notice may only be sent (or re-sent) by delivery, overnight courier, or electronic mail transmission.

10.4 Any Party may change its address for service, its fax number, its e-mail address, the name of the individual to the attention of whom a Notice is to be sent or the Person to whom a copy of the Notice is to be sent, by written notice given to the other Party in accordance with this Section 10.

(signature page follows)

DATED as of the date first above written.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: CEO
I have the authority to bind the corporation

GROWN ROGUE GARDENS, LLC

Per: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager
I have the authority to bind the corporation

[signature page to Promissory Note]

Exhibit 4.17

ADDENDUM TO
Option Agreement and Membership Interest Purchase Agreement

December 1, 2021

This Addendum ("Addendum") to the Option to Purchase a Controlling Interest, dated February 4, 2021 ("Option to Purchase") and the Membership Interest Purchase Agreement ("MIPA"), dated May 1, 2021 is made by and between David Pleitner ("David") and Canopy Management, LLC, a Michigan limited liability company or its assignee ("Canopy"), with respect to the following facts and circumstances:

RECITALS

WHEREAS, Canopy and David entered into the MIPA, wherein Canopy agreed under Section 1.02 Purchase Price to abide by certain requirements as set forth in Section 4 of the Option to Purchase.

WHEREAS, under Section 3 of the Option to Purchase, Canopy elected to extend the Installment Payment $260,000 payment under Section 3(b) and extend the due date of the Installment Payment, $100,000 under Section 3(d).

WHEREAS, under Section 4 of the Option to Purchase, Canopy had not made the required $260,000 Installment Payment, as extended, under Section 3(b) and 3(c) of the Option to Purchase.

WHEREAS, David is willing to forego the remedies available to David under the Option to Purchase, and to modify the terms of the Option to Purchase and MIPA as set forth below in exchange for the consideration provided by Canopy to David set forth below.

NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. Canopy and David have agreed to extend Installment Payment ($260,000) and Installment Shares (200,000) due under Section 3(b) of the Option to Purchase, as previously extended under Section 3(c). The Installment Payment shall be extended until December 31, 2024 ("Maturity Date"), provided that, in consideration for such extension, Canopy shall A) pay to David interest only payments at a rate of 18% per annum on any unpaid portion of the Installment Payment ($260,000), until the earlier of the Maturity Date or the amount extended under this Section 1 has been paid in full and B) cause to be issued to David the Installment Shares of common stock of GRIN by May 15, 2022 free and clear of any liens or encumbrances (other than any restrictions under federal, state, or provincial securities laws).

2. Canopy and David have agreed to extend the Installment Payment ($100,000) due under Section 4(a) of the Option to Purchase, as previously extended under Section 3(d). The Installment Payment ($100,000) shall be extended to the Maturity Date, provided that, in consideration of such extension, Canopy shall pay to David interest only payments at a rate of 18% per annum on any unpaid portion of the Installment Payment ($100,000), until the earlier of the Maturity date or the amount extended under this Section 2 has been in paid in full.

3. Canopy shall have the right to prepay either or both of the Installment Payments, in part or full at any time. Interest will continue to accrue on balances after partial prepayments.

All other terms and conditions of the Option to Purchase and the MIPA remain in full force and effect

Signatures on following page

IN WHITNESS WHEREOF, the parties hereto have executed this Addendum on the day and year first above written.

Company:

Canopy Management, LLC

By: /s/ Obie Strickler
Name: Obie Strickler
Title: Manager

Accepted by David:

/s/ David Pleitner
David Pleitner

Exhibit 4.18

Lease Amending Agreement

December 20, 2021

This Lease Amending Agreement ("**Agreement**") is made by and between Grown Rogue Gardens, LLC, an Oregon limited liability company (the "**Lessee**"), and 2046 Lars, LLC, an Oregon limited liability company ("**Lessor**"), with respect to the following facts and circumstances:

RECITALS

WHEREAS, Lessee and Lessor entered into the lease (the "Lease Agreement") dated July 1, 2021 for the approximately 20,000 square feet of industrial warehouse building with fenced yard and loading docs, commonly known as 2046 Lars Way, Medford, Oregon 97501 (the "**Property**")

WHEREAS, the Lessee and Lessor desire to amend the Lease Agreement on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. Section 3.1 of the Lease Agreement shall be deleted and replaced with the following:

3.1 **Initial Term**. The term of this Lease will commence on July 1, 2021 (the "Commencement Date"), and continue until June 31, 2026 ("Expiration Date"), unless sooner terminated under the terms of this Lease ("Lease Term"). Lessor has the right, but not the obligation, to terminate this Lease on December 31, 2022.

All other terms and conditions of the Lease Agreement shall remain the same.

IN WHITNESS WHEREOF, the parties hereto have executed this Lease Amending Agreement on the day and year first above written.

Lessor:

2046 Lars, LLC

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

Lessee:

Grown Rogue Gardens, LLC

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

Exhibit 4.19

EXECUTION VERSION

COMMERCIAL LEASE

This Commercial Lease ("Lease") is made and entered into as of December 21, 2021, ("Effective Date"), by and between David Pleitner, LLC ("Lessor"), and Golden Harvests, LLC ("Lessee"). Lessee and Lessor are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, Lessor owns certain real property, including land and improvements, commonly described as the Annex located at 333 Morton St, Bay City, Michigan 48706 (the "Property"), as legally described on Exhibit A; and

WHEREAS, Lessee desires to lease the Property from Lessor, and Lessor desires to lease the Property to Lessee, subject to the terms and conditions set forth herein;

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

Article 1
AGREEMENT TO LEASE

Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the Property, subject to the terms and conditions of this Lease.

Article 2
PREMISES

2.1 **Description.** Lessor hereby leases to Lessee, on the terms and conditions stated below, the Property, together with all improvements located therein, or to be made thereto by either Lessor or Lessee (collectively the "Premises"), as identified on Exhibit B. Any unidentified areas on the Property are reserved for the continued and exclusive use of Lessor and are excluded from this Lease.

2.2 **Permitted Uses.** Lessee will use the Premises to produce, process, and make wholesale and retail sales of marihuana under Michigan law and ancillary uses customarily associated with agricultural production, processing, and sales ("Permitted Uses"). No other use may be made of the Premises without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

2.3 **Compliance with Laws and Regulations.** Lessee will comply with all applicable laws, ordinances, rules, and regulations of the United States, the State of Michigan, and all other government authorities with jurisdiction over the Premises, including but not limited to, local fire codes, zoning regulations, and occupancy codes; provided, however, that federal laws and regulations prohibiting the production, processing wholesaling and retailing of marihuana are expressly excluded from the legal requirements with which Lessee is required to comply herein. Lessee will promptly provide to Lessor copies of all communications to or from any government entity that relate to Lessee's noncompliance, or alleged noncompliance, with any laws or other government requirements impacting the Premises.

2.4 **Limits on Use.** Lessee will not use, nor permit anyone else to use, the Premises in a manner, nor permit anything to be done in the Premises, that creates a condition that may

increase the rate of fire insurance for the Premises or the Property or would prevent Lessor from taking advantage of any ruling of an insurance rating bureau that would allow Lessor to obtain reduced rates for its insurance policies, or violates any requirements of Lessee's insurance carrier.

2.5 **Condition of Premises / No Warranties.** Lessor makes no warranties or representations regarding the condition of the Premises or the Property, including, without limitation, the suitability of the Premises for intended uses or the condition of the improvements. Lessee has inspected and accepts the Premises in its "AS IS" condition upon taking possession. Lessor will have no liability to Lessee, and Lessee will have no claim against Lessor, for any damage, injury, or loss of use caused by the condition of the Premises or the Property. Lessee is solely responsible for thoroughly inspecting the Premises and ensuring that it is in compliance with all laws.

Article 3
TERM

3.1 **Initial Term.** The term of this Lease will commence on December 1, 2021 (the "Commencement Date"), and continue for a lease term of one year, expiring on November 31, 2022 ("Expiration Date"), unless sooner terminated under the terms of this Lease ("Initial Lease Term"). As used herein "Lease Term" means the Initial Lease Term and any Extension Term. No Rent will be due from Lessee until possession of the Premises has been delivered to Lessee.

3.2 **Extension Option.** If the Lessee is not then in Default of this Lease (as defined in Article 12), Lessee will have the option, with mutual approval by Lessor, to extend the Initial Lease Term ("Extension Option") in one year increments for a maximum of 10 years of total Extension Option. An Extension Option may be exercised by written notice given to Lessor not less than 5 days before the expiration of the Initial Lease Term or any Extension Term. Failure to exercise any Extension Option will terminate any subsequent Extension Option(s).

Article 4
RENT

4.1 **Basic Rent Amount and Due Date.**

(a) The base monthly rent ("Basic Rent" or "Rent") for the Initial Lease Term and each Extension Term shall be as follows: (a) commencing on December 1, 2021, the Basic Rent shall be $550,000/annually. Basic Rent is due and payable at discretion of the Lessee over the course of the Initial Lease Term and each Extension Term as long as fully annual Rent is received by Lessor no later then the last business day of March following the end of a Term. For avoidance of doubt, Lessee is required to have paid all Rents to Lessor for the Initial Lease Term by March 31, 2023. Lessor, at Lessor's sole and absolute discretion, may allow Lessee to defer Basic Rent, on terms that must be in writing and signed by Lessor to be enforceable.

4.2 **Additional Rent.** This Lease is a "triple net lease," meaning that unless otherwise specifically provided herein, Lessee is responsible to pay all insurance, utilities, taxes, and other costs associated with the Premises, except for landscaping costs, which shall be borne by Lessor. All amounts due hereunder in addition to the Basic Rent are deemed "Additional Rent." Any reference to "Rent" herein includes Basic Rent and Additional Rent. Lessee will pay all utilities associated with the Premises.

4.3 **Taxes.** Lessee agrees to pay, on or before the date they become due all real property taxes, assessments, special assessments, user fees, and other charges, however named, that, after the Effective Date and before the expiration of this Lease, may become a lien or that may be levied by any state, county, city, district, or other governmental authority on the Premises, any interest of Lessee acquired under this Lease, or any possessory right that Lessee may have in or to the Premises by reason of its occupancy thereof, as well as all taxes, assessments, user fees, or other charges on all property, real or personal, owned or leased by Lessee in or about the Premises (collectively, "Taxes"), together with any other charge levied wholly or partly in lieu thereof. Taxes are considered Additional Rent under this Lease. Lessee may contest the validity of an assessment against the Premises as long as Lessee deposits with an escrow agent approved by Lessor, with irrevocable instructions to pay to the taxing authority on written instruction from Lessor, sufficient funds to satisfy any amount determined to be owing at the conclusion of the proceeding to contest the assessment. Not later than 14 days after the date any Tax is due, Lessee will provide Lessor with written proof that payment has been made, as required by this Section 4.3. If Lessee fails to pay Taxes before any delinquency, then, in addition to all other remedies set forth in this Section 4.3, Lessor will automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, any time after Lessor gives Lessee 5 days' written notice that Taxes are past due and Lessee continues to fail to pay the past due Taxes within that 5-day period. Lessee will immediately reimburse Lessor for any sums so paid.

4.4 **Operating Expenses and Utilities.** Lessee will promptly pay any and all charges for gas, electricity, telephone, garbage, Internet, and all other charges for utilities or services that may be furnished directly to the Premises. Lessor has no responsibility to provide any utility services to the Premises that are not already in place. If additional services are required, Lessee will obtain Lessor's permission for their installation, at Lessee's sole cost and expense. Lessor will not unreasonably withhold such permission.

4.5 **Late Charge.** If Lessee fails to pay any Rent required under this Lease within 10 days after it is due, Lessor may elect to impose a late charge of 5-percent of the overdue payment. Lessor's election not to impose a late charge in any instance will not be a waiver of Lessor's other rights and remedies for the late payment nor of Lessor's right to later charge and collect a late charge for the late payment or any other overdue amount. Acceptance of payment of a late charge by Lessor will not constitute a waiver of Lessee's default with respect to the overdue amount in question, nor will it prevent Lessor from exercising any other rights or remedies granted under this Lease, by law, or in equity. In addition to the late charge, all amounts of Rent past due will bear interest at a "Delinquency Rate" of 12 percent per annum, or the highest rate allowed by law, if it is less, from the due date until paid in full.

4.6 **Time and Place of Payments.** Payment of all Rent will be made to Lessor to the address set forth in Section 16.9 or such other place as Lessor may designate in accordance with the requirements of Section 16.9.

4.7 **Acceptance of Rent.** Lessor's acceptance of a partial payment of Rent will not constitute a waiver of any Event of Default (defined in Section 11.1), nor will it prevent Lessor from exercising any of its other rights and remedies granted to Lessor under this Lease, by law, or

in equity. Any endorsements or statements on checks of waiver, compromise, payment in full, or any other similar restrictive endorsement will have no legal effect. Lessee will remain in violation of this Lease and will remain obligated to pay all Rent due, even if Lessor has accepted a partial payment of Rent. Acceptance of a late but full payment of Rent (including Rent plus all interest due thereon at the Delinquency Rate) will constitute a waiver and satisfaction of that late payment, violation, or Default only and will not constitute a waiver of any other late payment, violation, or Default.

Article 5
LESSEE OBLIGATIONS

5.1 **Repairs and Maintenance.** The Lessee will maintain the Property in good condition and will not commit, permit, or suffer any waste of the Property. The Lessee will maintain the Property, improvements, and fixtures on the Property (other than structural components, including foundation and weight bearing walls, which shall be Lessor's responsibility) and fences, in as good a condition and repair as they were in at the commencement of this Lease, reasonable wear and tear excepted. During the term of this Lease, the Lessee will regularly monitor the irrigation equipment that is utilized by Lessee. Lessee shall be responsible for the full cost of any maintenance, repair, replacement or modification of the Property or any equipment or irrigation equipment that services the Property, except for landscaping costs, which shall be borne by Lessor.

5.2 **Alterations and Improvements**

(a) *Alterations*. Lessee, at Lessee's expense, shall have the right following Lessor's written consent, which shall not to be unreasonably withheld, conditioned or delayed, to make additions, improvements and replacements of and to all or any part of the Property from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials (collectively, the "Alterations"). All alterations will be made in a lien-free and good and competent manner, and in compliance with applicable laws and building codes and applicable LARA administrative rules. Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Property, and fasten the same to the Premises, which such personal property, trade fixtures, equipment and other temporary installations shall not constitute Alterations.

(b) *Ownership and Removal of Alterations.* All improvements and alterations performed on the Property by either the Lessor or the Lessee will be the property of the Lessor when installed. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Lessee at the commencement of the Lease term or placed or installed on the Property by Lessee thereafter, shall remain Lessee's property free and clear of any claim by Lessor. Lessee shall have the right to remove the same at any time during the term of this Lease provided that Lessee shall repair all damage to the Property caused by such removal at Lessee's expense.

(c) *Condition at Termination of Lease*. At the termination of this Lease, with the exception of permitted alterations and except as otherwise expressly agreed to in writing by the Lessor, the Property will be returned to the Lessor in the same condition as it was in at the commencement of this Lease, all repairs being completed as required in this Lease, reasonable wear to the fixtures being excepted (except for repair obligations).

5.3 Intentionally deleted.

5.4 **No Liens.** Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment that have been provided or ordered with Lessee's consent to the Premises. If any lien is filed against the Premises that Lessee wishes to protest, then Lessee will immediately notify Lessor of the basis for its protest and must deposit cash with Lessor, or procure a bond acceptable to Lessor, in an amount sufficient to cover the cost of removing the lien from the Premises. Failure to remove the lien or furnish the cash or a bond acceptable to Lessor within 14 days will constitute an Event of Default (defined in Section 11.1) under this Lease, Lessor will be entitled to satisfy the lien without further notice to Lessee, and Lessee will immediately reimburse Lessor for any sums paid to remove any such lien.

5.5 **Lessor Access to Premises.** Subject to applicable law governing the Permitted Uses, Lessor and its respective agents have the right to enter the Premises for the purposes of: (a) confirming the performance by Lessee of all obligations under this Lease, (b) doing any other act that Lessor may be obligated or have the right to perform under this Lease, and (c) for any other lawful purpose. Such entry will be made on not less than 24 hours' advance notice and during normal business hours, when practical, except in cases of emergency or a suspected violation of this Lease or the law. Lessee waives any claim against Lessor for damages for any injury or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by the entry except to the extent caused by the gross negligence or willful misconduct of Lessor.

5.6 **Signs.** Except as may be required by applicable law, Lessee will not erect, install, nor permit on the Premises any sign or other advertising device without first having obtained Lessor's written consent, which Lessor may not unreasonably withhold. Lessee will remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless Lessor, in its sole option, elects to retain all or any portion of the signage.

Article 6
INSURANCE REQUIREMENTS

6.1 **Insurance Amounts.** Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage that Lessor is willing to accept to help ensure full performance of all terms and conditions of this Lease. All insurance required of Lessee by this Lease must meet all minimum requirements set forth in this Article 6.

6.2 **Certificates; Notice of Cancellation.** Lessee will provide Lessor with certificates of insurance establishing the existence of all insurance policies required under this Lease promptly upon request. Lessor must receive notice of the expiration or renewal of any policy at least 10 days before the expiration or cancellation of any insurance policy. No insurance policy may be canceled, revised, terminated, or allowed to lapse without at least 10 days' prior written notice to Lessor. Insurance must be maintained without any lapse in coverage continuously for the duration of this Lease. Cancellation of insurance without Lessor's consent will be deemed an immediate Event of Default (defined in Section 11.1) under this Lease. Lessee will give Lessor certified copies of Lessee's policies of insurance promptly upon request.

6.3 **Additional Insured.** Lessor will be named as an additional insured in each required liability policy and, for purposes of damage to the Premises, as a loss payee. The insurance will not be invalidated by any act, neglect, or breach of contract by Lessee. On or before the Commencement Date, Lessee must provide Lessor with a policy endorsement naming Lessor as an additional insured as required by this Lease.

6.4 **Primary Coverage and Deductible.** The required policies will provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance carried by Lessor.

6.5 **Required Insurance.** At all times during this Lease, Lessee will provide and maintain the following types of coverage:

(a) **General Liability Insurance.** Lessee will maintain a commercial general liability policy insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations or actions of Lessee. All such coverage must name Lessor as an additional insured. All such coverage must be in an amount not less than $1,000,000 combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

(b) **Personal Property Insurance.** Lessee will be responsible to insure all Lessee's own Personal Property (as defined in Section 9.2), improvements, betterments, and trade fixtures, which items will not be covered by Lessor's insurance and for which Lessor and its insurance carriers will have no liability.

(c) **Workers' Compensation Insurance.** Lessee will maintain, in full force and effect, Workers' Compensation insurance for all Lessee's employees, including coverage for employer's liability, as required by Michigan law.

6.6. **Waiver of Subrogation.** Lessee and Lessor each waive any right of action that they and/or their respective insurance carriers might have against the other for any loss, cost, damage, or expense (collectively "Loss") to the extent that the Loss is covered by any property insurance policy or policies maintained or required to be maintained under this Lease. Lessee and Lessor also waive any right of action they and/or their insurance carriers might have against Lessor or Lessee (including their respective employees, officers, or agents) for any Loss to the extent the Loss is a property loss covered under any applicable policies required by this Lease. If any of Lessee's or Lessor's insurance policies do not allow the insured to waive the insurer's rights of subrogation before a Loss, each will cause the policies to be endorsed with a waiver of subrogation that allows the waivers of subrogation required by this Section 6.6. Nothing contained herein will be construed to relieve Lessee from any Loss suffered by Lessor that is not fully covered by Lessor's insurance described in Article 7. Lessee will be liable for any uninsured Loss (including any deductible) if the Loss was caused by any negligent act or omission of Lessee or any of Lessee's employees, agents, contractors, or invitees.

Article 7
LESSOR INSURANCE

Lessor will obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor insuring loss or damage to the Property, Premises and any Lessor-owned improvements located therein. Lessee-owned or installed improvements, alterations, utility installations, trade fixtures, and personal property will all be insured by Lessee as provided in Section 6.5. If the coverage is available and commercially appropriate, the policy or policies must insure against all risks of direct physical loss or damage, including coverage for debris removal and the enforcement of any applicable requirements for the upgrading, demolition, reconstruction, or replacement of any portion of the Property as the result of a covered loss.

Article 8
DAMAGE OR DESTRUCTION

In the event of partial or full damage or destruction to the Premises or the Property, the following will apply:

8.1 **Definitions.**

(a) "Partial Damage" means damage or destruction that will cost 30% or less of the then-applicable pre-damage value of the Premises to repair. Lessor will notify Lessee in writing within 30 days from the date of the damage or destruction about whether the damage is partial or total. Partial Damage does not include damage to windows, doors, or other similar improvements, or systems that Lessee has the responsibility to repair or replace under the provisions of this Lease.

(b) "Total Destruction" means damage or destruction that will cost more than 30% of the then-applicable pre-damage value of the Premises to repair. Lessor will notify Lessee in writing within 30 days from the date of the damage or destruction about whether the damage is partial or total.

(c) "Insured Loss" means damage or destruction to improvements on the Premises that was caused by an event required to be covered by Lessor's insurance described in Article 7, irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" means the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto (or to a higher standard if required by current applicable law), including demolition and debris removal and without deduction for depreciation.

(e) "Hazardous Substance Condition" means the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Section 10.1, in, on, or under the Premises, that requires repair, remediation, or restoration.

8.2 **Partial Damage—Insured Loss.** If a Partial Damage that is an Insured Loss occurs, then Lessor will, at Lessor's expense, repair the damage (but not to Lessee's trade fixtures or Lessee's other improvements) as soon as reasonably possible, and this Lease will continue in full force and effect. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect the repair, Lessor will have the option to (a) promptly contribute the shortage in proceeds as and when required to complete the repair; or (b)

have this Lease terminate 30 days thereafter. Lessee will be responsible to make any repairs to any of its own improvements to the Premises, including all of its trade fixtures.

8.3 **Partial Damage—Uninsured Loss.** If a Partial Damage that is not an Insured Loss occurs to the Building, unless caused by a negligent or willful act of Lessee (in which event Lessee will make all the repairs at Lessee's expense), Lessor may either: (a) repair the damage as soon as reasonably possible at Lessor's expense, in which event this Lease will continue in full force and effect; or (b) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of the damage. The termination will be effective 60 days following the date of the notice. If Lessor elects to terminate this Lease, Lessee will have the right within 15 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of the damage without reimbursement from Lessor. Lessee will provide Lessor with the funds or satisfactory assurance thereof within 30 days after making such commitment. In that event, this Lease will continue in full force and effect, and Lessor will proceed to make the repair as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease will terminate as of the date specified in the termination notice. If the uninsured damage was caused by the negligence or misconduct of Lessee, Lessor will have the right to recover Lessor's full damages from Lessee.

8.4 **Total Destruction.** If Total Destruction occurs, this Lease will terminate 30 days following the destruction. If the damage or destruction was caused by the negligence or misconduct of Lessee and it is not an Insured Loss, Lessor will have the right to recover all of Lessor's damages from Lessee, except as provided in the waiver of subrogation as set forth in Section 6.7, less any deductible, and including all Basic Rent that would otherwise have been due through the end of the Lease Term, mitigated only to the extent required by state law.

8.5 **Damage near End of Lease.** If at any time during the last six months of this Lease there is damage for which the cost to repair exceeds one month's Basic Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of the damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of the damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by exercising the option. If Lessee duly exercises the option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor will, at Lessor's commercially reasonable expense, repair the damage as soon as reasonably possible, and this Lease will continue in full force and effect. If Lessee fails to exercise the option and provide the funds or assurance during such period, then this Lease will terminate on the date specified in the termination notice and Lessee's option will be extinguished.

8.6 **Abatement of Rent; Lessee's Remedies**

(a) *Abatement.* In the event of Partial Damage, Total Destruction, or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Basic Rent payable by Lessee for the period required for the repair, remediation, or restoration of the damage will be abated in proportion to the degree to which Lessee's use of the Premises is impaired. All other obligations of Lessee hereunder will be performed by Lessee, and Lessor will have no liability for any such damage, destruction, remediation, repair, or restoration, except as provided in this Section 8.6.

(b) *Remedies*. If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, the repair or restoration within 30 days after the obligation accrues, Lessee may, at any time before the commencement of the repair or restoration, give written notice to Lessor of Lessee's election to terminate this Lease on a date not less than 30 days following the giving of the notice. If Lessee gives the notice and the repair or restoration is not commenced within 10 days thereafter, this Lease will terminate as of the date specified in the notice. If the repair or restoration is commenced within 10 days, this Lease will continue in full force and effect. "Commence" means either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

8.7 **Waiver of Certain Alternative Rights.** To the extent allowed by law, Lessor and Lessee agree that the terms of this Lease will govern the effect of any damage to or destruction of the Premises and Property with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

Article 9
TERMINATION OF LEASE

Upon termination of this Lease, Lessee will deliver all keys to Lessor and surrender the Premises broom clean, in good condition, ordinary wear and tear excepted. Alterations constructed by Lessee with permission from Lessor are not to be removed or restored to the original condition unless required by Lessor, as provided in Section 9.1. All repairs for which Lessee is responsible will be completed before the surrender.

9.1 **Title to Lessee Improvements upon Termination.** All improvements, excluding Personal Property (and the Alterations) and Lessee trade fixtures, located on the Premises at the expiration or earlier termination of this Lease, will, at Lessor's option, become the sole property of Lessor.

9.2 **Lessee's Personal Property.** Furnishings, trade fixtures, and other personal property, and any fuel tanks placed on the Premises by Lessee ("Personal Property") will remain the property of Lessee. At or before the termination of this Lease, Lessee, at Lessee's expense, will remove from the Premises any and all of Lessee's Personal Property and will repair any damage to the Premises resulting from the installation or removal of the Personal Property. Any items of Lessee's Personal Property that remain on the Premises after the termination date of this Lease may either be: (a) retained by Lessor without any requirement to account to Lessee therefor; or (b) removed and disposed of by Lessor, without any requirement to account to Lessee therefor, with Lessor being entitled to recover all costs thereof from Lessee.

9.3 **Time for Removal.** The time for removal of any Personal Property or improvements made by Lessee that Lessee is required to remove from the Premises on termination will be as follows: (a) by the Expiration Date; or (b) if this Lease is terminated unexpectedly before the Expiration Date, then all removal must occur within 60 days following the actual termination date, and Lessee must continue to pay all Rent due until such time as all of Lessee's Personal Property and the improvements required to be removed have been properly and completely removed.

9.4 **Holdover.** Lessee has no holdover rights. If Lessee fails to vacate the Premises at the time required, Lessor will have the option to treat Lessee as a holdover Lessee from month to month, subject to all the provisions of this Lease except that the Basic Rent will be 125 percent of the then-current Basic Rent, or to eject Lessee from the Premises and recover damages caused by wrongful holdover. If a month-to-month holdover tenancy results, it will be terminated at the end of any monthly rental period on 30 days' written notice from Lessor, and Lessee waives any notice that would otherwise be provided by law with respect to such tenancy.

9.5 **Special Termination Rights.** Either Lessor or Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to the other party in the event that any of the following shall occur (each, a "Termination Event"): (a) the Permitted Uses become illegal due to any revocation or modification of applicable State or local law; (b) governmental requirements and/or the enforcement of such governmental requirements change such that Lessee cannot operate its business from the Premises; or (c) the United States Department of Justice issues any enforcement policy memoranda, or communications of a similar nature, indicating an adverse shift or change in or increase of its current enforcement priorities pursuant to the federal Controlled Substances Act. Notwithstanding the foregoing, Lessee shall not have the right to terminate this Lease if an act or omission of Lessee or default by Lessee under this Lease, including, without limitation, a violation by Lessee of any governmental requirements caused the Termination Event. Upon any termination pursuant to this Section 9.5, (x) Lessee shall immediately vacate and surrender the Premises and (y) this Lease shall terminate and the Parties shall be released hereunder, except for such obligations that expressly survive the expiration or earlier termination of this Lease.

Article 10
ENVIRONMENTAL OBLIGATIONS OF LESSEE

10.1 **Definitions.** As used in this Lease, the following terms are defined as follows:

(a) "Environmental Laws" will be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances (including those of the Michigan Department of Environment, Great Lakes & Energy ("EGLE") or any successor agency) now or hereafter in effect, as they may be amended from time to time, that in any way govern materials, substances, or products and/or relate to the protection of health, safety, or the environment.

(b) "Hazardous Substances" will be interpreted in the broadest sense to include any substance, material, or product defined or designated as hazardous, toxic, radioactive, or dangerous, regulated wastes or substances, or any other similar term in or under any Environmental Laws, but excluding marihuana and legal products under Michigan law made from marihuana and/or its constituent compounds.

(c) "Hazardous Substance Release" includes the spilling, discharge, deposit, injection, dumping, emitting, releasing, placing, leaking, migrating, leaching, and seeping of any Hazardous Substance into the air or into or on any land, sediment, or waters, except any release in compliance with Environmental Laws and specifically authorized by a current and valid permit issued under Environmental Laws with which Lessee is in compliance at the time of the release, but not including within the exception any such release in respect of which the State of Michigan has determined that application of the State's Hazardous Substance removal and remedial action rules might be necessary to protect public health, safety, or welfare, or the environment.

10.2 **Limited Business Use of Hazardous Substances.** Lessee is permitted to use, handle, and store Hazardous Substances as necessary to conduct the Permitted Uses and in quantities needed to conduct the Permitted Uses, in compliance with applicable Environmental Laws, best management practices related to the Permitted Uses, and the provisions of this Lease.

10.3 **Soil or Waste.** Lessee will not store, treat, deposit, place, or dispose of treated or contaminated soil, industry by-products, or any other form of waste on the Premises, without the prior written consent of Lessor, which consent may be granted or denied in Lessor's sole discretion.

10.4 **Safety.** As a part of this Section, Lessee will maintain material safety data sheets for each and every Hazardous Substance used by Lessee, or Lessee's agents, employees, contractors, licensees, or invitees on the Property or Premises, as required under the Hazard Communication Standard in 29 CFR Section 1910.1200, as it may be amended, redesignated, or retitled from time to time, and comparable state and local statutes and regulations.

10.5 **Disposal of Hazardous Substances.** Lessee will not dispose of any Hazardous Substance, regardless of the quantity or concentration, within the storm or sanitary sewer drains or plumbing facilities within the Premises or the Property. Any disposal of Hazardous Substances will be in approved containers, and Hazardous Substances will be removed from the Property or Premises only in accordance with the law. If Lessee knows, or has reasonable cause to believe, that any Hazardous Substance Release has come to be located on or beneath the Property or Premises, Lessee must immediately give written notice of that condition to Lessor, whether or not the Hazardous Substance Release was caused by Lessee.

10.6 **Lessee's Liability**

(a) *Hazardous Substance Releases*. Except as provided in otherwise provided in this Lease, Lessee will be responsible for any Hazardous Substance Release on the Property or Premises, on other properties, in the air, or in adjacent or nearby waterways (including groundwater) that results from or occurs in connection with Lessee's occupancy or use of the Property or Premises.

(b) *Limitation of Lessee's Liability*. Notwithstanding anything to the contrary provided in this Lease, Lessee will have no responsibility for, and Lessor shall indemnify, defend, and hold Lessee harmless from, any Hazardous Substances or Hazardous Substance Releases that: (i) existed on the Property or Premises before the Effective Date; (ii) were caused by Lessor or the agents, employees, contractors or invitees of Lessor; or (iii) Lessee can demonstrate migrated into the Premises from a source off-Premises that was not caused by Lessee.

(c) *Environmental Remediation*. Lessee will promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release caused by Lessee is remediated and that any violation of any applicable Environmental Laws or environmental provision of this Lease is corrected. Lessee will remediate, at Lessee's sole expense, any Hazardous Substance Release for which Lessee is responsible under this Lease. Lessee will also remediate any Hazardous Substance Release for which it is responsible under this Lease on any other impacted property or bodies of water. The obligations of Lessee under this Section 10.6(c) are subject to the limitations on Lessee's liability set forth in Section 10.6(b).

(d) *Report to Lessor*. Within 30 days following completion of any investigatory, containment, remediation, or removal action required by this Lease, Lessee will provide Lessor with a written report outlining, in detail, what has been done and the results thereof.

(e) *Lessor's Approval Rights*. Except in the case of an emergency or an agency order requiring immediate action, Lessee will give Lessor advance notice before beginning any investigatory, remediation, or removal procedures. Lessor will have the right to approve or disapprove the proposed investigatory, remediation, or removal procedures and the company or companies and individuals conducting the procedures that are required by this Lease or by applicable Environmental Laws, whether on the Property, Premises, or any affected property or water. Lessor will have the right to require Lessee to contract for and fund oversight by any governmental agency with jurisdiction over any investigatory, containment, removal, remediation, and restoration activities and to require Lessee to seek and obtain a determination of no further action or an equivalent completion-of-work statement from the governmental agency.

10.7 **Notice to Lessor.** Lessee will immediately notify Lessor upon becoming aware of: (a) a violation or alleged violation of any Environmental Law; (b) any leak, spill, release, or disposal of a Hazardous Substance on, under, or adjacent to the Property or Premises or threat of or reasonable suspicion of any of the same; and (c) any notice or communication to or from a governmental agency or any other person directed to Lessee or any other person relating to such Hazardous Substances on, under, or adjacent to the Property or Premises or any violation or alleged violation of, or noncompliance or alleged noncompliance with, any Environmental Laws with respect to the Property or Premises.

10.8 **Certification.** Not later than 30 days after receipt of written request from Lessor, Lessee will provide a written certification to Lessor, signed by Lessee, that certifies that Lessee has not received any notice from any governmental agency regarding a violation of or noncompliance with any Environmental Law; or, if such a notice was received, Lessee will explain the reason for the notice, explain what has been done to remedy the problem, and attach a copy of the notice. Lessee will also certify that Lessee has obtained and has in force all permits required under Environmental Law. Lessee will make copies of all such permits available to Lessor upon request.

Article 11
LESSEE DEFAULT

11.1 **Events of Default.** The following will constitute an "Event of Default" if not cured within the applicable cure period as set forth below:

(a) *Default in Rent*. Failure of Lessee to pay any Rent or other charge within 10 days after written notice from Lessor.

(b) *Default in Other Covenants*. Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other charges) within 30 days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, Lessee will be in compliance with this provision if Lessee begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

(c) *Insolvency*. An assignment by Lessee for the benefit of creditors; filing by Lessee of a voluntary petition in bankruptcy; adjudication that Lessee is bankrupt or the appointment of receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within 90 days after filing; or attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within 30 days.

11.2 **Remedies on Default.** If an Event of Default occurs, Lessor, at Lessor's sole option, may terminate this Lease by notice, in writing, in accordance with Section 16.9. The notice may be given before or within any of the above-referenced cure periods or grace periods for default and may be included in a notice of failure of compliance, but the termination will be effective only on the expiration of the above-referenced cure periods or grace periods. If the Premises is abandoned by Lessee in connection with a default, termination may be automatic and without notice, at Lessor's sole option.

11.3. **Termination and Damages** If this Lease is terminated, Lessor will be entitled to recover promptly, without waiting until the due date, any past due Rent together with future Rent that would otherwise become due and owing up to and through the date fixed for expiration of the Lease Term; any damages suffered by Lessor as a result of the Event of Default, including without limitation all obligations of Lessee; and the reasonable costs of reentry and reletting the Premises, including without limitation, the cost of any cleanup, refurbishing, removal of Lessee's Personal Property including fixtures, or any other expense occasioned by Lessee's failure to quit the Premises upon termination and to leave them in the condition required at the expiration of this Lease, any remodeling costs, reasonable attorney fees, court costs, broker commissions, and advertising costs. Lessor will have no obligation to mitigate damages except as required by Michigan law at the time of termination.

11.4 **Reentry after Termination** If the Lease is terminated or abandoned for any reason, Lessee's liability for damages will survive the termination, and the rights and obligations of the Parties will be as follows: (a) Lessee will vacate the Premises immediately; remove any Personal Property of Lessee, including any fixtures that Lessee is required to remove at the end of the Lease Term; perform any cleanup, alterations, or other work necessary to leave the Premises in the condition required at the end of the term; and deliver all keys to Lessor. (b) Lessor may reenter, take possession of the Premises, and remove any persons or Personal Property by legal action or by self-help with the use of reasonable force and without liability for damages.

11.5 **Reletting.** Following termination, reentry, or abandonment, Lessor may relet the Premises and in that connection may: (a) make any suitable alterations, refurbish the Premises, or both, or change the character or use of the Premises, but Lessor will not be required to relet for any use or purpose (other than that specified in the Lease) that Lessor may reasonably consider injurious to the Premises, or to any Lessee that Lessor may reasonably consider objectionable; or (b) relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other commercially reasonable rent concession.

11.6 **Right to Sue More Than Once.** In an Event of Default, Lessor may elect to continue this Lease and to sue periodically to recover damages, and no action for damages will bar a later action for damages subsequently accruing.

11.7 **Equitable Relief.** Lessor may seek injunctive relief or an order of specific performance from any court of competent jurisdiction requiring that Lessee perform its obligations under this Lease.

11.8 **No Waiver of Default.** No failure by Lessor to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of partial Rent during the continuance of any breach, will constitute a waiver of the breach or of the agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, will be waived, altered, or modified except by a written instrument executed by Lessor. No waiver of any breach will affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach.

11.9 **Remedies Cumulative and Nonexclusive.** Each right and remedy of Lessor contained in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity, including without limitation suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Lessor of any such rights or remedies will not preclude the simultaneous or later exercise by Lessor of any other such rights or remedies. All such rights and remedies are nonexclusive.

11.10 **Curing Lessee's Default.** If Lessee fails to perform any of Lessee's obligations under this Lease, Lessor, without waiving the failure, may (but will not be obligated to) perform the same for the account of and at the expense of Lessee (using Lessor's own funds, when required), after the expiration of the applicable cure period set forth in Section 11.1(b), or sooner in the case of an emergency. Lessor will not be liable to Lessee for any claim for damages resulting from such action by Lessor. Lessee agrees to reimburse Lessor, on demand, for any amounts Lessor spends in curing Lessee's Default. Any sums to be so reimbursed will bear interest at the Delinquency Rate.

Article 12
LESSOR DEFAULT

12.1 **Breach by Lessor**

(a) *Notice of Breach.* Lessor will not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Section 12.1(a), a reasonable time will in no event be less than 20 days after receipt by Lessor, and any Lender whose name and address have been furnished to Lessee in writing for such purpose, of written notice specifying what obligation of Lessor has not been performed; however, a Lessor event of default will not occur if Lessor's performance is commenced within the 20-day period and thereafter diligently pursued to completion.

(b) *No Self-Help.* In the event that neither Lessor nor any Lender of Lessor cures any breach within the applicable cure period, Lessee will be entitled to seek any of the remedies provided in Section 12.1(c) but will not be entitled to take self-help action.

(c) *Remedies in the Event of a Lessor Default.* If an uncured event of default is committed by Lessor, Lessee will be entitled to any remedies available at law or in equity for

breach of lease; however, damages will be limited to Lessor's interest in the Property unless caused by the gross negligence or intentional acts of the Lessor, its employees, agents, contractors or invitees.

Article 13
INDEMNITIES AND REIMBURSEMENT

13.1 **General Indemnity.** Each Party agrees to defend (using legal counsel reasonably acceptable to Lessor, taking into account insurance defense requirements), indemnify, and hold harmless the other Party from and against any and all actual or alleged claims, damages, expenses, costs, fees (including but not limited to attorney, accountant, paralegal, expert, and escrow fees), fines, liabilities, losses, penalties, proceedings, and/or suits (collectively "Costs") that may be imposed on or claimed against such Party, in whole or in part, directly or indirectly, arising from or in any way connected with (a) any act, omission, or negligence by the other Party or its partners, officers, directors, members, managers, agents, employees, invitees, or contractors; (b) any use, occupation, management, or control of the Premises or Property by indemnifying Party, whether or not due to such Party's own act or omission; (c) any condition created in or about the Premises or Property by the indemnifying Party, including any accident, injury, or damage occurring on or about the Premises or Property during this Lease as a result of indemnifying Party's use thereof; (d) any breach, violation, or nonperformance of any of indemnifying Party's obligations under this Lease; or (e) any damage caused on or to the Premises or Property by Lessee's use or occupancy thereof.

13.2 **Reimbursement for Damages.** Lessee will fully compensate Lessor for harm to the Property caused by the acts or omissions of Lessee. This compensation will include reimbursement to Lessor for any diminution in value of or lost revenue from the Premises or other areas of the Property or adjacent or nearby property caused by a Hazardous Substance Release, including damages for loss of, or restriction on use of, rentable or usable property or of any amenity of the Premises or Property, including without limitation damages arising from any adverse impact on the leasing or sale of the Premises or Property as a result thereof.

13.3 **Survival.** This Article 13 will survive the termination of this Lease with respect to all matters arising or occurring before surrender of the Premises by Lessee.

Article 14
ASSIGNMENT AND ESTOPPELS

14.1 **Consent Required.** This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor, which consent may not be unreasonably, withheld or delayed. An assignment or sublet to an entity owned or controlled by, or under common ownership with, Lessee shall not be considered a transfer under this Section 14.1. If Lessee proposes to assign or otherwise transfer this Lease in connection with selling all or substantially all of Lessee's assets, or if GR Michigan, LLC, a Michigan limited liability company ("GR"), proposes to sell all of its ownership interests in Lessee (if acquired pursuant to that certain Option to Purchase Controlling Interest, dated on or about the Effective Date, among GR and the members of Lessee (the "Option Agreement") and the other agreements and documents contemplated thereby) to an unrelated third party, then, in either such case, (a) such sale shall constitute a transfer under this Section 14.1, (b) Lessor may withhold its consent to such transfer for any or no reason, and (c) if Lessor so withholds

its consent, Lessee shall have the right to exercise the Purchase Option under and pursuant to Section 16.30 and the Purchase Price in such sale of the Premises to Lessee upon exercising the Purchase Option shall, notwithstanding anything in Section 16.30 to the contrary, be $2,000,000.

14.2 **Estoppel Certificate.** Each Party agrees to execute and deliver to the other, at any time and within 10 days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) whether the other Party is in default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such default; and (d) whether any event has occurred that, with the giving of notice, the passage of time, or both, would constitute a default and, if so, specifying the nature of each such event. Each Party will also include any other information concerning this Lease as is reasonably requested. The Parties agree that any statement delivered under this Section 14.2 will be deemed a representation and warranty by the Party providing the estoppel that may be relied on by the other Party and by its potential or actual purchasers and lenders, regardless of independent investigation. If either Party fails to provide the statement within 10 days after the written request therefor, and does not request a reasonable extension of time, then that Party will be deemed to have given the statement as presented and will be deemed to have admitted the accuracy of any information contained in the request for the statement.

Article 15
CONDEMNATION

If the Premises or any interest therein is taken as a result of the exercise of the right of eminent domain or under threat thereof (a "Taking"), this Lease will terminate with regard to the portion that is taken. If either Lessee or Lessor determines that the portion of the Property or Premises taken does not feasibly permit the continuation of the operation of the facility by either the Lessee or Lessor, this Lease will terminate. The termination will be effective 30 days from the date of the Taking. Any condemnation award relating to the Property or Premises will be the property of Lessor. Lessee will not be entitled to any proceeds of any such award, except Lessee will be entitled to any compensation attributed by the condemning authority to Lessee's relocation expense, trade fixtures, or loss of business.

Article 16
GENERAL PROVISIONS

16.1 **Covenants, Conditions, and Restrictions.** This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, rights of way, and any other matters of record imposed on the Property and to any applicable land use or zoning laws or regulations.

16.2 **Nonwaiver.** Waiver by either Party of strict performance of any provision of this Lease will not be a waiver of or prejudice the Party's right to require strict performance of the same provision in the future or of any other provision.

16.3 **Attorney Fees.** If any suit, action, or other proceeding (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing Party will be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs,

and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. Payment of all such fees also applies to any administrative proceeding, petition for review, trial, and appeal. Whenever this Lease requires one Party to defend the other Party, the defense will be by legal counsel reasonably acceptable to the Party to be defended, understanding that claims are often covered by insurance with the insurance carrier designating the defense counsel.

16.4 **Time of Essence.** Time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

16.5 **No Warranties or Guarantees.** Lessor makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises or Property, or suitability of the Premises or Property for Lessee's use. Lessor will not be responsible for any loss, damage, or costs that may be incurred by Lessee by reason of any such condition.

16.6 **No Implied Warranty.** In no event will any approval, consent, acquiescence, or authorization by Lessor be deemed a warranty, representation, or covenant by Lessor that the matter approved, consented to, acquiesced in, or authorized is appropriate, suitable, practical, safe, or in compliance with any applicable law or this Lease. Lessee will be solely responsible for such matters, and Lessor will have no liability therefor.

16.7 **Construction.** In construing this Lease, all headings and titles are for the convenience of the Parties only and are not considered a part of this Lease. Whenever required by the context, the singular includes the plural and vice versa.

16.8 **Lessor Consent or Action.** If this Lease is silent on the standard for any consent, approval, determination, or similar discretionary action, the standard is the sole discretion of Lessor, rather than any standard of implied good faith or reasonableness.

16.9 **Notices.** All notices required under this Lease will be deemed to be properly served when actually received or on the third Business Day (defined in Section 16.17) after mailing, if sent by certified mail, return receipt requested, to the last address previously furnished by the Parties hereto in accordance with the requirements of this Section 16.9. Until hereafter changed by the Parties by notice in writing, sent in accordance with this Section 16.9, notices must be sent to the following addresses:

If to Lessor:
David Pleitner, LLC
3613 Bobcat Court
Midland, MI 48642

If to Lessee:
Golden Harvests, LLC
333 Morton St
Bay City, MI 48706

With email copy sent to obie@grownrogue.com.

The addresses to which notices are to be delivered may be changed by giving notice of the change in address in accordance with this Notice provision.

16.10 **Governing Law.** This Lease is governed by and will be construed according to the laws of the State of Michigan, without regard to its choice-of-law provisions. Any dispute arising out of or related to this Lease shall be resolved by binding arbitration in Bay County, in front of a single arbitrator (who must be a member in good standing of the Michigan State Bar with no fewer than 10 years' experience as a licensed attorney), in accordance with such arbitrator's rules.

16.11 **Survival.** Any covenant or condition (including, but not limited to, environmental obligations and all indemnification agreements) set forth in this Lease, the full performance of which is not specifically required before the expiration or earlier termination of this Lease, and any covenant or condition that by its terms is to survive, will survive the expiration or earlier termination of this Lease and will remain fully enforceable thereafter.

16.12 **Partial Invalidity.** If any provision of this Lease is held to be unenforceable or invalid, it will be adjusted rather than voided, if possible, to achieve the intent of the Parties to the extent possible. In any event, all the other provisions of this Lease will be deemed valid and enforceable to the fullest extent.

16.13 **Modification.** This Lease may not be modified except by a writing signed by the Parties.

16.14 **Successors.** The rights, liabilities, and remedies provided in this Lease will extend to the heirs, legal representatives, and, as far as the terms of this Lease permit, successors and assigns of the Parties. The words "Lessor," "Lessee," and their accompanying verbs or pronouns, whenever used in the Lease, apply equally to all persons, firms, or corporations that may be or become parties to this Lease.

16.15 **Limitation on Liability.** The obligations under this Lease do not constitute any personal obligation of Lessor or any of its owners, members, partners, shareholders, officers, directors, or employees, and Lessee has no recourse against any of them. Except when damages are caused by Lessor's gross negligence or willful misconduct, liability under this Lease is strictly limited to whatever interest Lessor holds in the Premises, subject to and subordinate to any rights of the lenders or secured creditors of Lessor.

16.16 **No Light or View Easement.** The reduction or elimination of Lessee's light or view will not affect Lessee's obligations under this Lease, nor will it create any liability of Lessor to Lessee.

16.17 **Calculation of Time.** Unless referred to in this Lease as Business Days, all periods of time referred to in this Lease include Saturdays, Sundays, and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday, or Legal Holiday, then the period extends to include the next day that is not a Saturday, Sunday, or Legal Holiday. "Legal Holiday" means any holiday observed by the federal government. "Business Day" means any day Monday through Friday, excluding Legal Holidays.

16.18 **Exhibits Incorporated by Reference.** All exhibits attached to this Lease are incorporated by reference herein.

16.19 **Brokers.** Lessee and Lessor each represent to one another that they have not dealt with any leasing agent or broker in connection with this Lease, and each agrees to indemnify and hold harmless the other from and against all damages, costs, and expenses (including attorney, accountant, and paralegal fees) arising in connection with any claim of an agent or broker alleging to have been retained by the other in connection with this Lease.

16.20 **Interpretation of Lease; Status of Parties.** This Lease is the result of arms-length negotiations between Lessor and Lessee and will not be construed against either Party by reason of that Party having, in whole or in part, prepared this Lease. Nothing contained in this Lease will be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar relationship, between the Parties hereto.

16.21 **No Recordation of Lease.** This Lease will not be recorded.

16.22 **Force Majeure.** The time for performance of any of Lessee's or Lessor's obligations hereunder will be extended for a period equal to any hindrance, delay, or suspension in the performance of that Party's obligations, beyond the Party's reasonable control and directly impacting the Party's ability to perform, caused by any of the following events: unusually severe acts of nature, including floods, earthquakes, hurricanes, and other extraordinary weather conditions; civil riots, war, terrorism, or invasion; any delay occurring in receiving approvals or consents from any governmental authority, including but not limited to EGLE or other agency review of environmental reports (as long as an application for the approval or consent was timely filed and thereafter diligently pursued); major fire or other major unforeseen casualty; labor strike that precludes the Party's performance of the work in progress; or extraordinary and unanticipated shortages of materials (each a "Force Majeure Event"). Lack of funds or willful or negligent acts of a Party will not constitute a Force Majeure Event. Further, it will be a condition to any extension of the time for a Party's performance hereunder that the Party notify the other Party in writing within five Business Days following the occurrence of the Force Majeure Event and diligently pursue the delayed performance as soon as is reasonably possible.

16.23 **Subordination.** Except as described under Section 16.25, this Lease is not subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device, now or hereafter placed on the Property, or to any advances made on the security thereof, or to any renewals, modifications, or extensions thereof.

16.24 **Attornment.** If Lessor transfers title to the Property, or the Property is acquired by another upon the foreclosure or termination of any security interest to which this Lease is subordinated, (a) Lessee will, subject to the nondisturbance provisions of Section 16.25, attorn to the new owner and, on request, enter into a new lease containing all the terms and provisions of

this Lease, with the new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and the new owner; and (b) Lessor will thereafter be relieved of any further obligations hereunder and the new owner will assume all of Lessor's obligations, except that the new owner will not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring before acquisition of ownership; (ii) be subject to any offsets or defenses that Lessee might have against any prior lessor; (iii) be bound by prepayment of more than one month's rent, or (iv) be liable for the return of any security deposit paid to any prior lessor but not transferred to the new Lessor.

16.25 **Nondisturbance.** With respect to any loan agreement or other security agreement entered into by Lessor after the execution of this Lease (a "Subsequent Loan"), Lessee's subordination of this Lease will be subject to Lessee's receipt of a commercially reasonable nondisturbance agreement (a "Nondisturbance Agreement") from the lender of the Subsequent Loan that provides that Lessee's possession of the Premises, including any options to extend the term hereof, will not be disturbed as long as Lessee is not in default of this lease and attorns to the record owner of the Premises.

16.26 **Capacity to Execute; Mutual Representations** Lessor and Lessee each warrant and represent to one another that this Lease constitutes a legal, valid, and binding obligation of that Party. Without limiting the generality of the foregoing, the individuals executing this Lease each warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

16.27 **Entire Agreement.** This Lease, together with all exhibits attached hereto and by this reference incorporated herein, constitutes the entire agreement between Lessor and Lessee with respect to the leasing of the Premises.

16.28 **Counterparts.** This Lease may be executed in one or more counterparts.

16.29 **Waiver of Illegality Defense**. Each Party agrees that this Lease's invalidity for public policy reasons and/or its violation of federal cannabis laws is not a valid defense to any dispute or claim arising out of this Lease. Each Party expressly waives the right to present any defense related to the federal illegality of cannabis and agrees that such defense shall not be asserted, and will not apply, in any dispute or claim arising out of this Lease.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Lease to be effective as of the Effective Date.

LESSOR:

David Pleitner, LLC

By: /s/ David Pleitner
Name: David Pleitner
Title: Sole Member

LESSEE:

Golden Harvests, LLC

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

EXHIBIT A
Legal Description

Exhibit 4.20

DEBT SETTLEMENT AGREEMENT

THIS AGREEMENT is made effective as of the 20th day of June, 2022.

BETWEEN:

2766923 ONTARIO INC.
(hereinafter referred to as the "**Creditor**")

- and -

GROWN ROGUE INTERNATIONAL INC.
(hereinafter referred to as the "**Corporation**")

WHEREAS as at the date hereof, the Corporation owes the Creditor Usd. $700,000, representing the balance of all amounts owing under an unsecured promissory note (the "**Promissory Note**") dated September 9, 2021 (the "**Indebtedness**");

AND WHEREAS pursuant to a debt assignment agreement (the "**Debt Assignment Agreement**") dated June 20, 2022, the Creditor was assigned all right, title and interest in and to the Promissory Note;

AND WHEREAS the Corporation has requested that the Creditor accept Common Shares (as defined herein) in satisfaction in full of all of the Indebtedness as outlined herein,

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and agreements herein contained, it is mutually declared, covenanted and agreed by and between the parties as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

(a) "**Applicable Law**" means all applicable provisions of laws, statutes, rules, regulations, ordinances, official directives, treaties and orders of all governmental bodies (including those of constitutional, federal, provincial, state, local, municipal, foreign, international, and multinational origins) and judgments, orders and decrees of all courts, arbitrators, commissions, administrative tribunals, or bodies exercising similar functions (including the principles of common law resulting therefrom);

(b) "**Party**" means a party to this Agreement;

(c) "**Person**" means any individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative, unincorporated organization, union, or governmental body; and

(d) "**this Agreement**", "**herein**", "**hereto**", "**hereof**" and similar expressions mean and refer to this Debt Settlement Agreement.

1.2 Headings

The expressions "Article", "Section", "Subsection", "Clause", "Subclause" and "Paragraph" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause and paragraph of or to this Agreement.

1.3 Interpretation Not Affected By Headings

The division of this Agreement into Articles, Sections, Subsections, Clauses, Subclauses and Paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Party Drafting Agreement

The Parties hereto acknowledge that they have reviewed and participated in settling the terms of this Agreement, and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

ARTICLE 2
DELIVERIES

2.1 Corporation Agreements and Deliveries

In consideration of the Corporation agreeing to sell, transfer and assign to the Creditor an aggregate of 2,362,204 common shares of Plant-Based Investment Corp. (the "**PBIC Shares**"), a publicly traded company listed for trading on the Canadian Securities Exchange under the symbol "PBIC", the Creditor hereby agrees to accept the aforementioned PBIC Shares at a price of Cdn. $0.12 per share, the last quoted market price, for a total consideration of Cdn. $283,464.48 against the Indebtedness. It is hereby acknowledged by the Creditor that, upon delivery of the foregoing PBIC Shares, the Creditor shall forgive the remaining balance of the Indebtedness and the Corporation and its subsidiaries shall have no remaining liabilities or obligations of any kind in respect of the Indebtedness under the Promissory Note and the Promissory Note shall terminate and be fully discharged and cancelled forthwith.

ARTICLE 3
RELEASE

3.1 Release

Subject to receipt of the PBIC Shares, the Creditor hereby severally remises, releases and forever discharges the Corporation and its subsidiaries, and each of the irrespective directors, officers, employees, agents, successors and assigns, of and from any and all manner of actions, causes of actions, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments, rights and demands of any kind whatsoever, both in law and in equity (collectively referred to herein as "**Claims**") which the Creditor ever had, now has, or can, shall or may in the future have had or have against the Corporation for any matter whatsoever existing up to or on the date hereof with respect to the Indebtedness under the Promissory Note.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 General Conditions

The respective obligations of the parties hereto to consummate the transactions contemplated hereby are subject to the receipt of all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall from the Persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably. Such condition may be waived by mutual consent of the Parties.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, and covenants to the Creditor, and acknowledges that the Creditor is relying upon such representations, warranties, and covenants in entering into this Agreement, that:

(a) it is a company governed by the laws of the Province of Ontario;

(b) the Corporation has full power and authority to enter into this Agreement and to perform the same and do all other acts which may be necessary to consummate the transactions contemplated hereby;

(c) the execution and delivery of this Agreement are within the corporate power and authority of the Corporation and have been duly authorized by all necessary corporate action and this Agreement constitutes a valid and binding obligation of the Corporation enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

(d) the PBIC Shares are owned by the Corporation as owner of record with good and marketable title thereto, free and clear of all mortgages, liens, charges, security interest, adverse claims, pledges, encumbrances and demands whatsoever;

(e) no person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase from the Corporation of any of the PBIC Shares; and

(f) the Corporation is entitled to sell, transfer and assign the PBIC Shares to the Creditor in accordance herewith.

5.2 Representations, Warranties and Covenants of the Creditor

The Creditor represents, warrants and covenants to the Corporation, and acknowledges that the Corporation is relying on such representations, warranties and covenants in entering into this Agreement, that:

(a) the Creditor has full power and authority to enter into this Agreement and to perform the same and do all other acts which may be necessary to consummate the transactions contemplated hereby;

(b) the execution and delivery of this Agreement are within the power and authority of the Creditor and have been duly authorized by all necessary action and this Agreement constitutes a valid and binding obligation of the Creditor enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

(c) the Creditor is at the time of entering into this Agreement the beneficial owner of the Indebtedness, which represents a bona fide debt of the Corporation, with good and marketable title thereto free and clear of all liens, charges, security interest and other encumbrances whatsoever;

(d) the Indebtedness constitutes the entire outstanding indebtedness of the Corporation to the Creditor under the Promissory Note as at the date hereof;

(e) the Creditor has no claims or potential claims against the Corporation on account of any matter whatsoever, other than the Indebtedness; and

(f) subject to the terms and conditions set forth herein, the release contained in Section 3.1 hereof will be fully enforceable by the Corporation against the Creditor.

All of the representations, warranties and covenants shall survive the closing of the sale, transfer and assignment of the PBIC Shares hereunder.

ARTICLE 6
CLOSING

6.1 Closing

The Parties agree that the sale, transfer and assignment of the PBIC Shares in accordance with this Agreement shall occur at a time and place that is mutually satisfactory to the Parties and shall forthwith occur as soon as practicable.

ARTICLE 7
GENERAL

7.1 Further Assurances

Each Party will, from time to time, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

7.2 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

7.3 Currency

All dollar amounts expressed herein refer to the lawful currency of the United States.

7.4 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated as a contract made in the Province of Ontario. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Ontario and courts of appeal therefrom in respect of all matters arising out of this Agreement.

7.5 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, heirs, trustees, receivers, successors and permitted assigns.

7.6 Severance

In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this Agreement shall nevertheless remain in full force and effect.

7.7 Time Of Essence

Time shall be of the essence in this Agreement.

7.8 Counterpart Execution

This Agreement may be executed in counterpart, no one copy of which need be executed by all parties. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by each of the Parties.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Parties have executed and delivered this Agreement as of the date first above written.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Chief Executive Officer

2766923 ONTARIO INC.

Per: /s/ Cameron Wickham
Name: Cameron Wickham
Title: Chief Executive Officer

Exhibit 4.21

THE SECURITIES TO WHICH THIS PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE, AND WILL BE ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

GROWN ROGUE INTERNATIONAL INC.
(the "**Issuer**")

CONVERTIBLE DEBENTURE

SUBSCRIPTION AGREEMENT

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for a convertible debenture of the Issuer (the "**Debenture**") having an aggregate principal amount set forth on page 3 (the "**Original Principal Amount**") and bearing interest at 9% quarterly per calendar year, maturing 36 months from the day of Closing (as defined herein). The entire amount of principal owing under the Debenture is convertible at any time while any principal amount remains outstanding into common shares of the Issuer (each, a "**Share**") at a price equal to C$0.20 per Share (as may be adjusted in accordance with the terms of the Debenture), all upon and subject to the terms and conditions set forth in Schedule A attached hereto. The Subscriber shall receive one half of one warrant (each whole warrant, a "**Warrant**", and together with the Debenture, the "**Purchased Securities**") for each C$0.20 of the Original Principal Amount purchased with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.25 per Share (as may be adjusted in accordance with the terms of the Warrant). The Warrants are exercisable for a period of three years from the date of Closing, subject to the terms and conditions set forth in Schedule A, provided that if, at any time following Closing the common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Canadian Securities Exchange (the "**Exchange**"), the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided. The number of Warrants shall be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada.

The offering of the Purchased Securities (the "**Offering**") shall further have, and the Offering shall further be conducted on, the terms and conditions specified in Schedules A and B hereto. The Purchased Securities will be offered in Canada, in the United States and in such other jurisdictions outside of Canada and the United States as the Issuer may determine, pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. Unless otherwise indicated, all monetary references are in Canadian Dollars.

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION PRIOR TO DELIVERY TO THE ISSUER

1. The subscriber (the "**Subscriber**") must complete the information required on page 3 with respect to subscription amounts, subscriber details and registration and delivery particulars. Subscribers who are not purchasing as principal (or deemed under applicable securities laws to be purchasing as principal) must disclose the identity of the Disclosed Principal (as hereafter defined) on page 3.

2. The Subscriber must complete, for itself and any Disclosed Principal, the personal information required on page 4. The Subscriber acknowledges and agrees that this information may be provided to the Exchange and the applicable securities regulatory authorities, as applicable.

3. The Subscriber, for itself and any Disclosed Principal, must complete the applicable forms (the "**Forms**") at the end of Schedule B:

   (a) All Subscribers resident in Canada must complete **Form 1** – **"Certificate for Exemption"**, and:

      (i) if an individual and in Form 1 have indicated they are an "accredited investor" pursuant to section (j), (k) or (l) of the definition of "accredited investor" in National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"), the Subscriber must also complete **Form 1A – "*Form 45-106F9: Form for Individual Accredited Investors*"**

      (ii) if resident in Saskatchewan and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1B – *"Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates"***

(iii) if resident in Ontario and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1C – "*Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors*"**

(b) All Subscribers who are U.S. Purchasers (as defined in Schedule A, section 1.1) must complete **Form 2 – "Certificate of U.S. Accredited Investor Status"**.

4. Return this subscription, together with all applicable Forms, to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

TO: GROWN ROGUE INTERNATIONAL INC.

1. The Subscriber irrevocably subscribes for and agrees to purchase from the Issuer

(a) a Debenture with an Original Principal Amount of: US$800,000 and

(b) 2,686,600 Warrants (to be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada)

2. The Subscriber and the Issuer agree that the Purchased Securities shall have, and the Offering thereof shall be conducted on, the terms and conditions specified in Schedules A and B hereto. The Subscriber hereby makes the representations, warranties, acknowledgments and agreements set out in Schedules A and B hereto and in all applicable Forms, and acknowledges and agrees that the Issuer and its counsel, will and can rely on such representations, warranties, acknowledgments and agreements should this subscription be accepted by the Issuer.

3. Identity of and execution by Subscriber:

BOX A: SUBSCRIBER INFORMATION AND EXECUTION		
Mindset Value Fund (name of subscriber)		
30 West Mission Street #8, Santa Barbara, CA 93101 (address – include city, province and postal code)		
805.284.2090 (telephone number)	aaron@mindsetcapital.com (email address)	X /s/ Aaron Edelheit (signature of subscriber/authorized signatory) Aaron Edelheit, CEO (if applicable, print name of signatory and office)

Execution hereof by the Subscriber shall constitute an offer and agreement to subscribe for the Purchased Securities for such total subscription price as set out in Item 1 above pursuant to the provisions of Item 2 above, and acceptance by the Issuer shall effect a legal, valid and binding agreement between the Issuer and the Subscriber. This subscription may be executed and delivered in counterparts and by facsimile, and shall be deemed to bear the date of acceptance below.

4. If the Purchased Securities are to be registered other than as set out in Box A, the Subscriber directs the Issuer to register and deliver the Purchased as follows:

BOX B: ALTERNATE REGISTRATION INSTRUCTIONS
(name of registered holder)
(address of registered holder – include city, province and postal code)
(registered holder: contact name, contact telephone number and contact email address)

5. If the Purchased Securities are to be delivered other than as set out in Box A (or if completed, Box B), the Subscriber directs the Issuer to deliver the Purchased Securities as follows:

BOX C: ALTERNATE DELIVERY INSTRUCTIONS
(name of recipient)
(address of recipient – include city, province and postal code)
(recipient: contact name, contact telephone number and contact email address)

6. If the Subscriber is purchasing as agent for a principal, and is not a trust company or trust corporation purchasing as trustee or agent for accounts fully managed by it or is not a person acting on behalf of an account fully managed by it (and in each such case satisfying the criteria set forth in NI 45-106), complete Box D below and provide as a separate attachment the personal information required on page 4 and all applicable Forms on behalf of such principal (a "**Disclosed Principal**"):

BOX D: IDENTIFICATION OF PRINCIPAL
(name of Disclosed Principal)
(address of Disclosed Principal – include city, province and postal code)
(Disclosed Principal: contact name, contact telephone number and contact email address)

ACCEPTANCE

The Issuer hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

This subscription is accepted and agreed to by the Issuer as of the ____ day of 12/2/2022, 2022.

)
)
)
)

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
Authorized Signatory

PERSONAL INFORMATION

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercise control or direction over (provide additional details as applicable):

   ☐ _____ common shares of the Issuer and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Issuer:

   _____

   _____

   ☒ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status.** The Subscriber either:

   ☐ Is an "Insider" of the Issuer as defined in the *Securities Act* (Ontario), by virtue of being:

   (a) a director or an officer of the Issuer;

   (b) a director or an officer of a person that is an Insider or subsidiary of the Issuer;

   (c) a person that has

   (i) beneficial ownership of, or control or direction over, directly or indirectly, or

   (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

   securities of the Issuer carrying more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

   ☒ Is not an Insider of the Issuer.

3. **Registrant Status.** The Subscriber either:

   ☐ Is a "Registrant" by virtue of being a person registered or required to be registered under the *Securities Act* (Ontario) or other applicable securities laws; or

   ☒ Is not a Registrant.

   "**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to the applicable securities laws, or a person (as that term is defined herein) registered or otherwise required to be registered under applicable securities laws.

SCHEDULE A

1. Interpretation

1.1 Unless the context otherwise requires, reference in this subscription to:

(a) "**Agreement**" means this subscription agreement, including all schedules, forms and other attachments attached thereto;

(b) "**Applicable Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders and notices of, the applicable securities regulatory authority or authorities of the applicable jurisdiction or jurisdictions as the case may be;

(c) "**Business Day**" means a day which is not a Saturday, Sunday, or civic or statutory holiday on which Canadian chartered banks are open for the transaction of regular business in the city of Toronto, Ontario;

(d) "**Closing**" refers to the completion of the purchase and sale of the Purchased Securities, and if the purchase and sale occurs in two or more tranches, the respective completion of the purchase and sale of Purchased Securities shall be the "Closing" in respect of those Purchased Securities;

(e) "**Closing Time**" means the time of Closing;

(f) "**Debenture**" has the meaning set out in the cover page to this Agreement;

(g) "**Exchange**" means the Canadian Securities Exchange;

(h) "**Exemptions**" has the meaning set out in section 3.1 of this Schedule A;

(i) "**Forms**" has the meaning set out in the cover page to this Agreement;

(j) "**NI 45-102**" and "**NI 45-106**" refer to National Instrument 45-102 *Resale of Securities* and National Instrument 45-106 *Prospectus Exemptions*, respectively, of the Canadian Securities Administrators;

(k) "**Offering**" has the meaning set out in the cover page to this Agreement;

(l) "**Original Principal Amount**" has the meaning set out in the cover page to this Agreement;

(m) "**Public Record**" refers to all public information which has been filed by the Issuer pursuant to Applicable Securities Laws;

(n) "**Purchased Securities**" has the meaning set out in the cover page to this Agreement;

(o) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(p) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(q) "**Selling Jurisdictions**" means Canada, the United States and such other jurisdictions outside of Canada and the United States where the Issuer may conduct the Offering;

(r) "**Share**" has the meaning set out in the cover page to this Agreement;

(s) "**Subscriber**" has the meaning set out in the cover page to this Agreement;

(t) "**subscription**" or "**subscription agreement**" means this subscription agreement and includes all schedules hereto and the Forms;

(u) "**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S; and for greater certainty, "U.S. Person" includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose

of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person;

(v) "**U.S. Purchaser**" means a Subscriber that (i) has been offered the Purchased Securities in the United States, (ii) executed this subscription agreement or otherwise placed its purchase order for the Purchased Securities in the United States, or (iii) is, or is acting on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.

(w) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

(x) "**Warrant**" has the meaning set out in the cover page to this Agreement; and

(y) "**Warrant Share**" has the meaning set out in section 2.1 of this Schedule A.

1.1 In the subscription, the terms "**designated offshore securities market**", "**directed selling efforts**", "**foreign issuer**" and "**United States**" have the meanings prescribed in Regulation S.

1.2 Unless otherwise stated, all dollar figures herein expressed are in Canadian Dollars.

1.3 References imputing the singular shall include the plural and vice versa; references imputing individuals shall include corporations, partnerships, societies, associations, trusts and other artificial constructs and vice versa; and references imputing gender shall include the opposite gender.

1.4 **For greater certainty, the parties hereby acknowledge and agree that, if the Subscriber is acting as agent or trustee on behalf of a Disclosed Principal, the words "Subscriber", "it" and "its" mean the Subscriber and the Disclosed Principal, unless the context otherwise requires.**

2. <u>Description of Offering and Purchased Securities</u>

2.1 Subject to any approval and consent (the "**Approval**") that may be required by the Exchange, the Subscriber hereby irrevocably subscribes for and agrees to purchase from the Issuer, subject to the terms and conditions set forth herein, a Debenture in the Original Principal Amount set out above (the "**Subscription Price**") which is tendered herewith. Subject to the terms hereof, this Agreement will be effective when executed by all the parties to it. Subject to the approval of the Issuer and satisfaction of all conditions, the Subscriber agrees to complete the Closing within ten days from the date of this Agreement. This subscription is part of an offering by the Issuer of Debentures with principal amounts, totalling in the aggregate, of up to US$2,000,000, subject to adjustment in accordance with the terms of this Agreement.

2.2 The Subscriber (and any Disclosed Principal) and the Issuer acknowledge and agree that the Debenture will be duly and validly created and issued pursuant to a definitive certificate (the "**Debenture Certificate**") governing the terms of issue of the Debenture and the conversion of the same, which Debenture Certificate shall include the following terms:

(a) Repayment of the outstanding Original Principal Amount, together with interest accrued but unpaid, will be made on or prior to 5:00 p.m. (Toronto time) on the date that is 36 months from the Issue Date (the "**Maturity Date**").

(b) The Debenture will bear interest from the date of issue (the "**Issue Date**") at 9% per calendar year, and payable quarterly in cash.

(c) The Original Principal Amount of the Debenture is convertible by the Debenture holder into Shares at any time while any Original Principal Amount is outstanding, at a conversion price equal to C$0.20 per Share, subject to any adjustment as set out in the Debenture certificate (the "**Conversion Price**").

2.3 The Subscriber shall receive one half of one Warrant for each C$0.20 Original Principal Amount with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.25 per Share. The Warrants are exercisable for a period of three years from the date of Closing, provided that if, at any time following Closing the

common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange, the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided.

2.4 The Issuer is offering the Purchased Securities in the Selling Jurisdictions. The Issuer may, in its discretion, increase the size of the Offering and/or offer or sell additional securities concurrently with the Offering and/or the Issuer may, in the future in its sole discretion and without notice to the Subscriber, offer or sell additional securities. The Offering is not subject to any minimum aggregate offering and there can be no assurances that the Issuer will raise sufficient funds, through the Offering or otherwise, to meet its objectives.

3. Eligibility and Subscription Matters

3.1 The Offering is being made pursuant to exemptions (the "**Exemptions**") from the registration and prospectus requirements of the Applicable Securities Laws. The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, acknowledgments and agreements of the Subscriber contained in this Agreement both at the date hereof and at the time of Closing and otherwise provided by the Subscriber to the Issuer to determine the availability of Exemptions should this subscription be accepted.

3.2 The Offering is not, and under no circumstances is to be construed as, a public offering of the Purchased Securities. The Offering is not being made, and this subscription does not constitute, an offer to sell or the solicitation of an offer to buy the Purchased Securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

3.3 Subscribers must duly complete and execute this subscription together with all applicable Forms hereto (**please see the Instructions listed on the face page hereof**) and return them to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

3.4 Subscriptions are irrevocable subject to the right of the Issuer to terminate the Offering.

3.5 A subscription will only be effective upon its acceptance by the Issuer. Subscriptions will only be accepted if the Issuer is satisfied that, and will be subject to a condition for the benefit of the Issuer that, the Offering can lawfully be made in the jurisdiction of residence of the Subscriber pursuant to an available Exemption and that all other Applicable Securities Laws have been and will be complied with in connection with the proposed distribution. The Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional upon, among other things, the sale of the Purchased Securities to the Subscriber being exempt from any prospectus requirements of Applicable Securities Laws. This Agreement shall be deemed to be accepted only when signed by a duly authorized representative of the Issuer.

3.6 If this subscription is rejected in whole by the Issuer, any certified cheque, money order, bank draft or other form of payment delivered by the Subscriber on account of the aggregate subscription price for the Purchased Securities subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this subscription is accepted only in part by the Issuer, payment representing the amount by which the payment delivered by the Subscriber to the Issuer exceeds the subscription price of the Purchased Securities sold to the Subscriber pursuant to a partial acceptance of this subscription will be promptly delivered to the Subscriber without any interest paid on such amount.

3.7 No offering memorandum or other disclosure document has been prepared or will be delivered to the Subscriber in connection with the Offering, and the Subscriber hereby expressly acknowledges and confirms that it has not received, and has no need for, an offering memorandum or other disclosure document in connection with the Offering.

4. Closing Procedure

4.1 The Offering will be completed in one or more Closings at such time or times, on such date or dates, and at such place or places, as the Issuer may determine. At each Closing, the Issuer will deliver certificates representing the Purchased

Securities to those Subscribers whose subscriptions have been accepted, against the duly completed and executed subscriptions and applicable subscription price in respect thereof.

5. Reporting and Consent

5.1 The Subscriber expressly consents and agrees to:

(a) the Issuer collecting personal information regarding the Subscriber for the purpose of completing the transactions contemplated by this Agreement; and

(b) the Issuer releasing personal information regarding the Subscriber and this subscription, including the Subscriber's name, residential address, telephone number, email address and registration and delivery instructions, the number of Purchased Securities purchased, the number of securities of the Issuer held by the Subscriber, the status of the Subscriber as an insider or registrant, or as otherwise represented herein, and, if applicable, information regarding the beneficial ownership of the principals of the Subscriber, to securities regulatory authorities in compliance with Applicable Securities Laws, to other authorities as required by law and to the registrar and transfer agent of the Issuer for the purpose of arranging for the preparation of the certificates representing the Purchased Securities in connection with the Offering.

The purpose of the collection of the information is to ensure the Issuer and its advisers will be able to issue Purchased Securities to the Subscriber in accordance with the instructions of the Subscriber and in compliance with applicable Canadian corporate and securities laws and Canadian Securities Exchange policies, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Securities Laws and with other authorities as required by law. The Subscriber further expressly consents and agrees to the collection, use and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including the provision of all such personal information to third party service providers from time to time.

The contact information for the officer of the Issuer who can answer questions about the collection of information by the Issuer is as follows:

Name & Title:	J. Obie Strickler, President & CEO
Issuer Name:	**Grown Rogue International Inc.**
Address:	550 Airport Road, Medford, Oregon, 97504, United States
Email:	obie@grownrogue.com

5.2 The Subscriber expressly acknowledges and agrees that:

(a) the Issuer may be required to provide applicable securities regulators, or otherwise under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* of Canada, a list setting forth the identities of the purchasers of the Purchased Securities and any personal information provided by the Subscriber, and the Subscriber hereby represents and warrants that to the best of the Subscriber's knowledge, none of the funds representing the subscription proceeds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; the Subscriber hereby further covenants that it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Issuer with appropriate information in connection therewith;

(b) the Subscriber is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism ("**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations ("**UNAQTR**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea ("**UNRDPRK**"), the Regulations Implementing the United Nations Resolution on Iran ("**RIUNRI**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**") or any other similar statute;

(c) the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder pursuant to the PCMLA, the Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRI, the Zimbabwe Regulations, the Burma Regulations or any other similar statute; and

(d) it shall complete, sign and return such additional documentation as may be required from time to time under Applicable Securities Laws or any other applicable laws in connection with the Offering and this subscription.

5.3 The Subscriber authorizes the indirect collection of Personal Information (as hereinafter defined) by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 *Definitions*) and confirms that the Subscriber has been notified by the Issuer:

(a) that the Issuer will be delivering Personal Information to the securities regulatory authority or regulator;

(b) that the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it in Applicable Securities Laws;

(c) that such Personal Information is being collected for the purpose of the administration and enforcement of Applicable Securities Laws; and

(d) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as follows:

(i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: inquiries@bcsc.bc.ca;

(ii) Alberta Securities Commission, Suite 600, 250 – 5th Street, SW Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;

(iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5879, Facsimile: (306) 787-5899;

(iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;

(v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca, Public official contact regarding indirect collection of information: Inquiries Officer;

(vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Facsimile: (514) 864-6381 (For privacy requests only), Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers);

(vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street,, Suite 300 Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;

(viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;

(ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283; and

(x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187.

"**Personal Information**" means any personal information as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time and without limiting the foregoing, but for greater clarity in this Agreement, means information about an identifiable individual, including but not limited to any information about the Subscriber and, if applicable, any Disclosed Principal, and includes information provided by the Subscriber in this Agreement.

6. Resale Restrictions and Legending of Purchased Securities

6.1 The Subscriber hereby acknowledges and agrees that the Offering is being made pursuant to Exemptions and, as a result, the Purchased Securities will be subject to a number of statutory restrictions on resale and trading. Until these restrictions expire, the Subscriber will not be able to sell or trade the Purchased Securities unless the Subscriber complies with an Exemption from the prospectus and registration requirements under Applicable Securities Laws. In general, unless permitted under securities legislation, the Subscriber cannot trade the Purchased Securities in Canada before the date that is four months and a day after the date of the Closing. **See also section 6.3 below**.

6.2 The Subscriber acknowledges and agrees that:

(a) the Purchased Securities have not been and will not be registered under the U.S. Securities Act, or any State securities laws, and may not be offered and sold, directly or indirectly, to a U.S. Purchaser without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available;

(b) the Issuer has no present intention and is not obligated under any circumstances to register the Purchased Securities, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Purchaser, and in particular, the Subscriber and the Issuer further acknowledge and agree that the Issuer is hereby required to refuse to register any transfer of the Purchased Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration; and

(c) any Warrants may not be exercised in the United States or by or on behalf of any U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available.

6.3 **The foregoing discussion on hold periods and resale restrictions is a general summary only and is not intended to be comprehensive or exhaustive, or to apply in all circumstances.** Subscribers are advised to consult with their own advisers concerning their particular circumstances and the particular nature of the restrictions on transfer, the extent of the applicable hold period and the possibilities of utilizing any further Exemptions or the obtaining of a discretionary order to transfer any Purchased Securities. Subscribers are further advised against attempting to resell or transfer any Purchased Securities until they have determined that any such resale or transfer is in compliance with the requirements of all Applicable Securities Laws, including but not limited to compliance with restrictions on certain pre-trade activities and the filing with the appropriate regulatory authority of reports required upon any resale of the Purchased Securities.

6.4 In the event that any of the Purchased Securities are subject to a hold period or any other restrictions on resale and transferability, the Issuer will place a legend on the certificates representing the Purchased Securities as are required under Applicable Securities Laws, by the Exchange or as the Issuer may otherwise deem necessary or advisable.

7. Representations and Warranties of the Issuer

7.1 the Issuer is a corporation incorporated and existing under the laws of the jurisdiction in which it is incorporated;

7.2 the execution and delivery of, and performance by the Issuer of this Subscription Agreement has been authorized by all necessary corporate action on the part of the Issuer;

7.3 this Subscription Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding agreement of the Issuer enforceable against it in accordance with its terms;

7.4 the Issuer is a "reporting issuer" in the Provinces of Alberta, Nova Scotia, Ontario and British Columbia and is in compliance with its obligations under the Applicable Securities Laws in all material respects;

7.5 the Issuer has the power and authority to create, issue and deliver the Purchased Securities and perform its obligations under the Purchased Securities;

7.6 the Issuer has complied, or will comply, with all Applicable Securities Laws in connection with the issuance of the Purchased Securities;

7.7 no approval, authorization, consent or other order of, and no filing, registration or recording with, any governmental authority is required by the Issuer in connection with the execution and delivery or with the performance by the Issuer of this Subscription Agreement except in compliance with the Applicable Securities Laws and the requirements of the Exchange; and

7.8 Neither the Issuer, nor any partner, director, or officer or any person directly or indirectly controlling, controlled by or under common control with the Issuer is subject to any "disqualifying event" set forth in Rule 506(d) of Regulation D or any similar disqualification provision.

8. Miscellaneous

8.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber, including any fees and disbursements of any special counsel retained by the Subscriber, relating to the purchase, resale or transfer of the Purchased Securities, shall be borne by the Subscriber.

8.2 Except as expressly provided for in this subscription and in any agreements, instruments and other documents contemplated or provided for herein, this subscription contains the entire agreement between the parties with respect to the sale of the Purchased Securities and there are no other terms, conditions, representations, warranties, acknowledgments and agreements, whether expressed or implied, whether written or oral, and whether made by the parties hereto or anyone else. This subscription may only be amended by instrument in writing signed by the parties hereto. Notwithstanding the foregoing, the Subscriber is not waiving any remedies or protections available by statute or common law in connection with this Agreement or the transactions contemplated hereby.

8.3 Each party to this subscription covenants that it will, from time to time both before and after the Closing, at the request and expense of the requesting party, promptly execute and deliver all such other notices, certificates, undertakings, escrow agreements and other instruments and documents, and shall do all such other acts and other things, as may be necessary or desirable for purposes of carry out the provisions of this subscription.

8.4 The invalidity, illegality or unenforceability of any particular provision of this subscription shall not affect or limit the validity, legality or enforceability of the remaining provisions of this subscription.

8.5 This subscription, including without limitation the terms, conditions, representations, warranties, acknowledgments and agreements contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber and the Issuer notwithstanding the completion of the purchase and sale of the Purchased Securities, the conversion or exercise of any Purchased Securities and any subsequent disposition thereof by the Subscriber.

8.6 This subscription is not transferable or assignable. This subscription shall enure to the benefit of and be binding upon the parties hereto and its respective successors and permitted assigns.

8.7 This subscription is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in his personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

8.8 The Issuer shall be entitled to rely on delivery of a facsimile or portable document format ("**pdf**") copy of the executed subscription, and acceptance by the Issuer of such facsimile or pdf subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this subscription is delivered to the Issuer at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions, unaltered, of the pages not delivered at Closing.

8.9 This subscription may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

8.10 The parties hereto acknowledge and confirm that they have requested that this subscription as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

8.11 Time shall be of the essence hereof.

SCHEDULE B

1. Representations, Warranties, Covenants, Acknowledgments and Agreements of the Subscriber

1.1 The Subscriber hereby represents, warrants, covenants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) the Subscriber is resident in the jurisdiction set out on page 3 above, and if such address is not located in Ontario, the Subscriber expressly certifies that it is not resident in Ontario;

(b) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchased Securities, and in particular no governmental agency or authority, stock exchange or other regulatory body or any other entity has made any finding or determination as to the merit for investment of, nor have any such agencies, authorities, exchanges, bodies or other entities made any recommendation or endorsement with respect to, the Purchased Securities;

(c) there is no government or other insurance covering the Purchased Securities;

(d) there are risks associated with the purchase of the Purchased Securities, which are speculative investments that involve a substantial degree of risk, and the Subscriber may lose his, her or its entire investment. The Subscriber has carefully reviewed and is aware of all of the risk factors related to the purchase of Purchased Securities;

(e) other than as disclosed to the Issuer in writing, there is no person acting or purporting to act on behalf of the Subscriber (including any beneficial Subscriber), in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchased Securities, the Subscriber covenants to indemnify and hold harmless the Issuer with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(f) there are restrictions on the Subscriber's ability to resell the Purchased Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Purchased Securities;

(g) the Issuer has advised the Subscriber that it is relying on one or more exemptions from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Applicable Securities Laws, and as a consequence of acquiring the Purchased Securities pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it;

(h) the Subscriber has been further advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Purchased Securities under Applicable Securities Laws (i) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Issuer is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Subscriber is restricted from using certain of the civil remedies available under such legislation;

(i) the Subscriber has had access to all information regarding the Issuer and the Purchased Securities that the Subscriber has considered necessary in connection with its investment decision, and, in particular, the Subscriber's decision to execute this Agreement and purchase the Purchased Securities has been based entirely upon its review of the Public Record, including the Issuer's financial statements, and has not been based upon any written or oral representation or warranty as to fact or otherwise made by or on behalf of the Issuer;

(j) no person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Purchased Securities, (ii) that any person will refund the purchase price for the Purchased Securities, or (iii) as to the future price or value of the Purchased Securities;

(k) the Subscriber is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Purchased Securities, and is and will be able to bear the economic loss of its entire investment in any of the

Purchased Securities and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment;

(l) the Subscriber has been advised to consult its own investment, legal and tax advisers with respect to the merits and risks of an investment in the Purchased Securities and Applicable Securities Laws and resale restrictions, and in all cases the Subscriber has not relied upon the Issuer or its counsel or advisers for investment, legal or tax advice, always having, if desired, in all cases sought the advice of the Subscriber's own personal investment adviser, legal counsel and tax advisers, and in particular, the Subscriber has been advised and understands that it is solely responsible, and none of the Issuer, its counsel or its advisers are in any way responsible, for the Subscriber's compliance with Applicable Securities Laws and resale restrictions regarding the holding and disposition of the Purchased Securities;

(m) the Subscriber has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Agreement, restrictions with respect to trading in the Purchased Securities imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation has been made to it by or on behalf of the Issuer with respect thereto, acknowledges that it is aware of the characteristics of the Purchased Securities, the risks relating to an investment therein and of the fact that it may not be able to resell the Purchased Securities except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with the other requirements of applicable law;

(n) to the knowledge of the Subscriber, the Offering was not advertised or solicited in any manner in contravention of Applicable Securities Laws, and has not been made through or as a result of any general solicitation or general advertising or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Purchased Securities;

(o) the Subscriber has no knowledge of a "material fact" or "material change", as those terms are defined in the Applicable Securities Laws applicable in its jurisdiction of residence, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

(p) the Subscriber is not a "control person" as defined in the policies of the Exchange, will not become a "control person" by virtue of purchasing the Purchased Securities as contemplated herein, or any further acquisition of any Purchased Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;

(q) the Subscriber has the legal capacity and competence to enter into and execute this subscription and to take all actions required pursuant hereto, and if the Subscriber is not an individual, it is also duly formed and validly subsisting under the laws of its jurisdiction of formation and all necessary approvals by its directors, shareholders, partners and others have been obtained to authorize the entering into and execution of this subscription and the taking of all actions required hereto on behalf of the Subscriber. If the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which the Agreement is executed and is legally competent to execute this Agreement and take all action pursuant hereto; the Subscriber, or any Disclosed Principal, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or, each principal/beneficial purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment. The Subscriber is familiar with the aims and objectives of the Issuer and is informed of the nature of its activities;

(r) none of the funds the Subscriber is using to purchase the Purchased Securities are, to the best knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(s) upon acceptance by the Issuer of this Agreement and the satisfaction of any closing conditions, the aggregate subscription price for the Purchased Securities is immediately releasable to the Issuer to be used for the ongoing business of the Issuer;

(t) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Agreement and the transactions contemplated herein can be consummated by the Subscriber;

(u) the Subscriber has duly and validly entered into, executed and delivered this Agreement and it constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

(v) if the Subscriber is acting as agent or trustee (including, for greater certainty, a portfolio manager or comparable adviser) for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Agreement and all other necessary documents in connection with such subscription on behalf of such principal, each of whom is subscribing as principal for its own account and not for the benefit of any other person, and this subscription has been duly and validly authorized, executed and delivered by or on behalf of such principal, and when accepted by the Issuer, will constitute a legal, valid and binding obligation enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies, against such principal;

(w) the entering into of this subscription and the transactions contemplated hereby does not and will not, conflict with, result in a violation or breach of, or constitute a default under, any of the terms and provisions of any law, regulation, order or ruling applicable to the Subscriber, or of any agreement, contract or indenture, written or oral, to which it is or may be a party or by which it is or may be bound, and, if the Subscriber is a corporation, its constating documents or any resolutions of its directors or shareholders;

(x) you acknowledge that legal counsel retained by the Issuer are acting as counsel to the Issuer and not as counsel to you and you may not rely upon such counsel in any respect;

(y) the Subscriber is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered under National Instrument 31-103 – *Registration Requirements and Exemptions* (or, in Québec, Regulation 31-103 *respecting Registration Requirements and Exemptions*);

(z) with respect to compliance with the U.S. Securities Act:

(i) none of the Purchased Securities have been registered under the U.S. Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(ii) the Subscriber is neither an underwriter of, or dealer in, the common shares of the Issuer, nor participating, pursuant to a contractual agreement or otherwise, in the distribution of the Purchased Securities;

(iii) the Subscriber is acquiring the Purchased Securities for investment only and not with a view to resale or distribution and, in particular, has no intention to distribute, directly or indirectly, all or any of the Purchased Securities to U.S. Purchasers, and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or person in the United States respecting (A) the transfer or assignment of any rights or interests in any of the Purchased Securities; (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this subscription or the Purchased Securities; or (C) the voting of any securities offered hereby or underlying any securities offered hereby;

(iv) the Subscriber does not intend to and will not engage in hedging transactions with regard to the Purchased Securities unless in compliance with the U.S. Securities Act; and

(v) the current structure of this transaction and all transactions and activities contemplated hereunder, and the Subscriber's participation therein, is not a scheme to avoid the registration requirements of the U.S. Securities Act;

(aa) unless the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber is not a U.S. Purchaser; and

(ii) the Subscriber is not purchasing the Purchased Securities as the result of any "directed selling efforts";

(bb) if the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber, by completing Form 2 – Certificate of U.S. Accredited Investor Status, is representing and warranting to the Issuer that the Subscriber is an "accredited investor" as the term is defined in Regulation D, and that all information contained in the Subscriber's completed Form 2 – Certificate of U.S. Accredited Investor Status is complete and accurate in all respects and may be relied upon by the Issuer;

(ii) the Subscriber will not acquire the Purchased Securities as a result of, and will not itself engage in, any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(iii) the Subscriber and their adviser(s) have had a reasonable opportunity to ask questions of and receive answers from the Issuer in connection with the distribution of the Purchased Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(iv) the Subscriber hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under Applicable Securities Laws, the certificates representing any of the Purchased Securities will bear legends in substantially the form set forth on Form 2 hereto;

(v) the Issuer will refuse to register any transfer of the Purchased Securities not made pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available Exemption from the registration requirements of the U.S. Securities Act or pursuant to Regulation S; and

(vi) the statutory and regulatory basis for the Exemption claimed for the offer of the Purchased Securities would not be available if the Offering is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act;

(cc) the Issuer may complete additional financings in the future to develop the business of the Issuer and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

(dd) the Subscriber has not received, nor does it expect to receive, any financial assistance from the Issuer, directly or indirectly, in respect of the Subscriber's purchase of the Purchased Securities; and

(ee) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Purchased Securities subscribed for hereunder following the Closing.

1.2 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that it is:

(a) purchasing the Purchased Securities as principal for investment purposes only, for its own account and not for the benefit of any other person and not with a view to, or for resale in connection with, any distribution thereof in violation of any Applicable Securities Laws; or

(b) deemed to be purchasing as principal pursuant to NI 45-106 by virtue of the Subscriber being an "accredited investor" as such term is defined in paragraph (p) or (q) of the definition of "accredited investor" in NI 45-106 (reproduced in Form 1 attached hereto) and provided, however, that the Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada, and that the Subscriber has concurrently executed and delivered Form 1 and under the heading of Category 1: Accredited Investor therein checked off paragraphs (n) or (s); or

(c) acting as agent for a Disclosed Principal (whose name and residential address are disclosed on page 4 of this subscription) who is purchasing the Purchased Securities as principal for investment purposes only, that the Subscriber is duly authorized and empowered to enter into this subscription, make all requisite representations, warranties, covenants, acknowledgments and agreements and execute all documentation in connection therewith on behalf of the Disclosed Principal, and that the Subscriber has concurrently completed, executed and delivered Forms 1 and 2, as applicable, on behalf of such Disclosed Principal in compliance with this Agreement.

1.3 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) **if it is resident in or otherwise subject to the securities laws of a Province or Territory of Canada other than Ontario**, it is:

(i) a person described in section 2.3 of NI 45-106 by virtue of being an "accredited investor" as defined in NI 45-106, and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in section 2.5 of NI 45-106 by virtue of being (A) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (B) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (C) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (D) a close personal friend or close business associate of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (E) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the Issuer; (F) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Issuer; (G) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F); or (H) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F);

(iii) a person, other than an individual, described in section 2.10 of NI 45-106 by virtue of the Purchased Securities having an acquisition cost to the purchaser of not less than $150,000 paid in cash, and provided that it is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106, and further provided that if it is resident in or otherwise subject to the securities laws of Alberta, no document purporting to describe the business and affairs of the Issuer, which has been prepared for review by prospective purchasers to assist such prospective purchasers in making an investment decision in respect of the Purchased Securities, has been delivered to or summarized for or seen by or requested by the Subscriber in connection with the Offering; or

(iv) a person described in section 2.24 of NI 45-106 by virtue of being an employee, "executive officer", "director" or "consultant" of the Issuer or of a "related entity" of the Issuer or by virtue of being a "permitted assign" of the foregoing persons, as those terms are defined in sections 1.1 or 2.22 of NI 45-106, and its participation in the Offering is voluntary,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, Schedules 1 and 2, thereof); **and**

(b) **if it is resident in or otherwise subject to the securities laws of Ontario**, it is:

(i) a person described in section 73.3 of the *Securities Act* (Ontario) by virtue of being an "accredited investor" as defined in the *Securities Act* (Ontario), and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in subsection 1.3(a)(ii), (iii) or (iv) of this Schedule B; or

(iii) a person described in section 2.7 of NI 45-106 by virtue of being (A) a founder of the Issuer; (B) an affiliate of a founder of the Issuer; (C) a spouse, parent, grandparent, brother, sister, child or grandchild of an executive officer, director or founder of the Issuer; or (D) a person that is a control person of the Issuer,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, Schedules 1 and 2, thereof); **and**

(c) **if it is resident outside of Canada or the United States**:

(i) it is knowledgeable of, or has been independently advised as to, the Applicable Securities Laws of the securities regulatory authorities (the "**International Authorities**") having application to the Offering and the Issuer in the jurisdiction (the "**International Jurisdiction**") in which the Subscriber is resident;

(ii) it is purchasing Purchased Securities pursuant to an applicable Exemption from any prospectus, registration or similar requirements under the Applicable Securities Laws of the International Jurisdiction, or the Subscriber is permitted to purchase the Purchased Securities under the Applicable Securities Laws of the International Jurisdiction without the need to rely on such Exemptions;

(iii) the Applicable Securities Laws of the International Jurisdiction do not require the Issuer to make any filings or seek any approvals of any nature whatsoever with or from any of the International Authorities in connection with the Offering or the Purchased Securities, including any resale thereof;

(iv) the Offering and the completion of the offer and sale of the Purchased Securities to the Subscriber as contemplated herein complies in all respects with the Applicable Securities Laws of the International Jurisdiction, and does not trigger:

(A) any obligation to prepare and file a prospectus or similar or other offering document, or any other report with respect to such purchase in the International Jurisdiction; or

(B) any continuous disclosure reporting obligation of the Issuer in the International Jurisdiction; and

(v) it will, if requested by the Issuer, deliver to the Issuer a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in subparagraphs (ii), (iii) and (iv) above to the satisfaction of the Issuer, acting reasonably.

2. Reliance, Notification, Indemnity and Survival

2.1 The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, certifications, acknowledgments and agreements of the Subscriber contained in this subscription and otherwise provided by the Subscriber to and with the Issuer to determine the availability of Exemptions should this subscription be accepted, and otherwise in completing the offering, issue and sale of the Purchased Securities to the Subscriber in accordance with applicable laws. The Subscriber covenants and agrees to provide to the Issuer evidence

of the Subscriber's qualifications for the Exemption indicated on Form 1 and Form 2 immediately upon request by the Issuer.

2.2 The Subscriber undertakes to notify the Issuer immediately of any change in any representation, warranty or other information pertaining to the Subscriber herein or otherwise provided in connection with this subscription which takes place prior to Closing.

2.3 The Subscriber acknowledges that the Issuer and its counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder) to purchase the Purchased Securities under the Offering, and hereby agrees to indemnify the Issuer and its directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including its legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. To the extent that any person entitled to be indemnified hereunder is not a party to this subscription, the Issuer shall obtain and hold the rights and benefits of this subscription in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this subscription.

2.4 The representations, warranties, acknowledgements and agreements made by the Subscriber in this subscription and otherwise provided by the Subscriber and the Issuer shall be true and correct as of the date of execution of this subscription and as of Closing as if repeated thereat, and shall survive the Closing.

FORM 1

CERTIFICATE FOR EXEMPTION

In addition to the representations, warranties acknowledgments and agreements contained in the subscription to which this Form 1 – Certificate for Exemption is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, it is resident in the jurisdiction set out on the Acceptance Page of the subscription and: **[check all appropriate boxes]**

Category 1: Accredited Investor

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

☐ (b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer;

☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

☐ (f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds Cdn$1,000,000

(Provide details of financial assets: _____);

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities exceeds $5,000,000;

(Provide details of financial assets: _____);

☐ (k) an individual whose net income before taxes exceeded Cdn$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year

(Provide details of net income: _____);

☐ (l) an individual who, either alone or with a spouse, has net assets of at least Cdn$5,000,000;

(Provide details of net income: _____);

☐ (m) a person, other than an individual or investment fund, that has net assets of at least Cdn$5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution;

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owner of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

AND/OR if the Subscriber is a resident of, or otherwise subject to the securities laws of, Ontario, the Subscriber is **[check any applicable box]**:

☐ (aa) a bank listed in Schedule I, II or III to the *Bank Act* (Canada);

☐ (bb) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;

☐ (cc) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (dd) the Business Development Bank of Canada;

☐ (ee) a subsidiary of any person or company referred to in clause (aa), (bb), (cc) or (dd), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (ff) a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations;

☐ (gg) the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada;

☐ (hh) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Quebec;

☐ (ii) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (jj) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada;

☐ (kk) a person or company that is recognized or designated by the Ontario Securities Commission as an accredited investor; or

☐ (ll) such other persons or companies as may be prescribed by the regulations under the *Securities Act* (Ontario).

Additional Instruction: If the Subscriber is an individual and qualifies under Category 1 pursuant to paragraphs (j), (k) or (l), it must also complete and sign FORM 1A attached hereto entitled "*Form 45-106F9: Form for Individual Accredited Investors*" and Appendix A.

Definitions:

"**Canadian financial institution**" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**EVCC**" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

"**financial assets**" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"**person**" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"**spouse**" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; or

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

"**VCC**" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429, whose business objective is making multiple investments.

Category 2: Family, Friends and Business Associates

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (b) a spouse, parent, grandparent, brother, sister, grandchild or child of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (c) a parent, grandparent, brother, sister, grandchild or child of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (d) a close personal friend* of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (e) a close business associate** of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (f) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, grandchild, child, close personal friend or close business associate of a founder of the Issuer;

☐ (g) a parent, grandparent, brother, sister, grandchild or child of a spouse of a founder of the Issuer,

☐ (h) a person of which **a majority** of the voting securities are beneficially owned by persons described in paragraphs (a) to (g);

☐ (i) a person of which **a majority** of the directors are persons described in paragraphs (a) to (g);

☐ (j) a trust or estate of which **all** of the beneficiaries are persons described in paragraphs (a) to (g); or

☐ (k) a trust or estate of which **a majority** of the trustees or executors are persons described in paragraphs (a) to (g),

of which the relevant director, executive officer, control person or founder of the Issuer or affiliate thereof referred to in paragraphs (b) to (k) above is:

State name: _____

State the length of your relationship with this person: _____

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Saskatchewan, it must also complete and sign FORM 1B attached hereto entitled "*Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates*"

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Ontario, it must also complete and sign Schedule 1C attached hereto entitled "*Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors*".

Notes:

* "**close personal friend**" means an individual who has known the named director, executive officer, control person or founder well enough and for a sufficient period of time to be in a position to assess the capabilities and trustworthiness of that person. The term "close personal friend" can include a family member who is not already specifically identified in paragraphs (b), (c), (f) or (g) if the family member otherwise meets the criteria described above. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close personal friend" solely because that individual is a relative, a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

** "**close business associate**" means an individual who has had sufficient prior business dealings with the named director, executive officer, control person or founder to be in a position to assess the capabilities and trustworthiness of that person. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close business associate" solely because that individual is a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

Category 3: $150,000 Purchaser

☐ The Subscriber is not an individual and has an acquisition cost for the Purchased Securities of not less than $150,000 paid in cash, and is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106.

Category 4: Employees, Officers, Directors and Consultants

The Subscriber is **[check appropriate box]**:

☐ (a) an employee of the Issuer or of a "related entity" of the Issuer;

☐ (b) an executive officer of the Issuer or of a "related entity" of the Issuer;

☐ (c) a director of the Issuer or of a "related entity" of the Issuer;

☐ (d) a consultant of the Issuer or of a "related entity" of the Issuer; or

☐ (e) a "permitted assign" of a person described in paragraphs (a) to (d),

and its participation in the Offering is voluntary.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 20 _____.

If a corporation, partnership or other entity:

_____
Print Name of Subscriber

_____
Signature of Authorized Signatory

_____
Name and Position of Authorized Signatory

_____
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

APPENDIX "A" TO FORM 1
INDIVIDUAL ACCREDITED INVESTOR QUESTIONNAIRE

THIS APPENDIX "A" IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS SUBSCRIBING UNDER CATEGORIES (J), (K) OR (L) IN CATEGORY 1 OF FORM 1 TO WHICH THIS APPENDIX "A" IS ATTACHED.

Unless otherwise defined, all capitalized terms not otherwise defined in this Appendix "A" shall have the meaning ascribed to such terms in the Subscription Agreement to which this Appendix is attached.

I understand that in order to be accepted as an "accredited investor" under categories (j), (k) OR (l) of the definition of accredited investor in NI 45-106, I must satisfy certain of the following criteria. The undersigned hereby represents and warrants to the Issuer as follows:

1. Personal Data.

Name: _____

Telephone: _____

Residence Address: _____

2. Definitions. Please review the following definitions prior to completing the information below:

a) "**financial assets**" means cash, securities or a contract of insurance, a deposit or evidence of deposit that is not a security for the purposes of securities legislation. These financial assets are generally liquid or relatively easy to liquidate. The value of a purchaser's personal residence would not be included in a calculation of financial assets.

b) "**related liabilities**" means: (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or (ii) liabilities that are secured by financial assets.

c) "**net assets**" means all of the purchaser's total assets minus all of the purchaser's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a purchaser's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the purchaser's personal residence. To calculate a purchaser's net assets, subtract the purchaser's total liabilities from the purchaser's total assets (including real estate). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the security.

3. Net income test. Please answer the following questions concerning your **net income** by marking the appropriate box.

3.1 My annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.2 My spouse's annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My spouse's annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My spouse's annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My spouse's annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.3 The annual **net income** before taxes (all sources) for my spouse and me during the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

	A.	**B.**	**C.**
Net income ranges	**The annual net income before taxes (all sources) for the most recent calendar year of my spouse and me is:** *(tick the appropriate box below)*	**The annual net income before taxes (all sources) for the prior calendar year of my spouse and me is:** *(tick the appropriate box below)*	**The annual net income before taxes (all sources) that my spouse and I reasonably expect to earn in the current calendar year is:** *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

4. Financial Assets Test. Please answer the following questions concerning your "**financial assets**" (see definition above) by marking the appropriate box.

4.1 I and/or my spouse beneficially own **financial assets** having an aggregate realizable value that, before taxes, net of any **related liabilities** are as set out below. Please tick the appropriate **financial asset** range excluding taxes from all sources in each of A, B and C below.

	A.	**B.**	**C.**
Financial asset ranges	**My financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**My spouse's financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**The financial assets of my spouse and I have an aggregate realizable value that, before taxes, and net of any related liabilities are:** *(tick the appropriate box below)*
Less than $249,999			
$250,000-$499,999			
$500,000-$999,999			
Greater than $1,000,000			

4.2 For the purposes of this Section 4:

(a) do you and/or your spouse have:

(i) physical or constructive possession or evidence of ownership of your **financial assets**?

☐ Yes ☐ No

(ii) any entitlement to the receipt of any income generated by the **financial assets**?

☐ Yes ☐ No

(iii) any risk of loss of the value of the **financial assets**?

☐ Yes ☐ No

(iv) the ability to dispose of the **financial assets** or otherwise deal with the **financial assets** as you and/or your spouse sees fit?

☐ Yes ☐ No

(b) did you exclude the value of any real estate owned by you and/or your spouse in the calculation of **financial assets**, such as your principal residence and/or cottage?

☐ Yes ☐ No

(c) did you exclude any **related liabilities** in connection with the (i) cash, (ii) securities or a (iii) contract of insurance (*i.e.,* the cash surrender value only), deposit or an evidence of deposit that is not a security under the Applicable Securities Laws?

☐ Yes ☐ No

5. $5,000,000 Net Asset Test. I and/or my spouse have **net assets** as set out below. Please tick the appropriate net asset range in each of A, B and C below.

	A.	**B.**	**C.**
Net asset ranges	**My total net assets are:** *(tick the appropriate box below)*	**My spouses' net assets are:** *(tick the appropriate box below)*	**The aggregate net assets of my spouse and I are:** *(tick the appropriate box below)*
Less than $499,999			
$500,000-$999,999			
$1,000,000-$2,999,999			
$3,000,000-$4,999,999			
Greater than $5,000,000			

Based on the above information, I hereby represent and warrant that:

(a) my **net income** before taxes was more than $200,000 in each of the 2 most recent calendar years, and I expect it to be more than $200,000 in the current calendar year;

(b) my **net income** before taxes combined with that of my spouse was more than $300,000 in each of the 2 most recent calendar years, and I expect that our combined **net income** before taxes to be more than $300,000 in the current calendar year;

(c) I either alone or with my spouse, beneficially own **financial assets** having an aggregate realizable value that, before taxes but net of any related liabilities, is more than $1,000,000; or

(d) I either alone or with my spouse, have **net assets** of at least $5,000,000.

My commitment to investments which are not readily marketable is reasonable in relation to my net worth. I meet at least one of the criteria for an “accredited investor” under NI 45-106.

The foregoing representations and warranties and all other information which I have provided to the Issuer concerning myself and my financial condition are true and accurate as of the date hereof. If in any respect, such representations, warranties, or information shall not be true and accurate, I will give written notice of such fact to the Issuer immediately prior to Closing specifying which representations, warranties or information are not true and accurate, and the reasons therefor.

I understand that the information contained herein is being furnished by me in order for the Issuer to determine my suitability as an **accredited investor**, may be accepted by the Issuer in light of the requirements of NI 45-106 and that the Issuer will rely on the information contained herein for purposes of such determination.

Purchaser's Signature

Dated: _____, 2022 Signed: _____

Witness Print the name of Purchaser

Print Name of Witness

Spouse's Signature (if applicable)

Dated: _____, 2022 Signed: _____

Witness Print the name of spouse of Purchaser

Print Name of Witness

- FORM 1A -

Form 45-106F9
Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*
Purchased from: *the Issuer*	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
If you are relying on a prospectus exemption contained in any of sections (j), (k), or (l) of Category 1 "Accredited Investor" in Form 1, you must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
● Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
● Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
● Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
● Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention: J. Obie Strickler* *e-mail: obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*

- FORM 1B -

FORM 45-106F5
Risk Acknowledgement - Saskatchewan Close Personal Friends and Close Business Associates

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing $ _____ [*total consideration*] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [*state name*], who is a _____ [*state title - founder, director, executive officer or control person*] of _____ [*state name of issuer or its affiliate – if an affiliate state "an affiliate of the issuer" and give the issuer's name*].

I acknowledge that I am purchasing based on my close relationship with _____ [*state name of founder, director, executive officer or control person*] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____ _____
Date Signature of Purchaser

_____
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice.

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at http://www.sfsc.gov.sk.ca.

INSTRUCTION: THE PURCHASER MUST SIGN 2 COPIES OF THIS FORM. THE PURCHASER AND THE ISSUER MUST EACH RECEIVE A SIGNED COPY.

- FORM 1C -

Form 45-106F12
Risk Acknowledgement Form for Family, Friend and Business Associate Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
3. Family, friend or business associate status	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	**Your initials**
A) You are: *1) [check all applicable boxes]* ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR *2) [check all applicable boxes]* ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
B) You are a family member of _____ *[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____ of that person or that person's spouse. *[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]*	

C) You are a close personal friend of _____ *[Instruction: Insert the name of your close personal friend]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
D) You are a close business associate of _____ *[Instruction: Insert the name of your close business associate]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.

First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE

5. Contact person of the issuer or an affiliate of the issuer

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: *[check the box that applies]*

☐ family relationship as set out in section 3B of this form

☐ close personal friendship as set out in section 3C of this form

☐ close business associate relationship as set out in section 3D of this form

First and last name of contact person (please print):	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:

SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention: J. Obie Strickler* *e-mail: obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	
Signature of executive officer of the issuer (other than the purchaser):	Date:

***Form instructions**:*

1 *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*
4. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

FORM 2

CERTIFICATE OF U.S. ACCREDITED INVESTOR STATUS

In addition to the representations, warranties, acknowledgments and agreements contained in the subscription agreement (the "**subscription**") to which this Form 2 – Certificate of U.S. Accredited Investor Status is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, that the Subscriber is a resident of the jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of the subscription, and:

1. The Subscriber hereby represents, warrants, acknowledges and agrees to and with the Issuer that the Subscriber:

(a) is a U.S. Purchaser;

(b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the subscription and it is able to bear the economic risk of loss arising from such transactions;

(c) is acquiring the Purchased Securities for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Purchased Securities in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Purchased Securities in the United States or to U.S. Persons; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof pursuant to the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and any applicable State securities laws or if an exemption from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;

(d) is not acquiring the Purchased Securities as a result of any form of general solicitation or general advertising, as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the Internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) understands the Purchased Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the sale contemplated hereby is being made in reliance on an Exemption from such registration requirements provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D promulgated thereunder.

(f) satisfies one or more of the categories indicated below (**check appropriate box**):

_____ Category 1. [Rule 501(a)(1)] A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____ Category 2. [Rule 501(a)(1)] A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____ Category 3. [Rule 501(a)(1)] A broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended; or

_____ Category 4. [Rule 501(a)(1)] An investment adviser registered pursuant to Section 203 of the U.S. Investment Advisers Act of 1940, as amended, or registered pursuant to the laws of a state; or

_____ Category 5. [Rule 501(a)(1)] An investment adviser relying on the exemption from registering with the Commission under Section 203(l) or (m) of the U.S. Investment Advisers Act of 1940, as amended; or

_____ Category 6. [Rule 501(a)(1)] An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

_____	Category 7. [Rule 501(a)(1)]	An investment company registered under the U.S. Investment Company Act of 1940, as amended; or
_____	Category 8. [Rule 501(a)(1)]	A business development company as defined in Section 2(a)(48) of the U.S. Investment Company Act of 1940, as amended; or
_____	Category 9. [Rule 501(a)(1)]	A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended; or
_____	Category 10. [Rule 501(a)(1)]	A Rural Business Investment Company as defined in Section 384A of the U.S. Consolidated Farm and Rural Development Act of 1972, as amended; or
_____	Category 11. [Rule 501(a)(1)]	A plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with assets in excess of U.S. $5,000,000; or
_____	Category 12. [Rule 501(a)(1)]	An employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company or registered investment advisor, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self-directed plan, the investment decisions are made solely by persons who are accredited investors; or
_____	Category 13. [Rule 501(a)(2)]	A private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 14. [Rule 501(a)(3)]	An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. $5,000,000; or
_____	Category 15. [Rule 501(a)(4)]	A director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or
_____	Category 16. [Rule 501(a)(5)]	A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds U.S. $1,000,000; or

(**Note**: For the purposes of calculating "net worth"

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the Offering, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the closing of the Offering exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.)

(**Note**: For the purposes of calculating "joint net worth", joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.)

(**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

_____	Category 17. [Rule 501(a)(6)]	A natural person who had an individual income in excess of U.S. $200,000 in each year of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or (**Note:** The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)
_____	Category 18. [Rule 501(a)(7)]	A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under Regulation D under the U.S. Securities Act; or
_____	Category 19. [Rule 501(a)(8)]	An entity in which each of the equity owners are accredited investors; or (**Note:** It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this category. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this category may be available.)
☒	Category 20. [Rule 501(a)(9)]	An entity, of a type not listed in Categories 1 through 14, 18 or 19 above, not formed for the specific purpose of acquiring the securities offered, owning "investments" (as defined in Rule 2a51-1(b) under the U.S. Investment Company Act of 1940, as amended) in excess of U.S. $5,000,000; or
_____	Category 21. [Rule 501(a)(10)]	A natural person holding in good standing one or more of the following professional licenses: (i) General Securities Representative license (Series 7); (ii) Private Securities Offerings Representative license (Series 82), and (iii) Investment Adviser Representative license (Series 65); or
_____	Category 22. [Rule 501(a)(11)]	A natural person who is a "knowledgeable employee" (as defined in Rule 3c-5(a)(4) under the U.S. Investment Company Act of 1940, as amended) of the issuer of the securities being offered or sold where the issuer would be an "investment company" (as defined in Section 3 of U.S. Investment Company Act of 1940, as amended), but for the exclusion provided by either Section 3(c)(1) or section 3(c)(7) of U.S. Investment Company Act of 1940, as amended; or
_____	Category 23. [Rule 501(a)(12)]	A "family office" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended): (i) with assets under management in excess of U.S. $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
_____	Category 24. [Rule 501(a)(13)]	A "family client" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended) of a family office meeting the requirements in Category 23 above and whose prospective investment in the issuer is directed by such family office pursuant to clause (iii) of Category 23.

(g) if an individual, is a resident of the state or other jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of its subscription; or if not an individual, has received and accepted the offer to acquire the Purchased Securities at the office of the Subscriber at the disclosed address set out in the Subscriber's information on page 3, of its subscription.

2. The Subscriber acknowledges and agrees that:

(a) the Subscriber has not acquired the Purchased Securities as a result of, and will not itself engage in any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration of any of the Purchased Securities pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;

(b) if the Subscriber decides to offer, sell or otherwise transfer any of the Purchased Securities, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

(i) the sale is to the Issuer;

(ii) the sale is made outside of the United States pursuant to the requirements of Rule 904 of Regulation S;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder if available and in accordance with any applicable state securities or "Blue Sky" laws; or

(iv) the Purchased Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state laws and regulations governing the offer and sale of securities,

and, in the case of paragraphs (iii) and (iv), the Subscriber has prior to such sale furnished to the Issuer an opinion of counsel of recognized standing or other evidence in form and substance satisfactory to the Issuer;

(c) upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. State laws and regulations, the certificates representing any of the Purchased Securities (and any underlying Shares) will bear a legend in substantially the following form:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

and provided that if any of the Purchased Securities are being sold by the Subscriber in an off-shore transaction and in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing a declaration to the Issuer and its transfer agent in the form attached as Schedule I to Form 2 hereof or such other evidence as the Issuer or its transfer agent may from time to time prescribe (which may include an opinion of counsel satisfactory to the Issuer and its transfer agent), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S;

and provided further, that if any of the Purchased Securities are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be

removed by delivery to the Issuer's transfer agent of an opinion or other evidence satisfactory to the Issuer and its transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(d) any Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless registered under the U.S. Securities Act and any applicable state securities laws unless an exemption from such registration requirements is available and upon the original issuance of the Warrants, and until such time as it is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, all certificates representing the Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

> "THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(e) the Issuer may make a notation on its records or instruct the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein and the subscription;

(f) the Subscriber understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Rule 902 of Regulation S, (ii) may not, at the time the Purchased Securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer;

(g) the Subscriber understands and agrees that the financial statements of the Issuer have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(h) the Subscriber understands that (i) the Issuer may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash or cash equivalents (a "**Shell Corporation**"), (ii) if the Issuer is deemed to be, or to have been at any time previously, a Shell Corporation, Rule 144 under the U.S. Securities Act may not be available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants), and (iii) the Issuer is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants);

(i) the Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Issuer is organized under the laws of Ontario, Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Issur and such persons may be located outside the United States;

(j) the Subscriber understands that the Purchased Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the Securities and Exchange Commission (the "**SEC**") provide in substance that the Subscriber may dispose of the Purchased Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Purchased Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Purchased Securities indefinitely or to transfer the Purchased Securities in the United States or to U.S. Persons in "private placements" which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Purchased Securities for an indefinite period of time.

(k) the Subscriber understands and agrees that there may be material tax consequences to the Subscriber of an acquisition, disposition or exercise of any of the Purchased Securities, and the Issuer gives no opinion

and makes no representation with respect to the tax consequences to the Subscriber under United States, state, local or foreign tax law of the Subscriber's acquisition or disposition of such Purchased Securities, and in particular, no determination has been made whether the Issuer will be a "passive foreign investment company" ("**PFIC**") within the meaning of Section 1291 of the United States Internal Revenue Code (the "**Code**"), provided, however, the Issuer agrees that it shall provide to the Subscriber, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Issuer as a "qualified electing fund" for the purposes of the Code, should the Issuer or the Subscriber determine that the Issuer is a PFIC in any calendar year following the Subscriber's purchase of the Purchased Securities; and

(l) the funds representing the subscription price which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to the subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and that no portion of the subscription price to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Subscriber, and it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the subscription to which this Certificate is attached.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____day of _____, 2022.

If a corporation, partnership or other entity:

Mindset Value Fund
Print Name of Subscriber

/s/ Aaron Edelheit
Signature of Authorized Signatory

Aaron Edelheit, CEO
Name and Position of Authorized Signatory

California, USA
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

SCHEDULE I TO FORM 2
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: **GROWN ROGUE INTERNATIONAL INC.**

AND TO: The [registrar and transfer agent/warrant agent] for the securities of Grown Rogue International Inc.

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") and (B) certifies that (1) the undersigned is not an "affiliate" of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a "distributor" or an affiliate of "distributor", (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing-off" the resale restrictions imposed because the securities are "restricted securities" as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at _____ this _____ day of _____, 20__

By: X _____
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (B)2(b) above)

We have read the foregoing representations of our customer, _____ (the "**Seller**") dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of _____ or other designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

_____
Name of Firm

By: X _____
Authorized officer

Date: _____

Exhibit 4.22

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY (OR THE COMMON SHARES ISSUABLE ON CONVERSION THEREOF) BEFORE APRIL 3, 2023.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

UNSECURED CONVERTIBLE DEBENTURE CERTIFICATE
Grown Rogue International Inc.

(Existing under the laws of the Province of Ontario)

DEBENTURE CERTIFICATE NO. **2022-12-02-01** **PRINCIPAL AMOUNT US$ 800,000**

GROWN ROGUE INTERNATIONAL INC. (the "**Company**"), for value received, hereby acknowledges itself indebted and promises to pay to Mindset Value Fund of 30 West Mission Street #8, Santa Barbara, CA, 93101, USA (hereinafter referred to as the "**holder**" or the "**Debentureholder**") in United States currency at any time following December 2, 2022 (the "**Issue Date**") but on or prior to December 2, 2025 (the "**Maturity Date**"), at such place as the Debentureholder may reasonably designate by notice in writing to the Company, the outstanding Principal Amount in the manner hereinafter provided, and to pay interest on the Principal Amount outstanding from time to time and owing hereunder to the date of payment as hereinafter provided, both before and after maturity or demand, default and judgement.

The Debentureholder has the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, to convert all or any portion of the outstanding Principal Amount and any accrued and unpaid interest, into common shares of the Company (each, a "**Common Share**"), at a price of C$0.20 per Common Share subject to adjustment as herein provided. The Principal Amount of the Debenture and accrued but unpaid interest thereon, may be prepaid prior to Maturity Date upon providing 30 days' notice to the Debentureholder. In the event that only part of the Principal Amount of the Debenture is converted into Shares, any accrued and unpaid interest will remain payable.

Conversion of all or any part of the Debenture may only be completed at the offices of the Company or such other office as the Company may advise the holder in writing. This Debenture is issued subject to the terms and conditions appended hereto as Schedule "A".

Unless otherwise indicated, a reference to currency means Canadian currency.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Company has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 2nd day of December, 2022.

GROWN ROGUE INTERNATIONAL INC.

Per: 

Authorized Signatory

(*See terms and conditions attached hereto as Schedule "A"*)

SCHEDULE "A"

TERMS AND CONDITIONS FOR DEBENTURE

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings set out below.

(a) "**Applicable Securities Laws**" means the securities laws, regulations, policies, notices, rulings and orders in the Province of Ontario;

(b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

(c) "**Company**" means Grown Rogue International Inc. and its successors and assigns;

(d) "**Common Shares**" means fully-paid and non-assessable common shares in the capital of the Company as constituted on the date hereof which the Debentureholder is entitled to receive upon the conversion of the Debenture pursuant to Article 4;

(e) "**Conversion Date**" or "**Date of Conversion**" means the date on which a written notice of conversion is received by the Company pursuant to §4.2(a);

(f) "**Conversion Price**" means, subject to §4.3, C$0.20 per Common Share;

(g) "**Conversion Rights**" means the rights of the Debentureholder to convert the Debenture into Common Shares pursuant to Article 4;

(h) "**Debenture**" means this secured convertible debenture as supplemented, amended or otherwise modified, renewed or replaced from time to time;

(i) "**Eastern Time**" means the local time in Toronto, Ontario, Canada;

(j) "**Events of Default**" shall have the meaning set forth in § 5.1;

(k) "**Exchange**" means the Canadian Securities Exchange, or such other stock exchange on which the Common Shares principally trade;

(l) "**Interest**" means any accrued but unpaid interest with respect to the Principal Amount;

(m) "**Issue Date**" means December 2, 2022;

(n) "**Law**" includes any law (including common law and equity), statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

(o) "**Maturity Date**" means December 2, 2025;

(p) "**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal or arbitrator, whether foreign or domestic;

(q) "**Other Debentures**" means each of the other convertible debentures issued by the Company as part of the Offering (as defined in the Subscription Agreement);

(r) "**Person**" means an individual, partnership, corporation, trust, unincorporated association, joint venture or government or any agent, instrument or political subdivision thereof;

(s) "**Principal Amount**" means the principal amount outstanding under this Debenture from time to time; and

(t) "**Subscription Agreement**" means the subscription agreement of even date between the Company and the Debentureholder providing for the issuance of this Debenture;

(u) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(v) "**USA**", "**United States**", or "**U.S.**" means the United States of America, its territories and possessions and any state of the United States, and the District of Columbia.

1.2 Interpretation

For the purposes of this Debenture, except as otherwise expressly provided herein:

(a) the words "**herein**", "**hereof**", and "**hereunder**" and other words of similar import refer to this Agreement as a whole and not to any particular Article, clause, subclause or other subdivision or Schedule;

(b) a reference to an Article means an Article of this Debenture and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Debenture so designated;

(c) the headings are for convenience only, do not form a part of this Debenture and are not intended to interpret, define or limit the scope, extent or intent of this Debenture or any of its provisions;

(d) the word "including", when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as "without limitation" or "but not limited to" or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;

(e) unless otherwise indicated, a reference to currency means Canadian currency; and

(f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
DEBENTURE

2.1 Principal Amount

The Company agrees to repay to the Debentureholder in United States currency the Principal Amount of the Debenture, together with interest thereon, by 5:00 p.m. (Eastern Time) on the Maturity Date, subject to the early redemption or conversion of the Debenture, as applicable, pursuant to the terms set forth in §2.4 and Article 4 respectively.

2.2 Interest on Debenture

The Debenture will bear interest at 9% per annum on the Principal Amount from the date of issue (the "**Issue Date**"). Interest is to be calculated from the date noted above and payable quarterly in cash in United States currency in arrears on the last Business Day of March, June, September and December of each year. The first Interest payment will be made on December 30, 2022 and will consist of Interest accrued from and including the Issue Date to but excluding December 30, 2022.

2.3 Payment of Principal Amount and Interest on Debenture

Any Principal Amount together with any Interest thereon as of the Maturity Date will be paid in full in United States currency by the Company as at such date.

2.4 Early Redemption of Debenture

The Principal Amount together with any Interest thereon may be prepaid in United States currency by the Company prior to Maturity Date upon providing 30 days' notice to the Debentureholder.

2.5 Use of Proceeds

The proceeds of the Debenture shall be used for the ongoing development of the Company's business model and for general working capital purposes.

2.6 Outstanding Balance

Notwithstanding the stated Principal Amount of this Debenture, the actual outstanding balance of the Debenture from time to time shall be the aggregate outstanding Principal Amount of the Debenture, together with any accrued and unpaid Interest thereon payable by the Company to the Debentureholder pursuant to this Debenture.

2.7 Debenture to Rank *Pari Passu*

This Debenture shall rank *pari-passu* with the Other Debentures as if this Debenture and the Other Debentures had been issued and negotiated simultaneously.

ARTICLE 3
COVENANTS

3.1 Covenants of the Company

The Company covenants and agrees with the Debentureholder that, unless otherwise consented to in writing by the Debentureholder:

(a) **Reservation of Common Shares.** The Company shall at all times have reserved for issuance out of its authorized capital a sufficient number of Common Shares to satisfy its obligations to issue and deliver Common Shares upon the due conversion of the Debenture;

(b) **Approvals and Filings.** The Company shall, in connection with the execution and delivery of this Debenture and the possible conversion of the Debenture into Common Shares, obtain any and all statutory and regulatory approvals required to effect and complete the same and shall file all notices, reports and other documents required to be filed by or on behalf of the Company pursuant to Applicable Securities Laws in respect thereof, including the rules and regulations of the Exchange;

(c) **Resale Restrictions.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof from time to time will be subject to resale restrictions imposed under Applicable Securities Laws and applicable federal and "blue sky" securities laws of the United States and the rules of regulatory bodies having jurisdiction including, without limiting the generality of the foregoing, that the Common Shares so issued shall not be traded for a period of four months from the date of the execution of this Debenture except as permitted by Applicable Securities Laws and, if applicable, with the consent of the Exchange;

(d) **Restrictions in U.S.** This Debenture and the securities deliverable upon conversion hereof 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. This Debenture may not be converted in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Common Shares are registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available, and (iii) the holder has complied with the requirements set forth in the Conversion Form attached hereto as Schedule "B"**.** For the purposes of this §3.1(d), "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

(e) **Certificate Legend.** A legend will be placed on the certificates representing the Common Shares issued on conversion of the Debenture denoting the restrictions on transfer imposed by Applicable Securities Laws and the policies of the Exchange, if applicable:

(f) **Canadian Securities Laws.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof shall be made pursuant to an exemption from the prospectus requirements available to the Debentureholder or the Company in respect of the transactions contemplated herein under Applicable Securities Laws.

ARTICLE 4
CONVERSION OF DEBENTURE

4.1 Conversion Privilege and Conversion Price

The Debentureholder shall have the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, subject to early redemption, to convert to Common Shares, all or any part of the outstanding Principal Amount together with any accrued and unpaid Interest on the Conversion Date, at the Conversion Price.

4.2 Manner of Exercise of Right to Convert

(a) The Debentureholder may, at any time following the Issue Date and at any time while any portion of the Principal Amount is outstanding under this Debenture, convert the Principal Amount together with any accrued and unpaid Interest on the Conversion Date, in whole or in part, into Common Shares at the Conversion Price, by delivering to the Company the conversion form attached hereto as Schedule "B" executed by the Debentureholder or the Debentureholder's attorney duly appointed by an instrument in writing, exercising the Debentureholder's right to convert the Debenture in accordance with the provisions of this Article 4. Thereupon, the Debentureholder, subject to payment of all applicable stamp or security transfer taxes or other governmental charges, shall be entitled to be entered in the books of the Company as at the Conversion Date (or such later date as is specified in §4.2(b)) as the holder of the number of Common Shares into which the Debenture is convertible in accordance with the conversion form then received by the Company and the provisions of this Article 4 and, as soon as practicable thereafter, the Company shall deliver

to the Debentureholder and/or, subject as aforesaid, the Debentureholder's nominee(s) or assignee(s), a certificate or certificates for such Common Shares affixed with all required legends.

(b) For the purposes of this Article 4, the Debenture shall be deemed to be converted on the Conversion Date on which the conversion form under §4.2(a) is actually received by the Company, provided that if such conversion form or notice is received on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened;

(c) Any part of the Principal Amount together with any accrued and unpaid Interest may be converted as provided in §4.2(a); and

(d) The Debentureholder shall be entitled in respect of Common Shares issued upon conversion of the Debenture to dividends declared in favour of shareholders of record of the Company on and after the Conversion Date or such later date as the Debentureholder shall become the holder of record of such Common Shares pursuant to §4.2(b), from which applicable date any Common Shares so issued to the Debentureholder shall for all purposes be and be deemed to be outstanding as fully paid and non-assessable.

4.3 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

(a) If and whenever at any time while any portion of the Principal Amount is outstanding under this Debenture (referred to in this §4.3 as the "**Time of Expiry**"), the Company shall:

(i) subdivide, redivide or change its Common Shares into a greater number of shares,

(ii) consolidate, reduce or combine its Common Shares into a lesser number of shares, or

(iii) issue Common Shares to all or substantially all of the holders of its Common Shares by way of a stock dividend or other distribution on such Common Shares payable in Common Shares (other than dividends paid in the ordinary course);

(any such event being hereinafter referred to as a "**Capital Reorganization**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in effect on the effective date of such event referred to in §4.3(a)(i) or §4.3(a)(ii) or on the record date of such stock dividend referred to in §4.3(a)(iii), as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding before giving effect to such Capital Reorganization and the denominator of which shall be the number of Common Shares outstanding after giving effect to such Capital Reorganization. Such adjustment shall be made successively whenever any Capital Reorganization shall occur and any such issue of Common Shares by way of a stock dividend or other such distribution shall be deemed to have been made on the record date thereof for the purpose of calculating the number of outstanding Common Shares under §4.3(a)(i) and §4.3(a)(ii);

(b) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share (or having a conversion or exchange price per share) of less than the Current Market Price (as defined below) per Common Share on such record date (any such event being hereinafter referred to as a "**Rights Offering**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number equal to the number determined by dividing the aggregate purchase price of the additional Common Shares offered for subscription or purchase by such Current Market Price per Common Share, and of which the denominator shall be the total number of Common

Shares outstanding on such record date plus the number of the additional Common Shares offered for subscription or purchase. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment, if having received prior Exchange approval, shall be made successively whenever such a record date is fixed. To the extent that such Rights Offering is not made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(c) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the distribution to all or substantially all the holders of its Common Shares of:

(i) shares of any class whether of the Company or any other corporation (excluding dividends paid in the ordinary course);

(i) rights, options or warrants;

(ii) evidences of indebtedness; or

(iii) other assets or property (excluding dividends paid in the ordinary course);

and if such distribution does not constitute a Capital Reorganization or a Rights Offering or does not consist of rights, options or warrants entitling the holders, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share or having a conversion or exchange price per share of at least the Current Market Price per Common Share on such record date (any such non-excluded event being hereinafter referred to as a "**Special Distribution**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share determined on such record date, less the excess of the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of such Special Distribution over the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of the consideration therefor, if any, received by the Company and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purposes of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. The extent that such Special Distribution is not so made or to the extent any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(d) For the purpose of any computation under §4.3(b) or §4.3(c), the **"Current Market Price"** of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then and in each such case the

then-existing Conversion Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time prior to the Time of Expiry, there is a reclassification or change of Common Shares into other shares or there is a consolidation, merger, reorganization or amalgamation of the Company with or into another corporation or entity that results in any reclassification of Common Shares or a change of Common Shares into other shares or there is a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being hereinafter referred to as a "**Reclassification of Common Shares**"), the Debentureholder shall be entitled to receive and shall accept, upon the exercise of the Debentureholder's right of conversion at any time after the effective date thereof, in lieu of the number of Common Shares of the Company to which the Debentureholder was theretofore entitled on conversion, the kind and amount of shares or other securities or money or other property that the Debentureholder would have been entitled to receive as a result of such Reclassification of Common Shares, if, on the effective date thereof, the Debentureholder had been the registered holder of the number of such Common Shares to which the Debentureholder was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this §4.3.

(g) In any case in which this §4.3 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing or transferring to the Debentureholder who converts on a Conversion Date after such record date or agreement date and before the occurrence of such event the additional Common Shares issuable upon conversion by reason of the adjustment of the Conversion Price required by such event before giving effect to such adjustment; provided, however, that the Company shall deliver to the Debentureholder an appropriate instrument evidencing the Debentureholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares on and after the Date of Conversion or such later date as the Debentureholder would, but for the provisions of this §4.3(g), have become the holder of record of such additional Common Shares pursuant to §4.3(c);

(h) The adjustments provided for in this §4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this §4.3, provided that, notwithstanding any other provision of this §4.3, no adjustment shall be made which would result in any increase in the Conversion Price (except upon a consolidation, reduction or combination of outstanding Common Shares) and no adjustment of the Conversion Price shall be required unless such adjustment would require a decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment;

(i) In the event of any dispute arising with respect to the adjustments provided in this §4.3, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company (who may be auditors of the Company) and acceptable to the Debentureholder, acting reasonably. Such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the Debentureholder; and

(j) Notwithstanding any other provision herein contained, no adjustment to the Conversion Price shall be made in respect of any event described in this §4.3 (other than the events referred to in paragraphs (i) and (ii) of subsection (a)), if the Debentureholder is entitled, without converting the Debenture, to participate in such event on the same terms mutatis mutandis as if the Debentureholder had converted the Debenture into Common Shares prior to or on the effective date or record date of such event.

4.4 No Requirement to Issue Fractional Shares

The Company shall not be required to issue fractional Common Shares upon the conversion of the Debenture pursuant to this Article 4.

4.5 Certificate as to Adjustment

The Company shall from time to time forthwith after the occurrence of any event which requires adjustment or readjustment as provided in §4.3, deliver to the Debentureholder at the Debentureholder's address set forth on the final page hereof, an officer's certificate specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation are based.

4.6 Redemption of Debenture

Notwithstanding anything to the contrary contained herein, this Debenture will be redeemable at the option of the Company prior to 5:00 p.m. (Eastern Time) on the Maturity Date, pursuant to the terms set forth in §2.4.

ARTICLE 5
EVENTS OF DEFAULT

5.1 General

The occurrence of any one or more of the following events ("**Events of Default**") will constitute a default hereunder (whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court of any order, rule or regulation of any administrative or governmental body):

(a) **Non-Compliance:** (A) the Company fails to observe or perform one or more material covenants, agreements, conditions or obligations in favour of the Debentureholder, including a failure to pay any or all of the Principal Amount, interest and other monies due under the Debenture when due, or (B) the Company defaults pursuant to, or fails to observe or perform one or more material covenants, agreements, conditions or obligations under the Other Debentures or any other ancillary document or instrument entered into in connection with the transaction in which this Debenture was issued; and in each case, if such failure continues unremedied for a period of 30 days after the Debentureholder gives notice thereof to the Company;

(b) **Cross Default:** an event of default occurs under any, note, credit agreement or similar agreement or arrangement (including any ancillary document or instrument entered into in connection therewith) pursuant to which the Company has borrowed at least $1,000,000 in aggregate principal amount;

(c) **Bankruptcy or Insolvency:** the Company becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against the Company, or the Company commits or threatens to commit an act of bankruptcy;

(d) **Receivership:** a receiver or receiver manager of the Company is appointed under any statute or pursuant to any document issued by the Company;

(e) **Compromise or Arrangement:** any proceeding with respect to the Company is commenced under the compromise or arrangement provisions of the corporations statute pursuant to which the Company is governed, or the Company enters into an arrangement or compromise with any or all of its creditors pursuant to such provisions or otherwise;

(f) **Companies' Creditors Arrangement Act:** any proceeding with respect to the Company is commenced in any jurisdiction under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation; and

(g) **Liquidation:** an order is made, a resolution is passed, or a petition is filed, for the liquidation, dissolution or winding-up of the Company.

ARTICLE 6
RIGHTS, REMEDIES AND POWERS

6.1 Upon Default

Upon the occurrence of an Event of Default and at any time thereafter, so long as such Event of Default is continuing, the Debentureholder may exercise any or all of the rights, remedies and powers of the Debentureholder under any applicable legislation or otherwise existing, whether under this Debenture or any other agreement or at law or in equity, and in addition will have the right and power (but will not be obligated) to declare any or all of the Debenture to be immediately due and payable. Notwithstanding the above, if an Event of Default set out in Sections 5.1(b) to (f) occurs then the full amount owing under this Debenture shall become immediately due and payable.

6.2 Waiver

The Debentureholder in its absolute discretion may at any time and from time to time by written notice waive any breach by the Company of any of its covenants or agreements herein. No failure or delay on the part of the Debentureholder to exercise any right, remedy or power given herein or by any other existing or future agreement or now or hereafter existing by statute, at law or in equity will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy or power preclude any other exercise thereof or the exercise of any other such right, remedy or power, nor will any waiver by the Debentureholder be deemed to be a waiver of any subsequent, similar or other event.

ARTICLE 7
OTHER AGREEMENTS

7.1 Withholding Taxes

If the Company is obliged to withhold any payment hereunder on account of present or future taxes, duties, assessments or other governmental charges required by Law, the Company shall make such withholding or deduction and pay the balance owing to the Debentureholder.

7.2 Amendment and Waiver

Neither this Debenture nor any provision hereof may be amended, waived, discharged or terminated except by a document in writing executed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

7.3 Notices and Other Instruments

Any notice, demand or other communication required or permitted to be given to any party hereunder shall be in writing and shall be:

(a) personally delivered to such party; or

(b) except during a period of strike, lock-out or other postal disruption, sent by double registered mail, postage prepaid to the address of such party set forth on page one; or

(c) sent by email to the address of such party set forth on page one, or as otherwise designated by such party in a written notice to the other party;

and shall be deemed to have been received by such party on the earliest of the date of delivery under subsection (a), the actual date of receipt when mailed under subsection (b) and the Business Day following the date of communication under subsection (c). Any party may give written notice to the other parties of a change of address to some other address, in which event any communication shall thereafter be given to such

party as hereinbefore provided, at the last such changed address of which the party communication has received written notice.

7.4 Maximum Rate

Notwithstanding any other provisions of this Debenture or any other agreement, the maximum amount (including interest and any other consideration) payable to the Debentureholder in connection with the indebtedness evidenced by the Debenture, including the Principal Amount thereof and any Interest thereon, and all other obligations and liability of the Company to the Debentureholder pursuant to this Debenture and each part thereof shall not exceed the maximum allowable return permitted under the laws of Ontario and the laws of Canada applicable therein, and the provisions of this Debenture and all other existing and future agreements are hereby modified to the extent necessary to effect the foregoing.

7.5 Successors and Assigns

This Debenture shall be binding upon the Company and its successors.

7.6 Headings, etc.

The division of this Debenture into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

7.7 Severability

The provisions of this Debenture are intended to be severable. If any provision of this Debenture shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

7.8 Modification

From time to time the Company may modify the terms and conditions hereof for any purpose not inconsistent the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

7.9 Governing Law

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.10 Business Combination

(a) Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Company with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any corporation lawfully entitled to acquire and operate same (such event to be referred to in this §7.10 as a "**Business Combination**"), provided, however, that the corporation formed by such Business Combination, simultaneously with such amalgamation, merger, conveyance or transfer, assumes the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company in this Debenture.

(b) In case the Company, pursuant to §7.10(a), shall complete a Business Combination with or into any other corporation or corporations, the successor corporation formed by such Business Combination shall succeed to and be substituted for the Company hereunder and such changes in phraseology and form (but not in substance) may be made herein as may be appropriate in view of such amalgamation, merger or transfer.

(c) In case the Company, pursuant to §7.10(a), intends to complete a Business Combination with or into any other corporation or corporations, then the Company shall provide notice to the Debentureholder within ten (10) Business Days prior to the expected completion of the Business Combination so that the Debentureholder has the right, but not the obligation, to either (i) convert any outstanding principal and interest owing under this Debenture in accordance with §4.2 or (ii) force the immediate acceleration of all principal and interest owing under this Debenture which shall become due and payable prior to the completion of the Business Combination.

SCHEDULE "B"

NOTICE OF CONVERSION FORM

To: Grown Rogue International Inc.

The undersigned registered holder of the enclosed certificate representing (US)$_____ in principal amount of the Convertible Debenture (the "**Debenture**"), issued by Grown Rogue International Inc. (the "**Corporation**"), does hereby exercise the right to convert (US)$_____ in the principal amount and interest, if applicable, owing under the Debenture into fully paid and non-assessable common shares ("**Common Shares**") of the Borrower pursuant to the terms of the Debenture, and does hereby irrevocably tender the Debenture to the Borrower for such purpose.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of conversion of the Debenture (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Debenture on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Conversion Form in the United States.

☐ B. The undersigned holder at the time of conversion of the Debenture (i) is the original holder who acquired the Debenture in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Debenture; (ii) is converting the Debenture for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of conversion of this Debenture and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of conversion of this Debenture.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the conversion of the Debenture should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

DATED the _____ day of _____, 20____.

)

)

)

_____ _____

Signature of Witness Signature of registered holder or authorized signatory thereof

)

If applicable, print name and office of signatory

)

)

Print Name of registered holder as on certificate

)

Street Address

)

)

City, Province/State and Postal Code/ZIP Code

Instructions:

1. The registered Debentureholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the original Debenture Certificate representing the Debenture being exercised to the Corporation.

2. If the Conversion Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

Exhibit 4.23

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 3, 2023.

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE 5:00 P.M. (TORONTO TIME) ON DECEMBER 2, 2025.

WARRANT CERTIFICATE

GROWN ROGUE INTERNATIONAL INC.
(Existing under the *Business Corporations Act* (Ontario))

WARRANT CERTIFICATE NO. 2022-12-02-01

2,686,600 WARRANTS entitling the holder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby, and

THIS IS TO CERTIFY THAT Mindset Value Fund (hereinafter referred to as the "**Warrantholder**") is entitled to acquire for each Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. (Toronto time) on December 2, 2025 (the "**Expiry Time**"), one fully paid and non-assessable Common Share at a price of C$0.25 per Common Share (as may be adjusted pursuant to the terms herein, the "**Exercise Price**"), provided that the Corporation has the right to accelerate the Expiry Time to be ninety (90) days following written notice to

the Warrantholder if during the term the Common Shares close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange.

This Warrant may be exercised only at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1. This Warrant is issued subject to the following terms and conditions:

TERMS AND CONDITIONS FOR WARRANT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) **"Common Shares"** means the common shares without par value in the capital of the Corporation as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Article 4 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, "**Common Shares**" shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.;

(b) **"Corporation"** means Grown Rogue International Inc. unless and until a successor corporation shall have become such in the manner prescribed in Article 6, and thereafter "**Corporation**" shall mean such successor corporation;

(c) **"Corporation's Auditors"** means an independent firm of accountants duly appointed as auditors of the Corporation;

(d) **"Exchange"** means the Canadian Securities Exchange or such other stock exchange on which the Corporation's Common Shares are listed and posted for trading;

(e) **"herein"**, **"hereby"** and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression "article" and "section" followed by a number refer to the specified article or section of these Terms and Conditions;

(f) **"person"** means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(g) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the

Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(h) **"Warrant"** means the warrants to acquire Common Shares evidenced by the Warrant Certificate; and

(i) **"Warrant Certificate"** means the certificate to which these Terms and Conditions are annexed.

1.2 Interpretation Not Affected by Headings

(a) The division of these Terms and Conditions into articles and sections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

(b) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

The terms hereof and of the Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE 2
ISSUE OF WARRANT

2.1 Issue of Warrants

That number of Warrants set out on the Warrant Certificate are hereby created and authorized to be issued.

2.2 Additional Securities

Subject to any other written agreement between the Corporation and Warrantholder, the Corporation may at any time and from time to time undertake further equity or debt financings and may issue additional Common Shares, warrants or grant options or similar rights to purchase Common Shares to any person.

2.3 Issue in Substitution for Lost Warrants

If the Warrant Certificate becomes mutilated, lost, destroyed or stolen:

(a) the Corporation shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate; and

(b) the Warrantholder shall bear the reasonable cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction or theft of the Warrant Certificate, shall furnish to the

Corporation such evidence of loss, destruction or theft as shall be satisfactory to the Corporation in its reasonable discretion and the Corporation may also require the Warrantholder to furnish indemnity in an amount and form satisfactory to the Corporation in its discretion, and shall pay the reasonable charges of the Corporation in connection therewith.

2.4 Warrantholder Not a Shareholder

The Warrant shall not constitute the Warrantholder a shareholder of the Corporation, nor entitle it to any right or interest in respect thereof except as may be expressly provided in the Warrant.

ARTICLE 3
EXERCISE OF THE WARRANT

3.1 Method of Exercise of the Warrant

The right to purchase Common Shares conferred by the Warrant Certificate may be exercised at or prior to the Expiry Time by:

(a) duly completing and executing a subscription substantially in the form annexed hereto as Appendix A (the "**Subscription Form**"), in the manner therein indicated; and

(b) surrendering this Warrant Certificate and the duly completed and executed Subscription Form to the Corporation prior to the Expiry Time at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1, together with payment of the purchase price for the Common Shares subscribed for in the form of cash, wire transfer or a certified cheque payable to the Corporation in an amount equal to the then applicable Exercise Price multiplied by the number of Common Shares subscribed for in lawful money of Canada.

3.2 Effect of Exercise of the Warrant

(a) Upon delivery and payment as set forth in section 3.1 herein, the Corporation shall cause to be issued to the Warrantholder the number of Common Shares subscribed for by the Warrantholder and the Warrantholder shall become a shareholder of the Corporation in respect of such Common Shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares. The Corporation shall cause such certificate or certificates to be mailed to the Warrantholder at the address or addresses specified in the Subscription Form within five (5) business days of such delivery and payment as set forth in section 3.1 herein or, if so instructed by the Warrantholder, held for pick-up by the Warrantholder at the principal office of the Corporation.

(b) Notwithstanding any adjustment provided for in Article 4 herein, the Corporation shall not be required to issue fractional Common Shares upon the exercise of the Warrants evidenced hereby. If any fractional interest would be deliverable upon the exercise of the Warrants evidenced hereby, the Company shall, in lieu of delivering any certificate for such fractional interest, round such fractional interest up to the nearest whole Common Share if the fractional interest is above 0.5, and round such fractional interest down to the nearest whole Common Share if the fractional interest is below 0.5. The holding of a Warrant shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as herein expressly provided.

3.3 Subscription for Less than Entitlement

The Warrantholder may subscribe for and purchase a number of Common Shares less than the number which it is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Common Shares less than the number which can be purchased pursuant to the Warrant Certificate, the Warrantholder shall be entitled to the return of the Warrant Certificate with a notation on the Grid annexed hereto as **Appendix B** showing the balance of the Common Shares which the Warrantholder is entitled to purchase pursuant to the Warrant Certificate which were not then purchased.

3.4 Expiration of the Warrant

After the Expiry Time, all rights hereunder shall wholly cease and terminate and the Warrant shall be void and of no effect.

3.5 Hold Periods and Legending of Share Certificate

If any of the Warrants are exercised prior to April 3, 2023, the certificates representing the Common Shares to be issued pursuant to such exercise shall bear the following legends:

"**Unless permitted under securities legislation, the holder of this security must not trade the security before April 3, 2023."**

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") nor under the laws of any state of the United States. Subject to certain limited exceptions, (i) Warrants may not be exercised within the United States and (ii) no Common Shares issuable upon exercise of Warrants will be delivered to any address in the United States. The Warrantholder acknowledges that a legend to that effect may be placed on any certificates representing the Common Shares issued on exercise of the rights represented by this Warrant Certificate. Terms used in this paragraph have the meanings given to them in Regulation S under the 1933 Act.

ARTICLE 4
ADJUSTMENTS

4.1 Adjustments

(a) For the purpose of this Article 4, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 4.1(a):

"Current Market Price" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation;

"director" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and

"trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(b) If and whenever at any time after the date hereof and prior to the Expiry Time the Corporation shall (i) subdivide or redivide its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares or (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of a stock dividend or other distribution (any of such events herein called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted effective immediately after the effective date of any such event in (i) or (ii) above or the record date at which the holders of Common Shares are determined for the purpose of any such dividend or distribution in (iii) above, as the case may be, by multiplying the Exercise Price in effect on such effective date or record date, as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would be outstanding if such securities were exchanged for or converted into Common Shares.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.1(b) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time after the date hereof and prior to the Expiry Time the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares, of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of less than the Current Market Price of the Common Shares on such record date (any of such events being herein called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

(A) the number of Common Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing

(I) either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(II) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this section 4.1(c), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this section 4.1(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time after the date hereof and prior to the Expiry Time, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the Common Shares of:

(i) shares of the Corporation of any class other than Common Shares;

(ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of at least the Current Market Price of the Common Shares on such record date);

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation (including cash, but excluding cash dividends paid in the ordinary course);

and if such issue or distribution does not constitute an Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

(I) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and

(II) the fair value, as determined by the directors of the Corporation, to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(d) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this section 4.1(d), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Common Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, the Company a Trigger Issuance shall have occurred for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then and in each such case the then-existing Conversion Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time after the date hereof and prior to the Expiry Time there is a capital reorganization of the Corporation or a reclassification or other change in the Common Shares (other than an Common Share Reorganization) or a consolidation or merger or amalgamation of the Corporation with or into any other corporation or other entity (other than a consolidation, merger or amalgamation which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of all or substantially all of the Corporation's undertaking and assets to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital

Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of Common Shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder has been the registered holder of the number of Common Shares to which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Warrantholder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant Certificate.

(g) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in sections 4.1(b), (c), (d), (e) or (f) herein shall occur and the occurrence of such event results in an adjustment of the Exercise Price pursuant to the provisions of this section 4.1, then the number of Common Shares purchasable pursuant to this Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Common Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(h) If the Corporation takes any action affecting its Common Shares to which the foregoing provisions of this section 4.1, in the opinion of the board of directors of the Corporation, acting in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Warrantholder against dilution in accordance with the intent and purposes hereof, or would otherwise materially affect the rights of the Warrantholder hereunder, then the Corporation shall, subject to the approval of the Exchange, execute and deliver to the Warrantholder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such manner as the board of directors of the Corporation may determine to be equitable in the circumstances, acting in good faith. The failure of the taking of action by the board of directors of the Corporation to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

4.2 Rules and Procedures

The following rules and procedures shall be applicable to the adjustments made pursuant to section 4.1 herein:

(a) any Common Shares owned or held by or for the account of the Corporation shall be deemed not be to outstanding except that, for the purposes of section 4.1 herein, any Common Shares owned by a pension plan or profit sharing plan for employees of the Corporation or any of its subsidiaries shall not be considered to be owned or held by or for the account of the Corporation;

(b) no adjustment in the Exercise Price or the number of Common Shares purchasable pursuant to this Warrant shall be required unless a change of at least 1% of the prevailing Exercise Price or the number of Common Shares purchasable pursuant to this Warrant would result, provided, however, that any adjustment which, except for the provisions of this section 4.2(b), would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;

(c) the adjustments provided for in section 4.1 herein are cumulative and shall apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such item;

(d) in the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in section 4.1(b)(iii) herein, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected;

(e) if the Corporation sets a record date to take any action and thereafter and before the taking of such action abandons its plan to take such action, then no adjustment to the Exercise Price will be required by reason of the setting of such record date;

(f) as a condition precedent to the taking of any action which would require any adjustment to the Warrants evidenced hereby, including the Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation shall have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all of the shares or other securities which the Warrantholder is entitled to receive on the full exercise thereof in accordance with the provisions hereof;

(g) forthwith, but no later than five (5) days, after any adjustment to the Exercise Price or the number of Common Shares purchasable pursuant to the Warrants, the Corporation shall provide to the Warrantholder a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, describing the event requiring and the manner of computing or determining such adjustment;

(h) any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustment pursuant to section 4.1 herein shall be conclusively determined by a firm of independent chartered accountants (who may be the Corporation's Auditors) and shall be binding upon the Corporation and the Warrantholder;

(i) no adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 4.1 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event;

(j) any adjustment to the Exercise Price under the terms of this Warrant Certificate shall be subject to the prior approval of the Exchange; and

(k) in case the Corporation, after the date of issue of this Warrant Certificate, takes any action affecting the Common Shares, other than an action described in section 4.1 herein, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval, including approval of the Exchange. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Common Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

(l) On the happening of each and every such event set out in section 4.1 herein, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall, *ipso facto*, be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

(m) The Corporation shall not be required to deliver certificates for Common Shares while the share transfer books of the Corporation are properly closed, having regard to the provisions of sections 4.1 and 4.2 herein, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Common Shares called for thereby during any such period, delivery of certificates for Common Shares may be postponed for not more than five (5) business days after the date of the re-opening of said share transfer books; provided, however, that any such postponement of delivery of certificates shall be without prejudice to the right of the Warrantholder so surrendering the same and making payment during such period to receive after the share transfer books shall have been re-opened such certificates for the Common Shares called for, as the same may be adjusted pursuant to sections 4.1 and 4.2 herein as a result of the completion of the event in respect of which the transfer books were closed.

(n) Notwithstanding any other provision of Section 4.1 or 4.2, no adjustment shall be made which would result in any increase in the Exercise Price (except upon a consolidation, reduction or combination of outstanding Common Shares).

ARTICLE 5
COVENANTS BY THE CORPORATION

5.1 Reservation of Common Shares

The Corporation covenants and agrees that until the Expiry Time, while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Article 4 herein. The Corporation further covenants and agrees that while any of the Warrants shall be outstanding, the Corporation shall (a) comply with the securities legislation applicable to it in order that the Corporation not be in default of any requirements of such legislation; (b) use its commercially reasonable best efforts to do or cause to be done all things necessary to preserve and maintain its corporate existence; and (c) at its own expense expeditiously use its commercially reasonable best efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Corporation's Common Shares may be listed from time to time. All Common Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Common Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Corporation or its creditors in respect thereof.

ARTICLE 6
MERGER AND SUCCESSORS

6.1 Corporation May Consolidate, etc. on Certain Terms

Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety to any corporation lawfully entitled to acquire and operate same, provided, however, that the corporation formed by such consolidation, amalgamation or

merger or which acquires by conveyance or transfer all or substantially all the properties and assets of the Corporation as an entirety shall, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.

6.2 Successor Corporation Substituted

In case the Corporation, pursuant to section 6.1, shall consolidate, amalgamate or merge with or into any other corporation or corporations or shall convey or transfer all or substantially all of its properties and assets as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation shall have been consolidated, amalgamated or merged or which shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Corporation hereunder and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate and herein as may be appropriate in view of such amalgamation, merger or transfer.

ARTICLE 7
AMENDMENTS

7.1 Amendment

This Warrant Certificate may be amended only by a written instrument signed by the parties hereto. Any such amendment shall be subject to receipt by the Corporation of all required approvals (if any) from the Exchange, any other stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities.

ARTICLE 8
MISCELLANEOUS

8.1 Time

Time is of the essence of this Warrant Certificate.

8.2 Notice

The Corporation will maintain a register of holders of Warrants at its principal office. The Corporation may deem and treat the registered holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Warrantholder of the Common Shares purchasable pursuant to such Warrant shall be a good discharge to the Corporation for the same and the Corporation shall not be bound to inquire into the title of any such Warrantholder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

The Corporation shall notify the Warrantholder forthwith of any change of the Corporation’s address.

All notices to be sent hereunder shall be deemed to be validly given to the registered holders of the Warrants if delivered personally or if sent by registered letter through the post addressed to such holders at their post office addresses appearing in the register of Warrant holders caused to be maintained by the Corporation,

and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by post on the fifth business day next following the post thereof.

8.3 Transfer of Warrants

Subject to applicable securities legislation and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the Exchange (or any other stock exchange on which the Common Shares are listed), the Warrants evidenced hereby (or any portion thereof) may be assigned or transferred by the Warrantholder by duly completing and executing the transfer form annexed hereto as **Appendix C**. The rights and obligations of the parties hereunder shall be binding upon and enure to the benefit of their successors and permitted assigns. After such transfer, the term "Warrantholder" shall mean and include any transferee or assignee of the current or any future Warrantholder. If only part of the Warrants evidenced hereby is transferred, the Corporation will deliver to the Warrantholder and the transferee replacement Warrant Certificates substantially in the form of this Warrant Certificate.

8.4 Enforcement

Subject as hereinafter provided, all or any of the rights conferred upon the Warrantholder by the terms hereof may be enforced by the Warrantholder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein shall be had against any shareholder or officer of the Corporation either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders or officers of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrants.

8.5 Priority

All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

8.6 Assignment

This Warrant Certificate shall enure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors and assigns.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by the signature of its duly authorized officer this 2nd day of December, 2022.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
J. Obie Strickler
President and Chief Executive Officer

[Signature page to Warrant]

APPENDIX A

EXERCISE FORM

TO: GROWN ROGUE INTERNATIONAL INC.

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Warrant Certificate held by the undersigned and issued by Grown Rogue International Inc. (the "**Corporation**").

The undersigned hereby exercises the right to acquire _____ Common Shares of the Corporation in accordance with and subject to the provisions of such Warrant Certificate and herewith makes payment of the purchase price in full for the said number of Common Shares.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of exercise of the Warrants (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Warrants on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Exercise Form in the United States.

☐ B. The undersigned holder at the time of exercise of the Warrants (i) is the original holder who acquired the Warrants in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Warrants; (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of exercise of these Warrants and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the exercise of the Warrants should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

The Common Shares are to be issued as follows:

Name: _____

Address in full: _____

_____

Social Insurance Number: _____

Note: If further nominees are intended, please attach (and initial) a schedule giving these particulars.

DATED this _____ day of _____, 201____.

_____

(Signature of Warrantholder)

_____

Print full name

_____

Print full address

Instructions:

1. The registered Warrantholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised to the Corporation.

2. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

APPENDIX B

WARRANT EXERCISE GRID

Common Shares Issued	Common Shares Available	Initials of Authorized Officer

APPENDIX C

TRANSFER FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of assignee)

_____ Warrant(s) represented by the within certificate, and do(es) hereby irrevocably constitute and appoint

the attorney of the undersigned to transfer the said Warrants maintained by the transfer agent of the Corporation with full power of substitution hereunder.

DATED this _____ day of _____ 202____.

Signature of Warrantholder

Signature Guarantee

Name of Warrantholder (please print)

The signature of the Warrantholder to this assignment must correspond exactly with the name of the Warrantholder as set forth on the face of this Warrant certificate in every particular, without alteration or enlargement or any change whatsoever and the signature must be guaranteed by a Canadian chartered bank or by a Canadian trust company or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.

TRANSFEREE ACKNOWLEDGMENT

In connection with this transfer (check one):

☐ The undersigned Transferee hereby certifies that (i) it was not offered the Warrants while in the United States and did not execute this certificate while within the United States; (ii) it is not acquiring any of the Warrants represented by this Warrant Certificate by or on behalf of any person within the United States; and (iii) it has in all other respects complied with the terms of Regulation S of United States Securities Act of 1933, as amended (the "**1933 Act**"), or any successor rule or regulation of the United States Securities and Exchange Commission as presently in effect.

☐ The undersigned Transferee is delivering a written opinion of U.S. Counsel or other evidence acceptable to the Company to the effect that this transfer of Warrants has been registered under the 1933 Act or is exempt from registration thereunder.

_____
(Signature of Transferee)

_____ _____
Date Name of Transferee (please print)

The Warrants and the common shares issuable upon exercise of the Warrants shall only be transferable in accordance with applicable laws. The Warrants may only be exercised in the manner required by the certificate representing the Warrants and the Warrant Exercise Form attached thereto. Any common shares acquired pursuant to this Warrant shall be subject to applicable hold periods and any certificate representing such common shares will bear restrictive legends.

Exhibit 4.24

THE SECURITIES TO WHICH THIS PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE, AND WILL BE ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

GROWN ROGUE INTERNATIONAL INC.
(the "**Issuer**")

CONVERTIBLE DEBENTURE

SUBSCRIPTION AGREEMENT

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for a convertible debenture of the Issuer (the "**Debenture**") having an aggregate principal amount set forth on page 3 (the "**Original Principal Amount**") and bearing interest at 9% quarterly per calendar year, maturing 36 months from the day of Closing (as defined herein). The entire amount of principal owing under the Debenture is convertible at any time while any principal amount remains outstanding into common shares of the Issuer (each, a "**Share**") at a price equal to C$0.20 per Share (as may be adjusted in accordance with the terms of the Debenture), all upon and subject to the terms and conditions set forth in Schedule A attached hereto. The Subscriber shall receive one half of one warrant (each whole warrant, a "**Warrant**", and together with the Debenture, the "**Purchased Securities**") for each C$0.20 of the Original Principal Amount purchased with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.25 per Share (as may be adjusted in accordance with the terms of the Warrant). The Warrants are exercisable for a period of three years from the date of Closing, subject to the terms and conditions set forth in Schedule A, provided that if, at any time following Closing the common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Canadian Securities Exchange (the "**Exchange**"), the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided. The number of Warrants shall be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada.

The offering of the Purchased Securities (the "**Offering**") shall further have, and the Offering shall further be conducted on, the terms and conditions specified in Schedules A and B hereto. The Purchased Securities will be offered in Canada, in the United States and in such other jurisdictions outside of Canada and the United States as the Issuer may determine, pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. Unless otherwise indicated, all monetary references are in Canadian Dollars.

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION PRIOR TO DELIVERY TO THE ISSUER

1. The subscriber (the "**Subscriber**") must complete the information required on page 3 with respect to subscription amounts, subscriber details and registration and delivery particulars. Subscribers who are not purchasing as principal (or deemed under applicable securities laws to be purchasing as principal) must disclose the identity of the Disclosed Principal (as hereafter defined) on page 3.

2. The Subscriber must complete, for itself and any Disclosed Principal, the personal information required on page 4. The Subscriber acknowledges and agrees that this information may be provided to the Exchange and the applicable securities regulatory authorities, as applicable.

3. The Subscriber, for itself and any Disclosed Principal, must complete the applicable forms (the "**Forms**") at the end of Schedule B:

   (a) All Subscribers resident in Canada must complete **Form 1** – **"Certificate for Exemption"**, and:

      (i) if an individual and in Form 1 have indicated they are an "accredited investor" pursuant to section (j), (k) or (l) of the definition of "accredited investor" in National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"), the Subscriber must also complete **Form 1A** – ***"Form 45-106F9: Form for Individual Accredited Investors"***

      (ii) if resident in Saskatchewan and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1B** – ***"Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates"***

(iii) if resident in Ontario and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1C – *"Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors"***

(b) All Subscribers who are U.S. Purchasers (as defined in Schedule A, section 1.1) must complete **Form 2 – "Certificate of U.S. Accredited Investor Status"**.

4. Return this subscription, together with all applicable Forms, to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

TO: GROWN ROGUE INTERNATIONAL INC.

1. The Subscriber irrevocably subscribes for and agrees to purchase from the Issuer

(a) a Debenture with an Original Principal Amount of: US$700,000, and

(b) 2,350,775 Warrants (to be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada)

2. The Subscriber and the Issuer agree that the Purchased Securities shall have, and the Offering thereof shall be conducted on, the terms and conditions specified in Schedules A and B hereto. The Subscriber hereby makes the representations, warranties, acknowledgments and agreements set out in Schedules A and B hereto and in all applicable Forms, and acknowledges and agrees that the Issuer and its counsel, will and can rely on such representations, warranties, acknowledgments and agreements should this subscription be accepted by the Issuer.

3. Identity of and execution by Subscriber:

BOX A: SUBSCRIBER INFORMATION AND EXECUTION		
Mindset Value Wellness Fund		
(name of subscriber)		
30 West Mission Street #8, Santa Barbara, CA 93101		
(address – include city, province and postal code)		
805.284.2090	aaron@mindsetcapital.com	X /s/ Aaron Edelheit
(telephone number)	(email address)	(signature of subscriber/authorized signatory)
		Aaron Edelheit, CEO
		(if applicable, print name of signatory and office)

Execution hereof by the Subscriber shall constitute an offer and agreement to subscribe for the Purchased Securities for such total subscription price as set out in Item 1 above pursuant to the provisions of Item 2 above, and acceptance by the Issuer shall effect a legal, valid and binding agreement between the Issuer and the Subscriber. This subscription may be executed and delivered in counterparts and by facsimile, and shall be deemed to bear the date of acceptance below.

4. If the Purchased Securities are to be registered other than as set out in Box A, the Subscriber directs the Issuer to register and deliver the Purchased as follows:

BOX B: ALTERNATE REGISTRATION INSTRUCTIONS
(name of registered holder)
(address of registered holder – include city, province and postal code)
(registered holder: contact name, contact telephone number and contact email address)

5. If the Purchased Securities are to be delivered other than as set out in Box A (or if completed, Box B), the Subscriber directs the Issuer to deliver the Purchased Securities as follows:

BOX C: ALTERNATE DELIVERY INSTRUCTIONS
(name of recipient)
(address of recipient – include city, province and postal code)
(recipient: contact name, contact telephone number and contact email address)

6. If the Subscriber is purchasing as agent for a principal, and is not a trust company or trust corporation purchasing as trustee or agent for accounts fully managed by it or is not a person acting on behalf of an account fully managed by it (and in each such case satisfying the criteria set forth in NI 45-106), complete Box D below and provide as a separate attachment the personal information required on page 4 and all applicable Forms on behalf of such principal (a "**Disclosed Principal**"):

BOX D: IDENTIFICATION OF PRINCIPAL
(name of Disclosed Principal)
(address of Disclosed Principal – include city, province and postal code)
(Disclosed Principal: contact name, contact telephone number and contact email address)

ACCEPTANCE

The Issuer hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

This subscription is accepted and agreed to by the Issuer as of the ____ day of 12/2/2022, 2022.

)
)
)
)

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
Authorized Signatory

PERSONAL INFORMATION

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercise control or direction over (provide additional details as applicable):

   ☐ _____ common shares of the Issuer and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Issuer:

   _____

   _____

   ☒ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status.** The Subscriber either:

   ☐ Is an "Insider" of the Issuer as defined in the *Securities Act* (Ontario), by virtue of being:

   (a) a director or an officer of the Issuer;

   (b) a director or an officer of a person that is an Insider or subsidiary of the Issuer;

   (c) a person that has

   (i) beneficial ownership of, or control or direction over, directly or indirectly, or

   (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

   securities of the Issuer carrying more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

   ☒ Is not an Insider of the Issuer.

3. **Registrant Status.** The Subscriber either:

   ☐ Is a "Registrant" by virtue of being a person registered or required to be registered under the *Securities Act* (Ontario) or other applicable securities laws; or

   ☒ Is not a Registrant.

   "**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to the applicable securities laws, or a person (as that term is defined herein) registered or otherwise required to be registered under applicable securities laws.

SCHEDULE A

1. Interpretation

1.1 Unless the context otherwise requires, reference in this subscription to:

(a) "**Agreement**" means this subscription agreement, including all schedules, forms and other attachments attached thereto;

(b) "**Applicable Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders and notices of, the applicable securities regulatory authority or authorities of the applicable jurisdiction or jurisdictions as the case may be;

(c) "**Business Day**" means a day which is not a Saturday, Sunday, or civic or statutory holiday on which Canadian chartered banks are open for the transaction of regular business in the city of Toronto, Ontario;

(d) "**Closing**" refers to the completion of the purchase and sale of the Purchased Securities, and if the purchase and sale occurs in two or more tranches, the respective completion of the purchase and sale of Purchased Securities shall be the "Closing" in respect of those Purchased Securities;

(e) "**Closing Time**" means the time of Closing;

(f) "**Debenture**" has the meaning set out in the cover page to this Agreement;

(g) "**Exchange**" means the Canadian Securities Exchange;

(h) "**Exemptions**" has the meaning set out in section 3.1 of this Schedule A;

(i) "**Forms**" has the meaning set out in the cover page to this Agreement;

(j) "**NI 45-102**" and "**NI 45-106**" refer to National Instrument 45-102 *Resale of Securities* and National Instrument 45-106 *Prospectus Exemptions*, respectively, of the Canadian Securities Administrators;

(k) "**Offering**" has the meaning set out in the cover page to this Agreement;

(l) "**Original Principal Amount**" has the meaning set out in the cover page to this Agreement;

(m) "**Public Record**" refers to all public information which has been filed by the Issuer pursuant to Applicable Securities Laws;

(n) "**Purchased Securities**" has the meaning set out in the cover page to this Agreement;

(o) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(p) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(q) "**Selling Jurisdictions**" means Canada, the United States and such other jurisdictions outside of Canada and the United States where the Issuer may conduct the Offering;

(r) "**Share**" has the meaning set out in the cover page to this Agreement;

(s) "**Subscriber**" has the meaning set out in the cover page to this Agreement;

(t) "**subscription**" or "**subscription agreement**" means this subscription agreement and includes all schedules hereto and the Forms;

(u) "**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S; and for greater certainty, "U.S. Person" includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose

of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person;

(v) "**U.S. Purchaser**" means a Subscriber that (i) has been offered the Purchased Securities in the United States, (ii) executed this subscription agreement or otherwise placed its purchase order for the Purchased Securities in the United States, or (iii) is, or is acting on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.

(w) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

(x) "**Warrant**" has the meaning set out in the cover page to this Agreement; and

(y) "**Warrant Share**" has the meaning set out in section 2.1 of this Schedule A.

1.1 In the subscription, the terms "**designated offshore securities market**", "**directed selling efforts**", "**foreign issuer**" and "**United States**" have the meanings prescribed in Regulation S.

1.2 Unless otherwise stated, all dollar figures herein expressed are in Canadian Dollars.

1.3 References imputing the singular shall include the plural and vice versa; references imputing individuals shall include corporations, partnerships, societies, associations, trusts and other artificial constructs and vice versa; and references imputing gender shall include the opposite gender.

1.4 **For greater certainty, the parties hereby acknowledge and agree that, if the Subscriber is acting as agent or trustee on behalf of a Disclosed Principal, the words "Subscriber", "it" and "its" mean the Subscriber and the Disclosed Principal, unless the context otherwise requires.**

2. <u>Description of Offering and Purchased Securities</u>

2.1 Subject to any approval and consent (the "**Approval**") that may be required by the Exchange, the Subscriber hereby irrevocably subscribes for and agrees to purchase from the Issuer, subject to the terms and conditions set forth herein, a Debenture in the Original Principal Amount set out above (the "**Subscription Price**") which is tendered herewith. Subject to the terms hereof, this Agreement will be effective when executed by all the parties to it. Subject to the approval of the Issuer and satisfaction of all conditions, the Subscriber agrees to complete the Closing within ten days from the date of this Agreement. This subscription is part of an offering by the Issuer of Debentures with principal amounts, totalling in the aggregate, of up to US$2,000,000, subject to adjustment in accordance with the terms of this Agreement.

2.2 The Subscriber (and any Disclosed Principal) and the Issuer acknowledge and agree that the Debenture will be duly and validly created and issued pursuant to a definitive certificate (the "**Debenture Certificate**") governing the terms of issue of the Debenture and the conversion of the same, which Debenture Certificate shall include the following terms:

(a) Repayment of the outstanding Original Principal Amount, together with interest accrued but unpaid, will be made on or prior to 5:00 p.m. (Toronto time) on the date that is 36 months from the Issue Date (the "**Maturity Date**").

(b) The Debenture will bear interest from the date of issue (the "**Issue Date**") at 9% per calendar year, and payable quarterly in cash.

(c) The Original Principal Amount of the Debenture is convertible by the Debenture holder into Shares at any time while any Original Principal Amount is outstanding, at a conversion price equal to C$0.20 per Share, subject to any adjustment as set out in the Debenture certificate (the "**Conversion Price**").

2.3 The Subscriber shall receive one half of one Warrant for each C$0.20 Original Principal Amount with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.25 per Share. The Warrants are exercisable for a period of three years from the date of Closing, provided that if, at any time following Closing the

common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange, the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided.

2.4 The Issuer is offering the Purchased Securities in the Selling Jurisdictions. The Issuer may, in its discretion, increase the size of the Offering and/or offer or sell additional securities concurrently with the Offering and/or the Issuer may, in the future in its sole discretion and without notice to the Subscriber, offer or sell additional securities. The Offering is not subject to any minimum aggregate offering and there can be no assurances that the Issuer will raise sufficient funds, through the Offering or otherwise, to meet its objectives.

3. Eligibility and Subscription Matters

3.1 The Offering is being made pursuant to exemptions (the "**Exemptions**") from the registration and prospectus requirements of the Applicable Securities Laws. The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, acknowledgments and agreements of the Subscriber contained in this Agreement both at the date hereof and at the time of Closing and otherwise provided by the Subscriber to the Issuer to determine the availability of Exemptions should this subscription be accepted.

3.2 The Offering is not, and under no circumstances is to be construed as, a public offering of the Purchased Securities. The Offering is not being made, and this subscription does not constitute, an offer to sell or the solicitation of an offer to buy the Purchased Securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

3.3 Subscribers must duly complete and execute this subscription together with all applicable Forms hereto (**please see the Instructions listed on the face page hereof**) and return them to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

3.4 Subscriptions are irrevocable subject to the right of the Issuer to terminate the Offering.

3.5 A subscription will only be effective upon its acceptance by the Issuer. Subscriptions will only be accepted if the Issuer is satisfied that, and will be subject to a condition for the benefit of the Issuer that, the Offering can lawfully be made in the jurisdiction of residence of the Subscriber pursuant to an available Exemption and that all other Applicable Securities Laws have been and will be complied with in connection with the proposed distribution. The Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional upon, among other things, the sale of the Purchased Securities to the Subscriber being exempt from any prospectus requirements of Applicable Securities Laws. This Agreement shall be deemed to be accepted only when signed by a duly authorized representative of the Issuer.

3.6 If this subscription is rejected in whole by the Issuer, any certified cheque, money order, bank draft or other form of payment delivered by the Subscriber on account of the aggregate subscription price for the Purchased Securities subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this subscription is accepted only in part by the Issuer, payment representing the amount by which the payment delivered by the Subscriber to the Issuer exceeds the subscription price of the Purchased Securities sold to the Subscriber pursuant to a partial acceptance of this subscription will be promptly delivered to the Subscriber without any interest paid on such amount.

3.7 No offering memorandum or other disclosure document has been prepared or will be delivered to the Subscriber in connection with the Offering, and the Subscriber hereby expressly acknowledges and confirms that it has not received, and has no need for, an offering memorandum or other disclosure document in connection with the Offering.

4. Closing Procedure

4.1 The Offering will be completed in one or more Closings at such time or times, on such date or dates, and at such place or places, as the Issuer may determine. At each Closing, the Issuer will deliver certificates representing the Purchased

Securities to those Subscribers whose subscriptions have been accepted, against the duly completed and executed subscriptions and applicable subscription price in respect thereof.

5. Reporting and Consent

5.1 The Subscriber expressly consents and agrees to:

(a) the Issuer collecting personal information regarding the Subscriber for the purpose of completing the transactions contemplated by this Agreement; and

(b) the Issuer releasing personal information regarding the Subscriber and this subscription, including the Subscriber's name, residential address, telephone number, email address and registration and delivery instructions, the number of Purchased Securities purchased, the number of securities of the Issuer held by the Subscriber, the status of the Subscriber as an insider or registrant, or as otherwise represented herein, and, if applicable, information regarding the beneficial ownership of the principals of the Subscriber, to securities regulatory authorities in compliance with Applicable Securities Laws, to other authorities as required by law and to the registrar and transfer agent of the Issuer for the purpose of arranging for the preparation of the certificates representing the Purchased Securities in connection with the Offering.

The purpose of the collection of the information is to ensure the Issuer and its advisers will be able to issue Purchased Securities to the Subscriber in accordance with the instructions of the Subscriber and in compliance with applicable Canadian corporate and securities laws and Canadian Securities Exchange policies, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Securities Laws and with other authorities as required by law. The Subscriber further expressly consents and agrees to the collection, use and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including the provision of all such personal information to third party service providers from time to time.

The contact information for the officer of the Issuer who can answer questions about the collection of information by the Issuer is as follows:

Name & Title:	J. Obie Strickler, President & CEO
Issuer Name:	**Grown Rogue International Inc.**
Address:	550 Airport Road, Medford, Oregon, 97504, United States
Email:	obie@grownrogue.com

5.2 The Subscriber expressly acknowledges and agrees that:

(a) the Issuer may be required to provide applicable securities regulators, or otherwise under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* of Canada, a list setting forth the identities of the purchasers of the Purchased Securities and any personal information provided by the Subscriber, and the Subscriber hereby represents and warrants that to the best of the Subscriber's knowledge, none of the funds representing the subscription proceeds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; the Subscriber hereby further covenants that it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Issuer with appropriate information in connection therewith;

(b) the Subscriber is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism ("**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations ("**UNAQTR**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea ("**UNRDPRK**"), the Regulations Implementing the United Nations Resolution on Iran ("**RIUNRI**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**") or any other similar statute;

(c) the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder pursuant to the PCMLA, the Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRI, the Zimbabwe Regulations, the Burma Regulations or any other similar statute; and

(d) it shall complete, sign and return such additional documentation as may be required from time to time under Applicable Securities Laws or any other applicable laws in connection with the Offering and this subscription.

5.3 The Subscriber authorizes the indirect collection of Personal Information (as hereinafter defined) by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 *Definitions*) and confirms that the Subscriber has been notified by the Issuer:

(a) that the Issuer will be delivering Personal Information to the securities regulatory authority or regulator;

(b) that the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it in Applicable Securities Laws;

(c) that such Personal Information is being collected for the purpose of the administration and enforcement of Applicable Securities Laws; and

(d) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as follows:

(i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: inquiries@bcsc.bc.ca;

(ii) Alberta Securities Commission, Suite 600, 250 – 5th Street, SW Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;

(iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5879, Facsimile: (306) 787-5899;

(iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;

(v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca, Public official contact regarding indirect collection of information: Inquiries Officer;

(vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Facsimile: (514) 864-6381 (For privacy requests only), Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers);

(vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street,, Suite 300 Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;

(viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;

(ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283; and

(x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187.

"**Personal Information**" means any personal information as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time and without limiting the foregoing, but for greater clarity in this Agreement, means information about an identifiable individual, including but not limited to any information about the Subscriber and, if applicable, any Disclosed Principal, and includes information provided by the Subscriber in this Agreement.

6. Resale Restrictions and Legending of Purchased Securities

6.1 The Subscriber hereby acknowledges and agrees that the Offering is being made pursuant to Exemptions and, as a result, the Purchased Securities will be subject to a number of statutory restrictions on resale and trading. Until these restrictions expire, the Subscriber will not be able to sell or trade the Purchased Securities unless the Subscriber complies with an Exemption from the prospectus and registration requirements under Applicable Securities Laws. In general, unless permitted under securities legislation, the Subscriber cannot trade the Purchased Securities in Canada before the date that is four months and a day after the date of the Closing. **See also section 6.3 below**.

6.2 The Subscriber acknowledges and agrees that:

(a) the Purchased Securities have not been and will not be registered under the U.S. Securities Act, or any State securities laws, and may not be offered and sold, directly or indirectly, to a U.S. Purchaser without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available;

(b) the Issuer has no present intention and is not obligated under any circumstances to register the Purchased Securities, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Purchaser, and in particular, the Subscriber and the Issuer further acknowledge and agree that the Issuer is hereby required to refuse to register any transfer of the Purchased Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration; and

(c) any Warrants may not be exercised in the United States or by or on behalf of any U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available.

6.3 **The foregoing discussion on hold periods and resale restrictions is a general summary only and is not intended to be comprehensive or exhaustive, or to apply in all circumstances.** Subscribers are advised to consult with their own advisers concerning their particular circumstances and the particular nature of the restrictions on transfer, the extent of the applicable hold period and the possibilities of utilizing any further Exemptions or the obtaining of a discretionary order to transfer any Purchased Securities. Subscribers are further advised against attempting to resell or transfer any Purchased Securities until they have determined that any such resale or transfer is in compliance with the requirements of all Applicable Securities Laws, including but not limited to compliance with restrictions on certain pre-trade activities and the filing with the appropriate regulatory authority of reports required upon any resale of the Purchased Securities.

6.4 In the event that any of the Purchased Securities are subject to a hold period or any other restrictions on resale and transferability, the Issuer will place a legend on the certificates representing the Purchased Securities as are required under Applicable Securities Laws, by the Exchange or as the Issuer may otherwise deem necessary or advisable.

7. Representations and Warranties of the Issuer

7.1 the Issuer is a corporation incorporated and existing under the laws of the jurisdiction in which it is incorporated;

7.2 the execution and delivery of, and performance by the Issuer of this Subscription Agreement has been authorized by all necessary corporate action on the part of the Issuer;

7.3 this Subscription Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding agreement of the Issuer enforceable against it in accordance with its terms;

7.4 the Issuer is a "reporting issuer" in the Provinces of Alberta, Nova Scotia, Ontario and British Columbia and is in compliance with its obligations under the Applicable Securities Laws in all material respects;

7.5 the Issuer has the power and authority to create, issue and deliver the Purchased Securities and perform its obligations under the Purchased Securities;

7.6 the Issuer has complied, or will comply, with all Applicable Securities Laws in connection with the issuance of the Purchased Securities;

7.7 no approval, authorization, consent or other order of, and no filing, registration or recording with, any governmental authority is required by the Issuer in connection with the execution and delivery or with the performance by the Issuer of this Subscription Agreement except in compliance with the Applicable Securities Laws and the requirements of the Exchange; and

7.8 Neither the Issuer, nor any partner, director, or officer or any person directly or indirectly controlling, controlled by or under common control with the Issuer is subject to any "disqualifying event" set forth in Rule 506(d) of Regulation D or any similar disqualification provision.

8. Miscellaneous

8.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber, including any fees and disbursements of any special counsel retained by the Subscriber, relating to the purchase, resale or transfer of the Purchased Securities, shall be borne by the Subscriber.

8.2 Except as expressly provided for in this subscription and in any agreements, instruments and other documents contemplated or provided for herein, this subscription contains the entire agreement between the parties with respect to the sale of the Purchased Securities and there are no other terms, conditions, representations, warranties, acknowledgments and agreements, whether expressed or implied, whether written or oral, and whether made by the parties hereto or anyone else. This subscription may only be amended by instrument in writing signed by the parties hereto. Notwithstanding the foregoing, the Subscriber is not waiving any remedies or protections available by statute or common law in connection with this Agreement or the transactions contemplated hereby.

8.3 Each party to this subscription covenants that it will, from time to time both before and after the Closing, at the request and expense of the requesting party, promptly execute and deliver all such other notices, certificates, undertakings, escrow agreements and other instruments and documents, and shall do all such other acts and other things, as may be necessary or desirable for purposes of carry out the provisions of this subscription.

8.4 The invalidity, illegality or unenforceability of any particular provision of this subscription shall not affect or limit the validity, legality or enforceability of the remaining provisions of this subscription.

8.5 This subscription, including without limitation the terms, conditions, representations, warranties, acknowledgments and agreements contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber and the Issuer notwithstanding the completion of the purchase and sale of the Purchased Securities, the conversion or exercise of any Purchased Securities and any subsequent disposition thereof by the Subscriber.

8.6 This subscription is not transferable or assignable. This subscription shall enure to the benefit of and be binding upon the parties hereto and its respective successors and permitted assigns.

8.7 This subscription is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in his personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

8.8 The Issuer shall be entitled to rely on delivery of a facsimile or portable document format ("**pdf**") copy of the executed subscription, and acceptance by the Issuer of such facsimile or pdf subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this subscription is delivered to the Issuer at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions, unaltered, of the pages not delivered at Closing.

8.9 This subscription may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

8.10 The parties hereto acknowledge and confirm that they have requested that this subscription as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

8.11 Time shall be of the essence hereof.

SCHEDULE B

1. Representations, Warranties, Covenants, Acknowledgments and Agreements of the Subscriber

1.1 The Subscriber hereby represents, warrants, covenants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) the Subscriber is resident in the jurisdiction set out on page 3 above, and if such address is not located in Ontario, the Subscriber expressly certifies that it is not resident in Ontario;

(b) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchased Securities, and in particular no governmental agency or authority, stock exchange or other regulatory body or any other entity has made any finding or determination as to the merit for investment of, nor have any such agencies, authorities, exchanges, bodies or other entities made any recommendation or endorsement with respect to, the Purchased Securities;

(c) there is no government or other insurance covering the Purchased Securities;

(d) there are risks associated with the purchase of the Purchased Securities, which are speculative investments that involve a substantial degree of risk, and the Subscriber may lose his, her or its entire investment. The Subscriber has carefully reviewed and is aware of all of the risk factors related to the purchase of Purchased Securities;

(e) other than as disclosed to the Issuer in writing, there is no person acting or purporting to act on behalf of the Subscriber (including any beneficial Subscriber), in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchased Securities, the Subscriber covenants to indemnify and hold harmless the Issuer with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(f) there are restrictions on the Subscriber's ability to resell the Purchased Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Purchased Securities;

(g) the Issuer has advised the Subscriber that it is relying on one or more exemptions from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Applicable Securities Laws, and as a consequence of acquiring the Purchased Securities pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it;

(h) the Subscriber has been further advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Purchased Securities under Applicable Securities Laws (i) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Issuer is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Subscriber is restricted from using certain of the civil remedies available under such legislation;

(i) the Subscriber has had access to all information regarding the Issuer and the Purchased Securities that the Subscriber has considered necessary in connection with its investment decision, and, in particular, the Subscriber's decision to execute this Agreement and purchase the Purchased Securities has been based entirely upon its review of the Public Record, including the Issuer's financial statements, and has not been based upon any written or oral representation or warranty as to fact or otherwise made by or on behalf of the Issuer;

(j) no person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Purchased Securities, (ii) that any person will refund the purchase price for the Purchased Securities, or (iii) as to the future price or value of the Purchased Securities;

(k) the Subscriber is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Purchased Securities, and is and will be able to bear the economic loss of its entire investment in any of the

Purchased Securities and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment;

(l) the Subscriber has been advised to consult its own investment, legal and tax advisers with respect to the merits and risks of an investment in the Purchased Securities and Applicable Securities Laws and resale restrictions, and in all cases the Subscriber has not relied upon the Issuer or its counsel or advisers for investment, legal or tax advice, always having, if desired, in all cases sought the advice of the Subscriber's own personal investment adviser, legal counsel and tax advisers, and in particular, the Subscriber has been advised and understands that it is solely responsible, and none of the Issuer, its counsel or its advisers are in any way responsible, for the Subscriber's compliance with Applicable Securities Laws and resale restrictions regarding the holding and disposition of the Purchased Securities;

(m) the Subscriber has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Agreement, restrictions with respect to trading in the Purchased Securities imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation has been made to it by or on behalf of the Issuer with respect thereto, acknowledges that it is aware of the characteristics of the Purchased Securities, the risks relating to an investment therein and of the fact that it may not be able to resell the Purchased Securities except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with the other requirements of applicable law;

(n) to the knowledge of the Subscriber, the Offering was not advertised or solicited in any manner in contravention of Applicable Securities Laws, and has not been made through or as a result of any general solicitation or general advertising or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Purchased Securities;

(o) the Subscriber has no knowledge of a "material fact" or "material change", as those terms are defined in the Applicable Securities Laws applicable in its jurisdiction of residence, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

(p) the Subscriber is not a "control person" as defined in the policies of the Exchange, will not become a "control person" by virtue of purchasing the Purchased Securities as contemplated herein, or any further acquisition of any Purchased Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;

(q) the Subscriber has the legal capacity and competence to enter into and execute this subscription and to take all actions required pursuant hereto, and if the Subscriber is not an individual, it is also duly formed and validly subsisting under the laws of its jurisdiction of formation and all necessary approvals by its directors, shareholders, partners and others have been obtained to authorize the entering into and execution of this subscription and the taking of all actions required hereto on behalf of the Subscriber. If the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which the Agreement is executed and is legally competent to execute this Agreement and take all action pursuant hereto; the Subscriber, or any Disclosed Principal, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or, each principal/beneficial purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment. The Subscriber is familiar with the aims and objectives of the Issuer and is informed of the nature of its activities;

(r) none of the funds the Subscriber is using to purchase the Purchased Securities are, to the best knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(s) upon acceptance by the Issuer of this Agreement and the satisfaction of any closing conditions, the aggregate subscription price for the Purchased Securities is immediately releasable to the Issuer to be used for the ongoing business of the Issuer;

(t) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Agreement and the transactions contemplated herein can be consummated by the Subscriber;

(u) the Subscriber has duly and validly entered into, executed and delivered this Agreement and it constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

(v) if the Subscriber is acting as agent or trustee (including, for greater certainty, a portfolio manager or comparable adviser) for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Agreement and all other necessary documents in connection with such subscription on behalf of such principal, each of whom is subscribing as principal for its own account and not for the benefit of any other person, and this subscription has been duly and validly authorized, executed and delivered by or on behalf of such principal, and when accepted by the Issuer, will constitute a legal, valid and binding obligation enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies, against such principal;

(w) the entering into of this subscription and the transactions contemplated hereby does not and will not, conflict with, result in a violation or breach of, or constitute a default under, any of the terms and provisions of any law, regulation, order or ruling applicable to the Subscriber, or of any agreement, contract or indenture, written or oral, to which it is or may be a party or by which it is or may be bound, and, if the Subscriber is a corporation, its constating documents or any resolutions of its directors or shareholders;

(x) you acknowledge that legal counsel retained by the Issuer are acting as counsel to the Issuer and not as counsel to you and you may not rely upon such counsel in any respect;

(y) the Subscriber is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered under National Instrument 31-103 – *Registration Requirements and Exemptions* (or, in Québec, Regulation 31-103 *respecting Registration Requirements and Exemptions*);

(z) with respect to compliance with the U.S. Securities Act:

(i) none of the Purchased Securities have been registered under the U.S. Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(ii) the Subscriber is neither an underwriter of, or dealer in, the common shares of the Issuer, nor participating, pursuant to a contractual agreement or otherwise, in the distribution of the Purchased Securities;

(iii) the Subscriber is acquiring the Purchased Securities for investment only and not with a view to resale or distribution and, in particular, has no intention to distribute, directly or indirectly, all or any of the Purchased Securities to U.S. Purchasers, and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or person in the United States respecting (A) the transfer or assignment of any rights or interests in any of the Purchased Securities; (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this subscription or the Purchased Securities; or (C) the voting of any securities offered hereby or underlying any securities offered hereby;

(iv) the Subscriber does not intend to and will not engage in hedging transactions with regard to the Purchased Securities unless in compliance with the U.S. Securities Act; and

(v) the current structure of this transaction and all transactions and activities contemplated hereunder, and the Subscriber's participation therein, is not a scheme to avoid the registration requirements of the U.S. Securities Act;

(aa) unless the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber is not a U.S. Purchaser; and

(ii) the Subscriber is not purchasing the Purchased Securities as the result of any "directed selling efforts";

(bb) if the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber, by completing Form 2 – Certificate of U.S. Accredited Investor Status, is representing and warranting to the Issuer that the Subscriber is an "accredited investor" as the term is defined in Regulation D, and that all information contained in the Subscriber's completed Form 2 – Certificate of U.S. Accredited Investor Status is complete and accurate in all respects and may be relied upon by the Issuer;

(ii) the Subscriber will not acquire the Purchased Securities as a result of, and will not itself engage in, any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(iii) the Subscriber and their adviser(s) have had a reasonable opportunity to ask questions of and receive answers from the Issuer in connection with the distribution of the Purchased Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(iv) the Subscriber hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under Applicable Securities Laws, the certificates representing any of the Purchased Securities will bear legends in substantially the form set forth on Form 2 hereto;

(v) the Issuer will refuse to register any transfer of the Purchased Securities not made pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available Exemption from the registration requirements of the U.S. Securities Act or pursuant to Regulation S; and

(vi) the statutory and regulatory basis for the Exemption claimed for the offer of the Purchased Securities would not be available if the Offering is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act;

(cc) the Issuer may complete additional financings in the future to develop the business of the Issuer and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

(dd) the Subscriber has not received, nor does it expect to receive, any financial assistance from the Issuer, directly or indirectly, in respect of the Subscriber's purchase of the Purchased Securities; and

(ee) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Purchased Securities subscribed for hereunder following the Closing.

1.2 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that it is:

(a) purchasing the Purchased Securities as principal for investment purposes only, for its own account and not for the benefit of any other person and not with a view to, or for resale in connection with, any distribution thereof in violation of any Applicable Securities Laws; or

(b) deemed to be purchasing as principal pursuant to NI 45-106 by virtue of the Subscriber being an "accredited investor" as such term is defined in paragraph (p) or (q) of the definition of "accredited investor" in NI 45-106 (reproduced in Form 1 attached hereto) and provided, however, that the Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada, and that the Subscriber has concurrently executed and delivered Form 1 and under the heading of Category 1: Accredited Investor therein checked off paragraphs (n) or (s); or

(c) acting as agent for a Disclosed Principal (whose name and residential address are disclosed on page 4 of this subscription) who is purchasing the Purchased Securities as principal for investment purposes only, that the Subscriber is duly authorized and empowered to enter into this subscription, make all requisite representations, warranties, covenants, acknowledgments and agreements and execute all documentation in connection therewith on behalf of the Disclosed Principal, and that the Subscriber has concurrently completed, executed and delivered Forms 1 and 2, as applicable, on behalf of such Disclosed Principal in compliance with this Agreement.

1.3 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) **if it is resident in or otherwise subject to the securities laws of a Province or Territory of Canada other than Ontario**, it is:

(i) a person described in section 2.3 of NI 45-106 by virtue of being an "accredited investor" as defined in NI 45-106, and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in section 2.5 of NI 45-106 by virtue of being (A) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (B) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (C) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (D) a close personal friend or close business associate of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (E) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the Issuer; (F) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Issuer; (G) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F); or (H) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F);

(iii) a person, other than an individual, described in section 2.10 of NI 45-106 by virtue of the Purchased Securities having an acquisition cost to the purchaser of not less than $150,000 paid in cash, and provided that it is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106, and further provided that if it is resident in or otherwise subject to the securities laws of Alberta, no document purporting to describe the business and affairs of the Issuer, which has been prepared for review by prospective purchasers to assist such prospective purchasers in making an investment decision in respect of the Purchased Securities, has been delivered to or summarized for or seen by or requested by the Subscriber in connection with the Offering; or

(iv) a person described in section 2.24 of NI 45-106 by virtue of being an employee, "executive officer", "director" or "consultant" of the Issuer or of a "related entity" of the Issuer or by virtue of being a "permitted assign" of the foregoing persons, as those terms are defined in sections 1.1 or 2.22 of NI 45-106, and its participation in the Offering is voluntary,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, Schedules 1 and 2, thereof); **and**

(b) **if it is resident in or otherwise subject to the securities laws of Ontario**, it is:

(i) a person described in section 73.3 of the *Securities Act* (Ontario) by virtue of being an "accredited investor" as defined in the *Securities Act* (Ontario), and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in subsection 1.3(a)(ii), (iii) or (iv) of this Schedule B; or

(iii) a person described in section 2.7 of NI 45-106 by virtue of being (A) a founder of the Issuer; (B) an affiliate of a founder of the Issuer; (C) a spouse, parent, grandparent, brother, sister, child or grandchild of an executive officer, director or founder of the Issuer; or (D) a person that is a control person of the Issuer,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, Schedules 1 and 2, thereof); **and**

(c) **if it is resident outside of Canada or the United States**:

(i) it is knowledgeable of, or has been independently advised as to, the Applicable Securities Laws of the securities regulatory authorities (the "**International Authorities**") having application to the Offering and the Issuer in the jurisdiction (the "**International Jurisdiction**") in which the Subscriber is resident;

(ii) it is purchasing Purchased Securities pursuant to an applicable Exemption from any prospectus, registration or similar requirements under the Applicable Securities Laws of the International Jurisdiction, or the Subscriber is permitted to purchase the Purchased Securities under the Applicable Securities Laws of the International Jurisdiction without the need to rely on such Exemptions;

(iii) the Applicable Securities Laws of the International Jurisdiction do not require the Issuer to make any filings or seek any approvals of any nature whatsoever with or from any of the International Authorities in connection with the Offering or the Purchased Securities, including any resale thereof;

(iv) the Offering and the completion of the offer and sale of the Purchased Securities to the Subscriber as contemplated herein complies in all respects with the Applicable Securities Laws of the International Jurisdiction, and does not trigger:

(A) any obligation to prepare and file a prospectus or similar or other offering document, or any other report with respect to such purchase in the International Jurisdiction; or

(B) any continuous disclosure reporting obligation of the Issuer in the International Jurisdiction; and

(v) it will, if requested by the Issuer, deliver to the Issuer a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in subparagraphs (ii), (iii) and (iv) above to the satisfaction of the Issuer, acting reasonably.

2. <u>Reliance, Notification, Indemnity and Survival</u>

2.1 The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, certifications, acknowledgments and agreements of the Subscriber contained in this subscription and otherwise provided by the Subscriber to and with the Issuer to determine the availability of Exemptions should this subscription be accepted, and otherwise in completing the offering, issue and sale of the Purchased Securities to the Subscriber in accordance with applicable laws. The Subscriber covenants and agrees to provide to the Issuer evidence

of the Subscriber's qualifications for the Exemption indicated on Form 1 and Form 2 immediately upon request by the Issuer.

2.2 The Subscriber undertakes to notify the Issuer immediately of any change in any representation, warranty or other information pertaining to the Subscriber herein or otherwise provided in connection with this subscription which takes place prior to Closing.

2.3 The Subscriber acknowledges that the Issuer and its counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder) to purchase the Purchased Securities under the Offering, and hereby agrees to indemnify the Issuer and its directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including its legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. To the extent that any person entitled to be indemnified hereunder is not a party to this subscription, the Issuer shall obtain and hold the rights and benefits of this subscription in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this subscription.

2.4 The representations, warranties, acknowledgements and agreements made by the Subscriber in this subscription and otherwise provided by the Subscriber and the Issuer shall be true and correct as of the date of execution of this subscription and as of Closing as if repeated thereat, and shall survive the Closing.

FORM 1

CERTIFICATE FOR EXEMPTION

In addition to the representations, warranties acknowledgments and agreements contained in the subscription to which this Form 1 – Certificate for Exemption is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, it is resident in the jurisdiction set out on the Acceptance Page of the subscription and: **[check all appropriate boxes]**

Category 1: Accredited Investor

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

☐ (b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer;

☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

☐ (f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds Cdn$1,000,000

(Provide details of financial assets: _____);

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities exceeds $5,000,000;

(Provide details of financial assets: _____);

☐ (k) an individual whose net income before taxes exceeded Cdn$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year

(Provide details of net income: _____);

☐ (l) an individual who, either alone or with a spouse, has net assets of at least Cdn$5,000,000;

(Provide details of net income: _____);

☐ (m) a person, other than an individual or investment fund, that has net assets of at least Cdn$5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution;

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owner of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

AND/OR if the Subscriber is a resident of, or otherwise subject to the securities laws of, Ontario, the Subscriber is **[check any applicable box]**:

☐ (aa) a bank listed in Schedule I, II or III to the *Bank Act* (Canada);

☐ (bb) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;

☐ (cc) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (dd) the Business Development Bank of Canada;

☐ (ee) a subsidiary of any person or company referred to in clause (aa), (bb), (cc) or (dd), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (ff) a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations;

☐ (gg) the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada;

☐ (hh) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Quebec;

☐ (ii) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (jj) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada;

☐ (kk) a person or company that is recognized or designated by the Ontario Securities Commission as an accredited investor; or

☐ (ll) such other persons or companies as may be prescribed by the regulations under the *Securities Act* (Ontario).

Additional Instruction: If the Subscriber is an individual and qualifies under Category 1 pursuant to paragraphs (j), (k) or (l), it must also complete and sign FORM 1A attached hereto entitled "*Form 45-106F9: Form for Individual Accredited Investors*" and Appendix A.

Definitions:

"**Canadian financial institution**" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**EVCC**" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

"**financial assets**" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"**person**" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"**spouse**" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; or

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

"**VCC**" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429, whose business objective is making multiple investments.

Category 2: Family, Friends and Business Associates

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (b) a spouse, parent, grandparent, brother, sister, grandchild or child of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (c) a parent, grandparent, brother, sister, grandchild or child of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (d) a close personal friend* of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (e) a close business associate** of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (f) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, grandchild, child, close personal friend or close business associate of a founder of the Issuer;

☐ (g) a parent, grandparent, brother, sister, grandchild or child of a spouse of a founder of the Issuer,

☐ (h) a person of which **a majority** of the voting securities are beneficially owned by persons described in paragraphs (a) to (g);

☐ (i) a person of which **a majority** of the directors are persons described in paragraphs (a) to (g);

☐ (j) a trust or estate of which **all** of the beneficiaries are persons described in paragraphs (a) to (g); or

☐ (k) a trust or estate of which **a majority** of the trustees or executors are persons described in paragraphs (a) to (g),

of which the relevant director, executive officer, control person or founder of the Issuer or affiliate thereof referred to in paragraphs (b) to (k) above is:

State name: _____

State the length of your relationship with this person: _____

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Saskatchewan, it must also complete and sign FORM 1B attached hereto entitled "*Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates*"

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Ontario, it must also complete and sign Schedule 1C attached hereto entitled "*Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors*".

Notes:

* "**close personal friend**" means an individual who has known the named director, executive officer, control person or founder well enough and for a sufficient period of time to be in a position to assess the capabilities and trustworthiness of that person. The term "close personal friend" can include a family member who is not already specifically identified in paragraphs (b), (c), (f) or (g) if the family member otherwise meets the criteria described above. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close personal friend" solely because that individual is a relative, a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

** "**close business associate**" means an individual who has had sufficient prior business dealings with the named director, executive officer, control person or founder to be in a position to assess the capabilities and trustworthiness of that person. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close business associate" solely because that individual is a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

Category 3: $150,000 Purchaser

☐ The Subscriber is not an individual and has an acquisition cost for the Purchased Securities of not less than $150,000 paid in cash, and is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106.

Category 4: Employees, Officers, Directors and Consultants

The Subscriber is **[check appropriate box]**:

☐ (a) an employee of the Issuer or of a "related entity" of the Issuer;

☐ (b) an executive officer of the Issuer or of a "related entity" of the Issuer;

☐ (c) a director of the Issuer or of a "related entity" of the Issuer;

☐ (d) a consultant of the Issuer or of a "related entity" of the Issuer; or

☐ (e) a "permitted assign" of a person described in paragraphs (a) to (d),

and its participation in the Offering is voluntary.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 20 _____.

If a corporation, partnership or other entity:

_____
Print Name of Subscriber

_____
Signature of Authorized Signatory

_____
Name and Position of Authorized Signatory

_____
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

APPENDIX "A" TO FORM 1
INDIVIDUAL ACCREDITED INVESTOR QUESTIONNAIRE

THIS APPENDIX "A" IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS SUBSCRIBING UNDER CATEGORIES (J), (K) OR (L) IN CATEGORY 1 OF FORM 1 TO WHICH THIS APPENDIX "A" IS ATTACHED.

Unless otherwise defined, all capitalized terms not otherwise defined in this Appendix "A" shall have the meaning ascribed to such terms in the Subscription Agreement to which this Appendix is attached.

I understand that in order to be accepted as an "accredited investor" under categories (j), (k) OR (l) of the definition of accredited investor in NI 45-106, I must satisfy certain of the following criteria. The undersigned hereby represents and warrants to the Issuer as follows:

1. Personal Data.

Name: _____

Telephone: _____

Residence Address: _____

2. Definitions. Please review the following definitions prior to completing the information below:

a) "**financial assets**" means cash, securities or a contract of insurance, a deposit or evidence of deposit that is not a security for the purposes of securities legislation. These financial assets are generally liquid or relatively easy to liquidate. The value of a purchaser's personal residence would not be included in a calculation of financial assets.

b) "**related liabilities**" means: (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or (ii) liabilities that are secured by financial assets.

c) "**net assets**" means all of the purchaser's total assets minus all of the purchaser's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a purchaser's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the purchaser's personal residence. To calculate a purchaser's net assets, subtract the purchaser's total liabilities from the purchaser's total assets (including real estate). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the security.

3. Net income test. Please answer the following questions concerning your **net income** by marking the appropriate box.

3.1 My annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.2 My spouse's annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My spouse's annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My spouse's annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My spouse's annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.3 The annual **net income** before taxes (all sources) for my spouse and me during the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

	A.	**B.**	**C.**
Net income ranges	**The annual net income before taxes (all sources) for the most recent calendar year of my spouse and me is:** *(tick the appropriate box below)*	**The annual net income before taxes (all sources) for the prior calendar year of my spouse and me is:** *(tick the appropriate box below)*	**The annual net income before taxes (all sources) that my spouse and I reasonably expect to earn in the current calendar year is:** *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

4. Financial Assets Test. Please answer the following questions concerning your "**financial assets**" (see definition above) by marking the appropriate box.

4.1 I and/or my spouse beneficially own **financial assets** having an aggregate realizable value that, before taxes, net of any **related liabilities** are as set out below. Please tick the appropriate **financial asset** range excluding taxes from all sources in each of A, B and C below.

	A.	**B.**	**C.**
Financial asset ranges	**My financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**My spouse's financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**The financial assets of my spouse and I have an aggregate realizable value that, before taxes, and net of any related liabilities are:** *(tick the appropriate box below)*
Less than $249,999			
$250,000-$499,999			
$500,000-$999,999			
Greater than $1,000,000			

4.2 For the purposes of this Section 4:

(a) do you and/or your spouse have:

(i) physical or constructive possession or evidence of ownership of your **financial assets**?

☐ Yes ☐ No

(ii) any entitlement to the receipt of any income generated by the **financial assets**?

☐ Yes ☐ No

(iii) any risk of loss of the value of the **financial assets**?

☐ Yes ☐ No

(iv) the ability to dispose of the **financial assets** or otherwise deal with the **financial assets** as you and/or your spouse sees fit?

☐ Yes ☐ No

(b) did you exclude the value of any real estate owned by you and/or your spouse in the calculation of **financial assets**, such as your principal residence and/or cottage?

☐ Yes ☐ No

(c) did you exclude any **related liabilities** in connection with the (i) cash, (ii) securities or a (iii) contract of insurance (*i.e.,* the cash surrender value only), deposit or an evidence of deposit that is not a security under the Applicable Securities Laws?

☐ Yes ☐ No

5. $5,000,000 Net Asset Test. I and/or my spouse have **net assets** as set out below. Please tick the appropriate net asset range in each of A, B and C below.

	A.	**B.**	**C.**
Net asset ranges	**My total net assets are:** *(tick the appropriate box below)*	**My spouses' net assets are:** *(tick the appropriate box below)*	**The aggregate net assets of my spouse and I are:** *(tick the appropriate box below)*
Less than $499,999			
$500,000-$999,999			
$1,000,000-$2,999,999			
$3,000,000-$4,999,999			
Greater than $5,000,000			

Based on the above information, I hereby represent and warrant that:

(a) my **net income** before taxes was more than $200,000 in each of the 2 most recent calendar years, and I expect it to be more than $200,000 in the current calendar year;

(b) my **net income** before taxes combined with that of my spouse was more than $300,000 in each of the 2 most recent calendar years, and I expect that our combined **net income** before taxes to be more than $300,000 in the current calendar year;

(c) I either alone or with my spouse, beneficially own **financial assets** having an aggregate realizable value that, before taxes but net of any related liabilities, is more than $1,000,000; or

(d) I either alone or with my spouse, have **net assets** of at least $5,000,000.

My commitment to investments which are not readily marketable is reasonable in relation to my net worth. I meet at least one of the criteria for an “accredited investor” under NI 45-106.

The foregoing representations and warranties and all other information which I have provided to the Issuer concerning myself and my financial condition are true and accurate as of the date hereof. If in any respect, such representations, warranties, or information shall not be true and accurate, I will give written notice of such fact to the Issuer immediately prior to Closing specifying which representations, warranties or information are not true and accurate, and the reasons therefor.

I understand that the information contained herein is being furnished by me in order for the Issuer to determine my suitability as an **accredited investor**, may be accepted by the Issuer in light of the requirements of NI 45-106 and that the Issuer will rely on the information contained herein for purposes of such determination.

Purchaser's Signature

Dated: _____, 2022 Signed: _____

_____ _____
Witness Print the name of Purchaser

_____
Print Name of Witness

Spouse's Signature (if applicable)

Dated: _____, 2022 Signed: _____

_____ _____
Witness Print the name of spouse of Purchaser

_____
Print Name of Witness

- FORM 1A -

Form 45-106F9
Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*
Purchased from: *the Issuer*	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
If you are relying on a prospectus exemption contained in any of sections (j), (k), or (l) of Category 1 "Accredited Investor" in Form 1, you must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
● Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
● Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
● Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
● Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention: J. Obie Strickler* *e-mail: obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*

- FORM 1B -

FORM 45-106F5
Risk Acknowledgement - Saskatchewan Close Personal Friends and Close Business Associates

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing $ _____ [*total consideration*] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [*state name*], who is a _____ [*state title - founder, director, executive officer or control person*] of _____ [*state name of issuer or its affiliate – if an affiliate state "an affiliate of the issuer" and give the issuer's name*].

I acknowledge that I am purchasing based on my close relationship with _____ [*state name of founder, director, executive officer or control person*] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____ _____
Date Signature of Purchaser

_____
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice.

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at http://www.sfsc.gov.sk.ca.

INSTRUCTION: THE PURCHASER MUST SIGN 2 COPIES OF THIS FORM. THE PURCHASER AND THE ISSUER MUST EACH RECEIVE A SIGNED COPY.

- FORM 1C -

Form 45-106F12
Risk Acknowledgement Form for Family, Friend and Business Associate Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
3. Family, friend or business associate status	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	**Your initials**
A) You are: *1) [check all applicable boxes]* ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR *2) [check all applicable boxes]* ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
B) You are a family member of _____ *[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____ of that person or that person's spouse. *[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]*	

C) You are a close personal friend of _____ *[Instruction: Insert the name of your close personal friend]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
D) You are a close business associate of _____ *[Instruction: Insert the name of your close business associate]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.

First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE

5. Contact person of the issuer or an affiliate of the issuer

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: *[check the box that applies]*

☐ family relationship as set out in section 3B of this form

☐ close personal friendship as set out in section 3C of this form

☐ close business associate relationship as set out in section 3D of this form

First and last name of contact person (please print):	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:

SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention: J. Obie Strickler* *e-mail: obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	
Signature of executive officer of the issuer (other than the purchaser):	Date:

Form instructions:

1 *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*
4. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

FORM 2

CERTIFICATE OF U.S. ACCREDITED INVESTOR STATUS

In addition to the representations, warranties, acknowledgments and agreements contained in the subscription agreement (the "**subscription**") to which this Form 2 – Certificate of U.S. Accredited Investor Status is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, that the Subscriber is a resident of the jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of the subscription, and:

1. The Subscriber hereby represents, warrants, acknowledges and agrees to and with the Issuer that the Subscriber:

(a) is a U.S. Purchaser;

(b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the subscription and it is able to bear the economic risk of loss arising from such transactions;

(c) is acquiring the Purchased Securities for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Purchased Securities in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Purchased Securities in the United States or to U.S. Persons; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof pursuant to the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and any applicable State securities laws or if an exemption from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;

(d) is not acquiring the Purchased Securities as a result of any form of general solicitation or general advertising, as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the Internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) understands the Purchased Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the sale contemplated hereby is being made in reliance on an Exemption from such registration requirements provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D promulgated thereunder.

(f) satisfies one or more of the categories indicated below (**check appropriate box**):

_____ Category 1. [Rule 501(a)(1)] A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____ Category 2. [Rule 501(a)(1)] A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____ Category 3. [Rule 501(a)(1)] A broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended; or

_____ Category 4. [Rule 501(a)(1)] An investment adviser registered pursuant to Section 203 of the U.S. Investment Advisers Act of 1940, as amended, or registered pursuant to the laws of a state; or

_____ Category 5. [Rule 501(a)(1)] An investment adviser relying on the exemption from registering with the Commission under Section 203(l) or (m) of the U.S. Investment Advisers Act of 1940, as amended; or

_____ Category 6. [Rule 501(a)(1)] An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

_____	Category 7. [Rule 501(a)(1)]	An investment company registered under the U.S. Investment Company Act of 1940, as amended; or
_____	Category 8. [Rule 501(a)(1)]	A business development company as defined in Section 2(a)(48) of the U.S. Investment Company Act of 1940, as amended; or
_____	Category 9. [Rule 501(a)(1)]	A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended; or
_____	Category 10. [Rule 501(a)(1)]	A Rural Business Investment Company as defined in Section 384A of the U.S. Consolidated Farm and Rural Development Act of 1972, as amended; or
_____	Category 11. [Rule 501(a)(1)]	A plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with assets in excess of U.S. $5,000,000; or
_____	Category 12. [Rule 501(a)(1)]	An employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company or registered investment advisor, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self-directed plan, the investment decisions are made solely by persons who are accredited investors; or
_____	Category 13. [Rule 501(a)(2)]	A private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 14. [Rule 501(a)(3)]	An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. $5,000,000; or
_____	Category 15. [Rule 501(a)(4)]	A director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or
_____	Category 16. [Rule 501(a)(5)]	A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds U.S. $1,000,000; or

(**Note**: For the purposes of calculating "net worth"

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the Offering, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the closing of the Offering exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.)

(**Note**: For the purposes of calculating "joint net worth", joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.)

(**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

_____	Category 17. [Rule 501(a)(6)]	A natural person who had an individual income in excess of U.S. $200,000 in each year of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or (**Note:** The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)
_____	Category 18. [Rule 501(a)(7)]	A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under Regulation D under the U.S. Securities Act; or
_____	Category 19. [Rule 501(a)(8)]	An entity in which each of the equity owners are accredited investors; or (**Note:** It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this category. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this category may be available.)
☒	Category 20. [Rule 501(a)(9)]	An entity, of a type not listed in Categories 1 through 14, 18 or 19 above, not formed for the specific purpose of acquiring the securities offered, owning "investments" (as defined in Rule 2a51-1(b) under the U.S. Investment Company Act of 1940, as amended) in excess of U.S. $5,000,000; or
_____	Category 21. [Rule 501(a)(10)]	A natural person holding in good standing one or more of the following professional licenses: (i) General Securities Representative license (Series 7); (ii) Private Securities Offerings Representative license (Series 82), and (iii) Investment Adviser Representative license (Series 65); or
_____	Category 22. [Rule 501(a)(11)]	A natural person who is a "knowledgeable employee" (as defined in Rule 3c-5(a)(4) under the U.S. Investment Company Act of 1940, as amended) of the issuer of the securities being offered or sold where the issuer would be an "investment company" (as defined in Section 3 of U.S. Investment Company Act of 1940, as amended), but for the exclusion provided by either Section 3(c)(1) or section 3(c)(7) of U.S. Investment Company Act of 1940, as amended; or
_____	Category 23. [Rule 501(a)(12)]	A "family office" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended): (i) with assets under management in excess of U.S. $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
_____	Category 24. [Rule 501(a)(13)]	A "family client" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended) of a family office meeting the requirements in Category 23 above and whose prospective investment in the issuer is directed by such family office pursuant to clause (iii) of Category 23.

(g) if an individual, is a resident of the state or other jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of its subscription; or if not an individual, has received and accepted the offer to acquire the Purchased Securities at the office of the Subscriber at the disclosed address set out in the Subscriber's information on page 3, of its subscription.

2. The Subscriber acknowledges and agrees that:

(a) the Subscriber has not acquired the Purchased Securities as a result of, and will not itself engage in any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration of any of the Purchased Securities pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;

(b) if the Subscriber decides to offer, sell or otherwise transfer any of the Purchased Securities, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

(i) the sale is to the Issuer;

(ii) the sale is made outside of the United States pursuant to the requirements of Rule 904 of Regulation S;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder if available and in accordance with any applicable state securities or "Blue Sky" laws; or

(iv) the Purchased Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state laws and regulations governing the offer and sale of securities,

and, in the case of paragraphs (iii) and (iv), the Subscriber has prior to such sale furnished to the Issuer an opinion of counsel of recognized standing or other evidence in form and substance satisfactory to the Issuer;

(c) upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. State laws and regulations, the certificates representing any of the Purchased Securities (and any underlying Shares) will bear a legend in substantially the following form:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

and provided that if any of the Purchased Securities are being sold by the Subscriber in an off-shore transaction and in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing a declaration to the Issuer and its transfer agent in the form attached as Schedule I to Form 2 hereof or such other evidence as the Issuer or its transfer agent may from time to time prescribe (which may include an opinion of counsel satisfactory to the Issuer and its transfer agent), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S;

and provided further, that if any of the Purchased Securities are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be

removed by delivery to the Issuer's transfer agent of an opinion or other evidence satisfactory to the Issuer and its transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(d) any Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless registered under the U.S. Securities Act and any applicable state securities laws unless an exemption from such registration requirements is available and upon the original issuance of the Warrants, and until such time as it is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, all certificates representing the Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

> "THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(e) the Issuer may make a notation on its records or instruct the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein and the subscription;

(f) the Subscriber understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Rule 902 of Regulation S, (ii) may not, at the time the Purchased Securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer;

(g) the Subscriber understands and agrees that the financial statements of the Issuer have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(h) the Subscriber understands that (i) the Issuer may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash or cash equivalents (a "**Shell Corporation**"), (ii) if the Issuer is deemed to be, or to have been at any time previously, a Shell Corporation, Rule 144 under the U.S. Securities Act may not be available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants), and (iii) the Issuer is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants);

(i) the Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Issuer is organized under the laws of Ontario, Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Issur and such persons may be located outside the United States;

(j) the Subscriber understands that the Purchased Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the Securities and Exchange Commission (the "**SEC**") provide in substance that the Subscriber may dispose of the Purchased Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Purchased Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Purchased Securities indefinitely or to transfer the Purchased Securities in the United States or to U.S. Persons in "private placements" which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Purchased Securities for an indefinite period of time.

(k) the Subscriber understands and agrees that there may be material tax consequences to the Subscriber of an acquisition, disposition or exercise of any of the Purchased Securities, and the Issuer gives no opinion

and makes no representation with respect to the tax consequences to the Subscriber under United States, state, local or foreign tax law of the Subscriber's acquisition or disposition of such Purchased Securities, and in particular, no determination has been made whether the Issuer will be a "passive foreign investment company" ("**PFIC**") within the meaning of Section 1291 of the United States Internal Revenue Code (the "**Code**"), provided, however, the Issuer agrees that it shall provide to the Subscriber, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Issuer as a "qualified electing fund" for the purposes of the Code, should the Issuer or the Subscriber determine that the Issuer is a PFIC in any calendar year following the Subscriber's purchase of the Purchased Securities; and

(l) the funds representing the subscription price which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to the subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and that no portion of the subscription price to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Subscriber, and it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the subscription to which this Certificate is attached.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 2022.

If a corporation, partnership or other entity:

Mindset Value Wellness Fund
Print Name of Subscriber

/s/ Aaron Edelheit
Signature of Authorized Signatory

Aaron Edelheit, CEO
Name and Position of Authorized Signatory

California, USA
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

SCHEDULE I TO FORM 2
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: **GROWN ROGUE INTERNATIONAL INC.**

AND TO: The [registrar and transfer agent/warrant agent] for the securities of Grown Rogue International Inc.

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") and (B) certifies that (1) the undersigned is not an "affiliate" of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a "distributor" or an affiliate of "distributor", (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing-off" the resale restrictions imposed because the securities are "restricted securities" as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at _____ this _____ day of _____, 20__

By: X _____
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (B)2(b) above)

We have read the foregoing representations of our customer, _____ (the "**Seller**") dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of _____ or other designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

_____
Name of Firm

By: X _____
Authorized officer

Date: _____

Exhibit 4.25

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY (OR THE COMMON SHARES ISSUABLE ON CONVERSION THEREOF) BEFORE APRIL 3, 2023.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

UNSECURED CONVERTIBLE DEBENTURE CERTIFICATE
Grown Rogue International Inc.

(Existing under the laws of the Province of Ontario)

DEBENTURE CERTIFICATE NO. **2022-12-02-02** **PRINCIPAL AMOUNT US$ 700,000**

GROWN ROGUE INTERNATIONAL INC. (the "**Company**"), for value received, hereby acknowledges itself indebted and promises to pay to Mindset Value Wellness Fund of 30 West Mission Street #8, Santa Barbara, CA, 93101, USA (hereinafter referred to as the "**holder**" or the "**Debentureholder**") in United States currency at any time following December 2, 2022 (the "**Issue Date**") but on or prior to December 2, 2025 (the "**Maturity Date**"), at such place as the Debentureholder may reasonably designate by notice in writing to the Company, the outstanding Principal Amount in the manner hereinafter provided, and to pay interest on the Principal Amount outstanding from time to time and owing hereunder to the date of payment as hereinafter provided, both before and after maturity or demand, default and judgement.

The Debentureholder has the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, to convert all or any portion of the outstanding Principal Amount and any accrued and unpaid interest, into common shares of the Company (each, a "**Common Share**"), at a price of C$0.20 per Common Share subject to adjustment as herein provided. The Principal Amount of the Debenture and accrued but unpaid interest thereon, may be prepaid prior to Maturity Date upon providing 30 days' notice to the Debentureholder. In the event that only part of the Principal Amount of the Debenture is converted into Shares, any accrued and unpaid interest will remain payable.

Conversion of all or any part of the Debenture may only be completed at the offices of the Company or such other office as the Company may advise the holder in writing. This Debenture is issued subject to the terms and conditions appended hereto as Schedule "A".

Unless otherwise indicated, a reference to currency means Canadian currency.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Company has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 2nd day of December, 2022.

GROWN ROGUE INTERNATIONAL INC.

Per: 

Authorized Signatory

(*See terms and conditions attached hereto as Schedule "A"*)

SCHEDULE "A"

TERMS AND CONDITIONS FOR DEBENTURE

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings set out below.

(a) "**Applicable Securities Laws**" means the securities laws, regulations, policies, notices, rulings and orders in the Province of Ontario;

(b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

(c) "**Company**" means Grown Rogue International Inc. and its successors and assigns;

(d) "**Common Shares**" means fully-paid and non-assessable common shares in the capital of the Company as constituted on the date hereof which the Debentureholder is entitled to receive upon the conversion of the Debenture pursuant to Article 4;

(e) "**Conversion Date**" or "**Date of Conversion**" means the date on which a written notice of conversion is received by the Company pursuant to §4.2(a);

(f) "**Conversion Price**" means, subject to §4.3, C$0.20 per Common Share;

(g) "**Conversion Rights**" means the rights of the Debentureholder to convert the Debenture into Common Shares pursuant to Article 4;

(h) "**Debenture**" means this secured convertible debenture as supplemented, amended or otherwise modified, renewed or replaced from time to time;

(i) "**Eastern Time**" means the local time in Toronto, Ontario, Canada;

(j) "**Events of Default**" shall have the meaning set forth in § 5.1;

(k) "**Exchange**" means the Canadian Securities Exchange, or such other stock exchange on which the Common Shares principally trade;

(l) "**Interest**" means any accrued but unpaid interest with respect to the Principal Amount;

(m) "**Issue Date**" means December 2, 2022;

(n) "**Law**" includes any law (including common law and equity), statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

(o) "**Maturity Date**" means December 2, 2025;

(p) "**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal or arbitrator, whether foreign or domestic;

(q) "**Other Debentures**" means each of the other convertible debentures issued by the Company as part of the Offering (as defined in the Subscription Agreement);

(r) "**Person**" means an individual, partnership, corporation, trust, unincorporated association, joint venture or government or any agent, instrument or political subdivision thereof;

(s) "**Principal Amount**" means the principal amount outstanding under this Debenture from time to time; and

(t) "**Subscription Agreement**" means the subscription agreement of even date between the Company and the Debentureholder providing for the issuance of this Debenture;

(u) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(v) "**USA**", "**United States**", or "**U.S.**" means the United States of America, its territories and possessions and any state of the United States, and the District of Columbia.

1.2 Interpretation

For the purposes of this Debenture, except as otherwise expressly provided herein:

(a) the words "**herein**", "**hereof**", and "**hereunder**" and other words of similar import refer to this Agreement as a whole and not to any particular Article, clause, subclause or other subdivision or Schedule;

(b) a reference to an Article means an Article of this Debenture and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Debenture so designated;

(c) the headings are for convenience only, do not form a part of this Debenture and are not intended to interpret, define or limit the scope, extent or intent of this Debenture or any of its provisions;

(d) the word "including", when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as "without limitation" or "but not limited to" or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;

(e) unless otherwise indicated, a reference to currency means Canadian currency; and

(f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
DEBENTURE

2.1 Principal Amount

The Company agrees to repay to the Debentureholder in United States currency the Principal Amount of the Debenture, together with interest thereon, by 5:00 p.m. (Eastern Time) on the Maturity Date, subject to the early redemption or conversion of the Debenture, as applicable, pursuant to the terms set forth in §2.4 and Article 4 respectively.

2.2 Interest on Debenture

The Debenture will bear interest at 9% per annum on the Principal Amount from the date of issue (the "**Issue Date**"). Interest is to be calculated from the date noted above and payable quarterly in cash in United States currency in arrears on the last Business Day of March, June, September and December of each year. The first Interest payment will be made on December 30, 2022 and will consist of Interest accrued from and including the Issue Date to but excluding December 30, 2022.

2.3 Payment of Principal Amount and Interest on Debenture

Any Principal Amount together with any Interest thereon as of the Maturity Date will be paid in full in United States currency by the Company as at such date.

2.4 Early Redemption of Debenture

The Principal Amount together with any Interest thereon may be prepaid in United States currency by the Company prior to Maturity Date upon providing 30 days' notice to the Debentureholder.

2.5 Use of Proceeds

The proceeds of the Debenture shall be used for the ongoing development of the Company's business model and for general working capital purposes.

2.6 Outstanding Balance

Notwithstanding the stated Principal Amount of this Debenture, the actual outstanding balance of the Debenture from time to time shall be the aggregate outstanding Principal Amount of the Debenture, together with any accrued and unpaid Interest thereon payable by the Company to the Debentureholder pursuant to this Debenture.

2.7 Debenture to Rank *Pari Passu*

This Debenture shall rank *pari-passu* with the Other Debentures as if this Debenture and the Other Debentures had been issued and negotiated simultaneously.

ARTICLE 3
COVENANTS

3.1 Covenants of the Company

The Company covenants and agrees with the Debentureholder that, unless otherwise consented to in writing by the Debentureholder:

(a) **Reservation of Common Shares.** The Company shall at all times have reserved for issuance out of its authorized capital a sufficient number of Common Shares to satisfy its obligations to issue and deliver Common Shares upon the due conversion of the Debenture;

(b) **Approvals and Filings.** The Company shall, in connection with the execution and delivery of this Debenture and the possible conversion of the Debenture into Common Shares, obtain any and all statutory and regulatory approvals required to effect and complete the same and shall file all notices, reports and other documents required to be filed by or on behalf of the Company pursuant to Applicable Securities Laws in respect thereof, including the rules and regulations of the Exchange;

(c) **Resale Restrictions.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof from time to time will be subject to resale restrictions imposed under Applicable Securities Laws and applicable federal and "blue sky" securities laws of the United States and the rules of regulatory bodies having jurisdiction including, without limiting the generality of the foregoing, that the Common Shares so issued shall not be traded for a period of four months from the date of the execution of this Debenture except as permitted by Applicable Securities Laws and, if applicable, with the consent of the Exchange;

(d) **Restrictions in U.S.** This Debenture and the securities deliverable upon conversion hereof 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. This Debenture may not be converted in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Common Shares are registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available, and (iii) the holder has complied with the requirements set forth in the Conversion Form attached hereto as Schedule "B"**.** For the purposes of this §3.1(d), "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

(e) **Certificate Legend.** A legend will be placed on the certificates representing the Common Shares issued on conversion of the Debenture denoting the restrictions on transfer imposed by Applicable Securities Laws and the policies of the Exchange, if applicable:

(f) **Canadian Securities Laws.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof shall be made pursuant to an exemption from the prospectus requirements available to the Debentureholder or the Company in respect of the transactions contemplated herein under Applicable Securities Laws.

ARTICLE 4
CONVERSION OF DEBENTURE

4.1 Conversion Privilege and Conversion Price

The Debentureholder shall have the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, subject to early redemption, to convert to Common Shares, all or any part of the outstanding Principal Amount together with any accrued and unpaid Interest on the Conversion Date, at the Conversion Price.

4.2 Manner of Exercise of Right to Convert

(a) The Debentureholder may, at any time following the Issue Date and at any time while any portion of the Principal Amount is outstanding under this Debenture, convert the Principal Amount together with any accrued and unpaid Interest on the Conversion Date, in whole or in part, into Common Shares at the Conversion Price, by delivering to the Company the conversion form attached hereto as Schedule "B" executed by the Debentureholder or the Debentureholder's attorney duly appointed by an instrument in writing, exercising the Debentureholder's right to convert the Debenture in accordance with the provisions of this Article 4. Thereupon, the Debentureholder, subject to payment of all applicable stamp or security transfer taxes or other governmental charges, shall be entitled to be entered in the books of the Company as at the Conversion Date (or such later date as is specified in §4.2(b)) as the holder of the number of Common Shares into which the Debenture is convertible in accordance with the conversion form then received by the Company and the provisions of this Article 4 and, as soon as practicable thereafter, the Company shall deliver

to the Debentureholder and/or, subject as aforesaid, the Debentureholder's nominee(s) or assignee(s), a certificate or certificates for such Common Shares affixed with all required legends.

(b) For the purposes of this Article 4, the Debenture shall be deemed to be converted on the Conversion Date on which the conversion form under §4.2(a) is actually received by the Company, provided that if such conversion form or notice is received on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened;

(c) Any part of the Principal Amount together with any accrued and unpaid Interest may be converted as provided in §4.2(a); and

(d) The Debentureholder shall be entitled in respect of Common Shares issued upon conversion of the Debenture to dividends declared in favour of shareholders of record of the Company on and after the Conversion Date or such later date as the Debentureholder shall become the holder of record of such Common Shares pursuant to §4.2(b), from which applicable date any Common Shares so issued to the Debentureholder shall for all purposes be and be deemed to be outstanding as fully paid and non-assessable.

4.3 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

(a) If and whenever at any time while any portion of the Principal Amount is outstanding under this Debenture (referred to in this §4.3 as the "**Time of Expiry**"), the Company shall:

(i) subdivide, redivide or change its Common Shares into a greater number of shares,

(ii) consolidate, reduce or combine its Common Shares into a lesser number of shares, or

(iii) issue Common Shares to all or substantially all of the holders of its Common Shares by way of a stock dividend or other distribution on such Common Shares payable in Common Shares (other than dividends paid in the ordinary course);

(any such event being hereinafter referred to as a "**Capital Reorganization**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in effect on the effective date of such event referred to in §4.3(a)(i) or §4.3(a)(ii) or on the record date of such stock dividend referred to in §4.3(a)(iii), as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding before giving effect to such Capital Reorganization and the denominator of which shall be the number of Common Shares outstanding after giving effect to such Capital Reorganization. Such adjustment shall be made successively whenever any Capital Reorganization shall occur and any such issue of Common Shares by way of a stock dividend or other such distribution shall be deemed to have been made on the record date thereof for the purpose of calculating the number of outstanding Common Shares under §4.3(a)(i) and §4.3(a)(ii);

(b) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share (or having a conversion or exchange price per share) of less than the Current Market Price (as defined below) per Common Share on such record date (any such event being hereinafter referred to as a "**Rights Offering**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number equal to the number determined by dividing the aggregate purchase price of the additional Common Shares offered for subscription or purchase by such Current Market Price per Common Share, and of which the denominator shall be the total number of Common

Shares outstanding on such record date plus the number of the additional Common Shares offered for subscription or purchase. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment, if having received prior Exchange approval, shall be made successively whenever such a record date is fixed. To the extent that such Rights Offering is not made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(c) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the distribution to all or substantially all the holders of its Common Shares of:

(i) shares of any class whether of the Company or any other corporation (excluding dividends paid in the ordinary course);

(i) rights, options or warrants;

(ii) evidences of indebtedness; or

(iii) other assets or property (excluding dividends paid in the ordinary course);

and if such distribution does not constitute a Capital Reorganization or a Rights Offering or does not consist of rights, options or warrants entitling the holders, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share or having a conversion or exchange price per share of at least the Current Market Price per Common Share on such record date (any such non-excluded event being hereinafter referred to as a "**Special Distribution**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share determined on such record date, less the excess of the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of such Special Distribution over the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of the consideration therefor, if any, received by the Company and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purposes of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. The extent that such Special Distribution is not so made or to the extent any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(d) For the purpose of any computation under §4.3(b) or §4.3(c), the **"Current Market Price"** of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then and in each such case the

then-existing Conversion Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time prior to the Time of Expiry, there is a reclassification or change of Common Shares into other shares or there is a consolidation, merger, reorganization or amalgamation of the Company with or into another corporation or entity that results in any reclassification of Common Shares or a change of Common Shares into other shares or there is a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being hereinafter referred to as a "**Reclassification of Common Shares**"), the Debentureholder shall be entitled to receive and shall accept, upon the exercise of the Debentureholder's right of conversion at any time after the effective date thereof, in lieu of the number of Common Shares of the Company to which the Debentureholder was theretofore entitled on conversion, the kind and amount of shares or other securities or money or other property that the Debentureholder would have been entitled to receive as a result of such Reclassification of Common Shares, if, on the effective date thereof, the Debentureholder had been the registered holder of the number of such Common Shares to which the Debentureholder was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this §4.3.

(g) In any case in which this §4.3 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing or transferring to the Debentureholder who converts on a Conversion Date after such record date or agreement date and before the occurrence of such event the additional Common Shares issuable upon conversion by reason of the adjustment of the Conversion Price required by such event before giving effect to such adjustment; provided, however, that the Company shall deliver to the Debentureholder an appropriate instrument evidencing the Debentureholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares on and after the Date of Conversion or such later date as the Debentureholder would, but for the provisions of this §4.3(g), have become the holder of record of such additional Common Shares pursuant to §4.3(c);

(h) The adjustments provided for in this §4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this §4.3, provided that, notwithstanding any other provision of this §4.3, no adjustment shall be made which would result in any increase in the Conversion Price (except upon a consolidation, reduction or combination of outstanding Common Shares) and no adjustment of the Conversion Price shall be required unless such adjustment would require a decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment;

(i) In the event of any dispute arising with respect to the adjustments provided in this §4.3, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company (who may be auditors of the Company) and acceptable to the Debentureholder, acting reasonably. Such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the Debentureholder; and

(j) Notwithstanding any other provision herein contained, no adjustment to the Conversion Price shall be made in respect of any event described in this §4.3 (other than the events referred to in paragraphs (i) and (ii) of subsection (a)), if the Debentureholder is entitled, without converting the Debenture, to participate in such event on the same terms mutatis mutandis as if the Debentureholder had converted the Debenture into Common Shares prior to or on the effective date or record date of such event.

4.4 No Requirement to Issue Fractional Shares

The Company shall not be required to issue fractional Common Shares upon the conversion of the Debenture pursuant to this Article 4.

4.5 Certificate as to Adjustment

The Company shall from time to time forthwith after the occurrence of any event which requires adjustment or readjustment as provided in §4.3, deliver to the Debentureholder at the Debentureholder's address set forth on the final page hereof, an officer's certificate specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation are based.

4.6 Redemption of Debenture

Notwithstanding anything to the contrary contained herein, this Debenture will be redeemable at the option of the Company prior to 5:00 p.m. (Eastern Time) on the Maturity Date, pursuant to the terms set forth in §2.4.

ARTICLE 5
EVENTS OF DEFAULT

5.1 General

The occurrence of any one or more of the following events ("**Events of Default**") will constitute a default hereunder (whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court of any order, rule or regulation of any administrative or governmental body):

(a) **Non-Compliance:** (A) the Company fails to observe or perform one or more material covenants, agreements, conditions or obligations in favour of the Debentureholder, including a failure to pay any or all of the Principal Amount, interest and other monies due under the Debenture when due, or (B) the Company defaults pursuant to, or fails to observe or perform one or more material covenants, agreements, conditions or obligations under the Other Debentures or any other ancillary document or instrument entered into in connection with the transaction in which this Debenture was issued; and in each case, if such failure continues unremedied for a period of 30 days after the Debentureholder gives notice thereof to the Company;

(b) **Cross Default:** an event of default occurs under any, note, credit agreement or similar agreement or arrangement (including any ancillary document or instrument entered into in connection therewith) pursuant to which the Company has borrowed at least $1,000,000 in aggregate principal amount;

(c) **Bankruptcy or Insolvency:** the Company becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against the Company, or the Company commits or threatens to commit an act of bankruptcy;

(d) **Receivership:** a receiver or receiver manager of the Company is appointed under any statute or pursuant to any document issued by the Company;

(e) **Compromise or Arrangement:** any proceeding with respect to the Company is commenced under the compromise or arrangement provisions of the corporations statute pursuant to which the Company is governed, or the Company enters into an arrangement or compromise with any or all of its creditors pursuant to such provisions or otherwise;

(f) **Companies' Creditors Arrangement Act:** any proceeding with respect to the Company is commenced in any jurisdiction under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation; and

(g) **Liquidation:** an order is made, a resolution is passed, or a petition is filed, for the liquidation, dissolution or winding-up of the Company.

ARTICLE 6
RIGHTS, REMEDIES AND POWERS

6.1 Upon Default

Upon the occurrence of an Event of Default and at any time thereafter, so long as such Event of Default is continuing, the Debentureholder may exercise any or all of the rights, remedies and powers of the Debentureholder under any applicable legislation or otherwise existing, whether under this Debenture or any other agreement or at law or in equity, and in addition will have the right and power (but will not be obligated) to declare any or all of the Debenture to be immediately due and payable. Notwithstanding the above, if an Event of Default set out in Sections 5.1(b) to (f) occurs then the full amount owing under this Debenture shall become immediately due and payable.

6.2 Waiver

The Debentureholder in its absolute discretion may at any time and from time to time by written notice waive any breach by the Company of any of its covenants or agreements herein. No failure or delay on the part of the Debentureholder to exercise any right, remedy or power given herein or by any other existing or future agreement or now or hereafter existing by statute, at law or in equity will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy or power preclude any other exercise thereof or the exercise of any other such right, remedy or power, nor will any waiver by the Debentureholder be deemed to be a waiver of any subsequent, similar or other event.

ARTICLE 7
OTHER AGREEMENTS

7.1 Withholding Taxes

If the Company is obliged to withhold any payment hereunder on account of present or future taxes, duties, assessments or other governmental charges required by Law, the Company shall make such withholding or deduction and pay the balance owing to the Debentureholder.

7.2 Amendment and Waiver

Neither this Debenture nor any provision hereof may be amended, waived, discharged or terminated except by a document in writing executed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

7.3 Notices and Other Instruments

Any notice, demand or other communication required or permitted to be given to any party hereunder shall be in writing and shall be:

(a) personally delivered to such party; or

(b) except during a period of strike, lock-out or other postal disruption, sent by double registered mail, postage prepaid to the address of such party set forth on page one; or

(c) sent by email to the address of such party set forth on page one, or as otherwise designated by such party in a written notice to the other party;

and shall be deemed to have been received by such party on the earliest of the date of delivery under subsection (a), the actual date of receipt when mailed under subsection (b) and the Business Day following the date of communication under subsection (c). Any party may give written notice to the other parties of a change of address to some other address, in which event any communication shall thereafter be given to such

party as hereinbefore provided, at the last such changed address of which the party communication has received written notice.

7.4 Maximum Rate

Notwithstanding any other provisions of this Debenture or any other agreement, the maximum amount (including interest and any other consideration) payable to the Debentureholder in connection with the indebtedness evidenced by the Debenture, including the Principal Amount thereof and any Interest thereon, and all other obligations and liability of the Company to the Debentureholder pursuant to this Debenture and each part thereof shall not exceed the maximum allowable return permitted under the laws of Ontario and the laws of Canada applicable therein, and the provisions of this Debenture and all other existing and future agreements are hereby modified to the extent necessary to effect the foregoing.

7.5 Successors and Assigns

This Debenture shall be binding upon the Company and its successors.

7.6 Headings, etc.

The division of this Debenture into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

7.7 Severability

The provisions of this Debenture are intended to be severable. If any provision of this Debenture shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

7.8 Modification

From time to time the Company may modify the terms and conditions hereof for any purpose not inconsistent the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

7.9 Governing Law

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.10 Business Combination

(a) Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Company with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any corporation lawfully entitled to acquire and operate same (such event to be referred to in this §7.10 as a "**Business Combination**"), provided, however, that the corporation formed by such Business Combination, simultaneously with such amalgamation, merger, conveyance or transfer, assumes the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company in this Debenture.

(b) In case the Company, pursuant to §7.10(a), shall complete a Business Combination with or into any other corporation or corporations, the successor corporation formed by such Business Combination shall succeed to and be substituted for the Company hereunder and such changes in phraseology and form (but not in substance) may be made herein as may be appropriate in view of such amalgamation, merger or transfer.

(c) In case the Company, pursuant to §7.10(a), intends to complete a Business Combination with or into any other corporation or corporations, then the Company shall provide notice to the Debentureholder within ten (10) Business Days prior to the expected completion of the Business Combination so that the Debentureholder has the right, but not the obligation, to either (i) convert any outstanding principal and interest owing under this Debenture in accordance with §4.2 or (ii) force the immediate acceleration of all principal and interest owing under this Debenture which shall become due and payable prior to the completion of the Business Combination.

SCHEDULE "B"

NOTICE OF CONVERSION FORM

To: Grown Rogue International Inc.

The undersigned registered holder of the enclosed certificate representing (US)$_____ in principal amount of the Convertible Debenture (the "**Debenture**"), issued by Grown Rogue International Inc. (the "**Corporation**"), does hereby exercise the right to convert (US)$_____ in the principal amount and interest, if applicable, owing under the Debenture into fully paid and non-assessable common shares ("**Common Shares**") of the Borrower pursuant to the terms of the Debenture, and does hereby irrevocably tender the Debenture to the Borrower for such purpose.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of conversion of the Debenture (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Debenture on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Conversion Form in the United States.

☐ B. The undersigned holder at the time of conversion of the Debenture (i) is the original holder who acquired the Debenture in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Debenture; (ii) is converting the Debenture for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of conversion of this Debenture and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of conversion of this Debenture.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the conversion of the Debenture should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

DATED the _____ day of _____, 20____.

)

)

)

_____ _____

Signature of Witness Signature of registered holder or authorized signatory thereof

)

If applicable, print name and office of signatory

)

)

Print Name of registered holder as on certificate

)

Street Address

)

)

City, Province/State and Postal Code/ZIP Code

Instructions:

1. The registered Debentureholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the original Debenture Certificate representing the Debenture being exercised to the Corporation.

2. If the Conversion Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

Exhibit 4.26

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 3, 2023.

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE 5:00 P.M. (TORONTO TIME) ON DECEMBER 2, 2025.

WARRANT CERTIFICATE

GROWN ROGUE INTERNATIONAL INC.
(Existing under the *Business Corporations Act* (Ontario))

WARRANT CERTIFICATE NO. 2022-12-02-02 **2,350,775 WARRANTS entitling the holder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby, and**

THIS IS TO CERTIFY THAT Mindset Value Wellness Fund (hereinafter referred to as the "**Warrantholder**") is entitled to acquire for each Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. (Toronto time) on December 2, 2025 (the "**Expiry Time**"), one fully paid and non-assessable Common Share at a price of C$0.25 per Common Share (as may be adjusted pursuant to the terms herein, the "**Exercise Price**"), provided that the Corporation has the right to accelerate the Expiry Time to be ninety (90) days following written notice to

the Warrantholder if during the term the Common Shares close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange.

This Warrant may be exercised only at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1. This Warrant is issued subject to the following terms and conditions:

TERMS AND CONDITIONS FOR WARRANT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) **"Common Shares"** means the common shares without par value in the capital of the Corporation as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Article 4 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, "**Common Shares**" shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.;

(b) **"Corporation"** means Grown Rogue International Inc. unless and until a successor corporation shall have become such in the manner prescribed in Article 6, and thereafter "**Corporation**" shall mean such successor corporation;

(c) **"Corporation's Auditors"** means an independent firm of accountants duly appointed as auditors of the Corporation;

(d) **"Exchange"** means the Canadian Securities Exchange or such other stock exchange on which the Corporation's Common Shares are listed and posted for trading;

(e) **"herein"**, **"hereby"** and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression "article" and "section" followed by a number refer to the specified article or section of these Terms and Conditions;

(f) **"person"** means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(g) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the

Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(h) **"Warrant"** means the warrants to acquire Common Shares evidenced by the Warrant Certificate; and

(i) **"Warrant Certificate"** means the certificate to which these Terms and Conditions are annexed.

1.2 Interpretation Not Affected by Headings

(a) The division of these Terms and Conditions into articles and sections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

(b) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

The terms hereof and of the Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE 2
ISSUE OF WARRANT

2.1 Issue of Warrants

That number of Warrants set out on the Warrant Certificate are hereby created and authorized to be issued.

2.2 Additional Securities

Subject to any other written agreement between the Corporation and Warrantholder, the Corporation may at any time and from time to time undertake further equity or debt financings and may issue additional Common Shares, warrants or grant options or similar rights to purchase Common Shares to any person.

2.3 Issue in Substitution for Lost Warrants

If the Warrant Certificate becomes mutilated, lost, destroyed or stolen:

(a) the Corporation shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate; and

(b) the Warrantholder shall bear the reasonable cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction or theft of the Warrant Certificate, shall furnish to the

Corporation such evidence of loss, destruction or theft as shall be satisfactory to the Corporation in its reasonable discretion and the Corporation may also require the Warrantholder to furnish indemnity in an amount and form satisfactory to the Corporation in its discretion, and shall pay the reasonable charges of the Corporation in connection therewith.

2.4 Warrantholder Not a Shareholder

The Warrant shall not constitute the Warrantholder a shareholder of the Corporation, nor entitle it to any right or interest in respect thereof except as may be expressly provided in the Warrant.

ARTICLE 3
EXERCISE OF THE WARRANT

3.1 Method of Exercise of the Warrant

The right to purchase Common Shares conferred by the Warrant Certificate may be exercised at or prior to the Expiry Time by:

(a) duly completing and executing a subscription substantially in the form annexed hereto as Appendix A (the "**Subscription Form**"), in the manner therein indicated; and

(b) surrendering this Warrant Certificate and the duly completed and executed Subscription Form to the Corporation prior to the Expiry Time at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1, together with payment of the purchase price for the Common Shares subscribed for in the form of cash, wire transfer or a certified cheque payable to the Corporation in an amount equal to the then applicable Exercise Price multiplied by the number of Common Shares subscribed for in lawful money of Canada.

3.2 Effect of Exercise of the Warrant

(a) Upon delivery and payment as set forth in section 3.1 herein, the Corporation shall cause to be issued to the Warrantholder the number of Common Shares subscribed for by the Warrantholder and the Warrantholder shall become a shareholder of the Corporation in respect of such Common Shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares. The Corporation shall cause such certificate or certificates to be mailed to the Warrantholder at the address or addresses specified in the Subscription Form within five (5) business days of such delivery and payment as set forth in section 3.1 herein or, if so instructed by the Warrantholder, held for pick-up by the Warrantholder at the principal office of the Corporation.

(b) Notwithstanding any adjustment provided for in Article 4 herein, the Corporation shall not be required to issue fractional Common Shares upon the exercise of the Warrants evidenced hereby. If any fractional interest would be deliverable upon the exercise of the Warrants evidenced hereby, the Company shall, in lieu of delivering any certificate for such fractional interest, round such fractional interest up to the nearest whole Common Share if the fractional interest is above 0.5, and round such fractional interest down to the nearest whole Common Share if the fractional interest is below 0.5. The holding of a Warrant shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as herein expressly provided.

3.3 Subscription for Less than Entitlement

The Warrantholder may subscribe for and purchase a number of Common Shares less than the number which it is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Common Shares less than the number which can be purchased pursuant to the Warrant Certificate, the Warrantholder shall be entitled to the return of the Warrant Certificate with a notation on the Grid annexed hereto as **Appendix B** showing the balance of the Common Shares which the Warrantholder is entitled to purchase pursuant to the Warrant Certificate which were not then purchased.

3.4 Expiration of the Warrant

After the Expiry Time, all rights hereunder shall wholly cease and terminate and the Warrant shall be void and of no effect.

3.5 Hold Periods and Legending of Share Certificate

If any of the Warrants are exercised prior to April 3, 2023, the certificates representing the Common Shares to be issued pursuant to such exercise shall bear the following legends:

"**Unless permitted under securities legislation, the holder of this security must not trade the security before April 3, 2023."**

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") nor under the laws of any state of the United States. Subject to certain limited exceptions, (i) Warrants may not be exercised within the United States and (ii) no Common Shares issuable upon exercise of Warrants will be delivered to any address in the United States. The Warrantholder acknowledges that a legend to that effect may be placed on any certificates representing the Common Shares issued on exercise of the rights represented by this Warrant Certificate. Terms used in this paragraph have the meanings given to them in Regulation S under the 1933 Act.

ARTICLE 4
ADJUSTMENTS

4.1 Adjustments

(a) For the purpose of this Article 4, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 4.1(a):

"Current Market Price" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation;

"director" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and

"trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(b) If and whenever at any time after the date hereof and prior to the Expiry Time the Corporation shall (i) subdivide or redivide its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares or (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of a stock dividend or other distribution (any of such events herein called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted effective immediately after the effective date of any such event in (i) or (ii) above or the record date at which the holders of Common Shares are determined for the purpose of any such dividend or distribution in (iii) above, as the case may be, by multiplying the Exercise Price in effect on such effective date or record date, as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would be outstanding if such securities were exchanged for or converted into Common Shares.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.1(b) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time after the date hereof and prior to the Expiry Time the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares, of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of less than the Current Market Price of the Common Shares on such record date (any of such events being herein called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

(A) the number of Common Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing

(I) either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(II) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this section 4.1(c), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this section 4.1(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time after the date hereof and prior to the Expiry Time, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the Common Shares of:

(i) shares of the Corporation of any class other than Common Shares;

(ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of at least the Current Market Price of the Common Shares on such record date);

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation (including cash, but excluding cash dividends paid in the ordinary course);

and if such issue or distribution does not constitute an Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

(I) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and

(II) the fair value, as determined by the directors of the Corporation, to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(d) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this section 4.1(d), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Common Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, the Company a Trigger Issuance shall have occurred for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then and in each such case the then-existing Conversion Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time after the date hereof and prior to the Expiry Time there is a capital reorganization of the Corporation or a reclassification or other change in the Common Shares (other than an Common Share Reorganization) or a consolidation or merger or amalgamation of the Corporation with or into any other corporation or other entity (other than a consolidation, merger or amalgamation which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of all or substantially all of the Corporation's undertaking and assets to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital

Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of Common Shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder has been the registered holder of the number of Common Shares to which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Warrantholder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant Certificate.

(g) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in sections 4.1(b), (c), (d), (e) or (f) herein shall occur and the occurrence of such event results in an adjustment of the Exercise Price pursuant to the provisions of this section 4.1, then the number of Common Shares purchasable pursuant to this Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Common Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(h) If the Corporation takes any action affecting its Common Shares to which the foregoing provisions of this section 4.1, in the opinion of the board of directors of the Corporation, acting in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Warrantholder against dilution in accordance with the intent and purposes hereof, or would otherwise materially affect the rights of the Warrantholder hereunder, then the Corporation shall, subject to the approval of the Exchange, execute and deliver to the Warrantholder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such manner as the board of directors of the Corporation may determine to be equitable in the circumstances, acting in good faith. The failure of the taking of action by the board of directors of the Corporation to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

4.2 Rules and Procedures

The following rules and procedures shall be applicable to the adjustments made pursuant to section 4.1 herein:

(a) any Common Shares owned or held by or for the account of the Corporation shall be deemed not be to outstanding except that, for the purposes of section 4.1 herein, any Common Shares owned by a pension plan or profit sharing plan for employees of the Corporation or any of its subsidiaries shall not be considered to be owned or held by or for the account of the Corporation;

(b) no adjustment in the Exercise Price or the number of Common Shares purchasable pursuant to this Warrant shall be required unless a change of at least 1% of the prevailing Exercise Price or the number of Common Shares purchasable pursuant to this Warrant would result, provided, however, that any adjustment which, except for the provisions of this section 4.2(b), would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;

(c) the adjustments provided for in section 4.1 herein are cumulative and shall apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such item;

(d) in the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in section 4.1(b)(iii) herein, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected;

(e) if the Corporation sets a record date to take any action and thereafter and before the taking of such action abandons its plan to take such action, then no adjustment to the Exercise Price will be required by reason of the setting of such record date;

(f) as a condition precedent to the taking of any action which would require any adjustment to the Warrants evidenced hereby, including the Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation shall have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all of the shares or other securities which the Warrantholder is entitled to receive on the full exercise thereof in accordance with the provisions hereof;

(g) forthwith, but no later than five (5) days, after any adjustment to the Exercise Price or the number of Common Shares purchasable pursuant to the Warrants, the Corporation shall provide to the Warrantholder a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, describing the event requiring and the manner of computing or determining such adjustment;

(h) any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustment pursuant to section 4.1 herein shall be conclusively determined by a firm of independent chartered accountants (who may be the Corporation's Auditors) and shall be binding upon the Corporation and the Warrantholder;

(i) no adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 4.1 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event;

(j) any adjustment to the Exercise Price under the terms of this Warrant Certificate shall be subject to the prior approval of the Exchange; and

(k) in case the Corporation, after the date of issue of this Warrant Certificate, takes any action affecting the Common Shares, other than an action described in section 4.1 herein, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval, including approval of the Exchange. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Common Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

(l) On the happening of each and every such event set out in section 4.1 herein, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall, *ipso facto*, be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

(m) The Corporation shall not be required to deliver certificates for Common Shares while the share transfer books of the Corporation are properly closed, having regard to the provisions of sections 4.1 and 4.2 herein, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Common Shares called for thereby during any such period, delivery of certificates for Common Shares may be postponed for not more than five (5) business days after the date of the re-opening of said share transfer books; provided, however, that any such postponement of delivery of certificates shall be without prejudice to the right of the Warrantholder so surrendering the same and making payment during such period to receive after the share transfer books shall have been re-opened such certificates for the Common Shares called for, as the same may be adjusted pursuant to sections 4.1 and 4.2 herein as a result of the completion of the event in respect of which the transfer books were closed.

(n) Notwithstanding any other provision of Section 4.1 or 4.2, no adjustment shall be made which would result in any increase in the Exercise Price (except upon a consolidation, reduction or combination of outstanding Common Shares).

ARTICLE 5
COVENANTS BY THE CORPORATION

5.1 Reservation of Common Shares

The Corporation covenants and agrees that until the Expiry Time, while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Article 4 herein. The Corporation further covenants and agrees that while any of the Warrants shall be outstanding, the Corporation shall (a) comply with the securities legislation applicable to it in order that the Corporation not be in default of any requirements of such legislation; (b) use its commercially reasonable best efforts to do or cause to be done all things necessary to preserve and maintain its corporate existence; and (c) at its own expense expeditiously use its commercially reasonable best efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Corporation's Common Shares may be listed from time to time. All Common Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Common Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Corporation or its creditors in respect thereof.

ARTICLE 6
MERGER AND SUCCESSORS

6.1 Corporation May Consolidate, etc. on Certain Terms

Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety to any corporation lawfully entitled to acquire and operate same, provided, however, that the corporation formed by such consolidation, amalgamation or

merger or which acquires by conveyance or transfer all or substantially all the properties and assets of the Corporation as an entirety shall, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.

6.2 Successor Corporation Substituted

In case the Corporation, pursuant to section 6.1, shall consolidate, amalgamate or merge with or into any other corporation or corporations or shall convey or transfer all or substantially all of its properties and assets as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation shall have been consolidated, amalgamated or merged or which shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Corporation hereunder and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate and herein as may be appropriate in view of such amalgamation, merger or transfer.

ARTICLE 7
AMENDMENTS

7.1 Amendment

This Warrant Certificate may be amended only by a written instrument signed by the parties hereto. Any such amendment shall be subject to receipt by the Corporation of all required approvals (if any) from the Exchange, any other stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities.

ARTICLE 8
MISCELLANEOUS

8.1 Time

Time is of the essence of this Warrant Certificate.

8.2 Notice

The Corporation will maintain a register of holders of Warrants at its principal office. The Corporation may deem and treat the registered holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Warrantholder of the Common Shares purchasable pursuant to such Warrant shall be a good discharge to the Corporation for the same and the Corporation shall not be bound to inquire into the title of any such Warrantholder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

The Corporation shall notify the Warrantholder forthwith of any change of the Corporation’s address.

All notices to be sent hereunder shall be deemed to be validly given to the registered holders of the Warrants if delivered personally or if sent by registered letter through the post addressed to such holders at their post office addresses appearing in the register of Warrant holders caused to be maintained by the Corporation,

and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by post on the fifth business day next following the post thereof.

8.3 Transfer of Warrants

Subject to applicable securities legislation and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the Exchange (or any other stock exchange on which the Common Shares are listed), the Warrants evidenced hereby (or any portion thereof) may be assigned or transferred by the Warrantholder by duly completing and executing the transfer form annexed hereto as **Appendix C**. The rights and obligations of the parties hereunder shall be binding upon and enure to the benefit of their successors and permitted assigns. After such transfer, the term "Warrantholder" shall mean and include any transferee or assignee of the current or any future Warrantholder. If only part of the Warrants evidenced hereby is transferred, the Corporation will deliver to the Warrantholder and the transferee replacement Warrant Certificates substantially in the form of this Warrant Certificate.

8.4 Enforcement

Subject as hereinafter provided, all or any of the rights conferred upon the Warrantholder by the terms hereof may be enforced by the Warrantholder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein shall be had against any shareholder or officer of the Corporation either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders or officers of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrants.

8.5 Priority

All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

8.6 Assignment

This Warrant Certificate shall enure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors and assigns.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by the signature of its duly authorized officer this 2nd day of December, 2022.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
J. Obie Strickler
President and Chief Executive Officer

[Signature page to Warrant]

APPENDIX A

EXERCISE FORM

TO: GROWN ROGUE INTERNATIONAL INC.

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Warrant Certificate held by the undersigned and issued by Grown Rogue International Inc. (the "**Corporation**").

The undersigned hereby exercises the right to acquire _____ Common Shares of the Corporation in accordance with and subject to the provisions of such Warrant Certificate and herewith makes payment of the purchase price in full for the said number of Common Shares.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of exercise of the Warrants (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Warrants on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Exercise Form in the United States.

☐ B. The undersigned holder at the time of exercise of the Warrants (i) is the original holder who acquired the Warrants in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Warrants; (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of exercise of these Warrants and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the exercise of the Warrants should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

The Common Shares are to be issued as follows:

Name: _____

Address in full: _____

_____

Social Insurance Number: _____

Note: If further nominees are intended, please attach (and initial) a schedule giving these particulars.

DATED this _____ day of _____, 201____.

_____

(Signature of Warrantholder)

_____

Print full name

_____

Print full address

Instructions:

1. The registered Warrantholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised to the Corporation.

2. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

APPENDIX B

WARRANT EXERCISE GRID

Common Shares Issued	Common Shares Available	Initials of Authorized Officer

APPENDIX C

TRANSFER FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of assignee)

_____ Warrant(s) represented by the within certificate, and do(es) hereby irrevocably constitute and appoint

the attorney of the undersigned to transfer the said Warrants maintained by the transfer agent of the Corporation with full power of substitution hereunder.

DATED this _____ day of _____ 202____.

Signature of Warrantholder

Signature Guarantee

Name of Warrantholder (please print)

The signature of the Warrantholder to this assignment must correspond exactly with the name of the Warrantholder as set forth on the face of this Warrant certificate in every particular, without alteration or enlargement or any change whatsoever and the signature must be guaranteed by a Canadian chartered bank or by a Canadian trust company or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.

TRANSFEREE ACKNOWLEDGMENT

In connection with this transfer (check one):

☐ The undersigned Transferee hereby certifies that (i) it was not offered the Warrants while in the United States and did not execute this certificate while within the United States; (ii) it is not acquiring any of the Warrants represented by this Warrant Certificate by or on behalf of any person within the United States; and (iii) it has in all other respects complied with the terms of Regulation S of United States Securities Act of 1933, as amended (the "**1933 Act**"), or any successor rule or regulation of the United States Securities and Exchange Commission as presently in effect.

☐ The undersigned Transferee is delivering a written opinion of U.S. Counsel or other evidence acceptable to the Company to the effect that this transfer of Warrants has been registered under the 1933 Act or is exempt from registration thereunder.

_____
(Signature of Transferee)

_____ _____
Date Name of Transferee (please print)

The Warrants and the common shares issuable upon exercise of the Warrants shall only be transferable in accordance with applicable laws. The Warrants may only be exercised in the manner required by the certificate representing the Warrants and the Warrant Exercise Form attached thereto. Any common shares acquired pursuant to this Warrant shall be subject to applicable hold periods and any certificate representing such common shares will bear restrictive legends.

Exhibit 4.27

LEASE & OPTION AGREEMENT
2888 ROSS LANE, CENTRAL OREGON, OREGON

This lease agreement (the "Lease") is made and entered into this 20th day of December, 2022, by and between **Lender Capital, LLC,** a Nevada limited liability company and/or his permitted assigns hereinafter referred to as "Lessor," and **Grown Rogue Gardens, LLC,** an Oregon limited liability company, hereinafter referred to as "Lessee." Lessee and/or Lessor may be referred to herein individually as "Party" and/or collectively as "Parties".

RECITALS

A. WHEREAS, Lessor is the owner of certain real property located at 2888 Ross Lane, Central Point, Oregon, including three (3) Tax Lots 1200, 1201 and 1202 (approximately 35.00 acres, together with residential home, barns and other outbuildings), located in Jackson County, Oregon, further described in Exhibit "A," attached hereto (the "Property"); and

B. WHEREAS, Lessee desires to lease from Lessor the Property as provided herein and Lessor desires to lease such Property to Lessee.

NOW, THEREFORE, for and in consideration of the foregoing Recitals and the mutual agreements of the Parties herein, it is agreed between Lessor and Lessee as follows:

1. Description of Leased Premises.

1.1 Lessor hereby leases to Lessee, and Lessee hereby leases and accepts from Lessor, on the terms, covenants and conditions set forth herein, (i) the Property more particularly described in Exhibit "A," (ii) all infrastructure and fixtures, and improvements, if any, (collectively, the "Improvements") relating to the Property, (iii) all roads, gutters and drains, if any, located on, or used in connection with the Property, (iv) all water rights, if any, located on or used (or to be used) on the Property, and (v) all rights appurtenant to the Property (collectively, the "Leased Premises").

1.2 Lessor and Lessee shall cooperate, and Lessor shall cause any Lessee or party in possession of the Property to cooperate, in a commercially reasonably manner with respect to the coordination of the beneficial use of the Leased Premises (and the rights granted hereunder) and the Property so as to provide that the operations of the Leased Premises and the operations of the Property, for their intended uses, are not materially disrupted or impaired.

1.3 This Lease is subject to all existing easements, servitudes, licenses, and rights-of-way for canals, ditches, levees, roads, parking lots, telephone, telegraph, electric power lines, railroads, pipelines, and other purposes whether recorded or not. Lessor will cooperate with Lessee in transferring the existing cannabis license for Lessee's use at the Leased Premises.

1.4 Disclaimer. Lessor makes no representation or warranty of the suitability of the Leased Premises, any operational or mechanical conditions of the Leased Premises, code compliance, or otherwise suitability of the Leased Premises, safety conditions of the Leased

LESSEE: DS

LESSOR: DS

Premises, environmental conditions of the Leased Premises, zoning entitlements or of any other permitted uses or aspect of the Leased Premises and/or any utilities, if any, and related equipment, if any, located on the Leased Premises. The Leased Premises do not contain any fire prevention and/or fire suppression systems or equipment.

2. Term.

The term of this Lease ("Lease Term") shall commence on January 01, 2023 (the "Commencement Date") and shall end on December 31, 2023, unless sooner terminated pursuant to any provision hereof. Upon Initial Rents being paid in full from Lessee to Lessor, the Lessee shall take possession on January 01, 2023 and there is no right to any early possession of the Leased Premises. Lessee is taking possession of the Leased Premises on an 'As-Is, Where-Is' basis.

3. Use.

The Lessor agrees to lease the Property to the Lessee for any permitted use allowed by Jackson County, Oregon. Lessee to deliver issued and valid permits to Lessor within fifteen (15) days upon issuance from any State or local government agency. Lessee shall comply in all respects with all requirements of all municipal, county and state authorities now in force, or which may hereafter be in force, pertaining to the use of the Leased Premises, and shall faithfully observe in all respects all municipal and county ordinances and state statutes and regulations now in force or which may hereafter be in force applicable to the Leased Premises. Lessee shall not use or release on the Property any Hazardous Materials (as hereinafter defined). As used herein, "Hazardous Materials Laws" means any federal, state or local laws, ordinances, regulations or policies relating to the environment, health and safety, and/or Hazardous Materials (including, without limitation, the use, handling, transportation, production, disposal, discharge or storage thereof) or to industrial hygiene or the environmental conditions on, under or about the Leased Premises, including, without limitation, soil, groundwater and indoor and ambient air conditions.

Lessee shall have access to the Leased Premises seven (7) days per week, twenty-four (24) hours per day during the Lease Term. Lessee hereby acknowledges that Lessor shall have no responsibility for the protection of the Leased Premises or Lessee's employees, agents, contractors, shippers and invitees (each a "Lessee Party" and collectively the "Lessee Parties") or their respective property from the acts of third parties. Lessee hereby assumes the risk of and shall hold Lessor harmless with respect to any personal injury or property damage in, on or about the Leased Premises caused by third parties, Lessee and/or Lessee Parties, but not including Lessor or Lessor's agents.

4. Rental.

4.1 Monthly Rental.

The monthly rent payable in advance monthly on or before the first day of each calendar month, every month throughout the Lease Term shall be **SEVEN THOUSAND FIVE HUNDRED AND 00/100 U.S. DOLLARS ($7,500.00)** per month ("Monthly Rent"). As the initial rent for the Leased Premises, Lessee shall pay to Lessor, in full, in advance within seventeen (17) calendar days of mutual execution of this Lease but no later than December 23, 2022, first and last month's rents, in full, in an amount equal **to FIFTEEN THOUSAND AND 00/100 U.S. DOLLARS ($15,000.00)** ("Initial Rents"). If the Initial Rents are not paid in full by Lessee to Lessor and received by Lessor

LESSEE: 

LESSOR: 

on or prior to December 23, 2022, then without further notice to either Party, this Lease will be null and void and the Parties shall have no further obligations to each other, whatsoever. After the Lease Term, if the Lease converts into an at-will lease, then Lessee shall pay to Lessor, in advance on or before the first day of each calendar month during the term of this Lease, an amount equal to the "At-Will Monthly Rent" as defined in Section 4.2.

4.2 At-Will Monthly Rent.

The "At-Will Monthly Rent" payable after the Lease Term shall be TEN THOUSAND AND 00/100 U.S. DOLLARS ($10,000.00) per month.

4.3 Late Payment.

Lessee acknowledges that late payment by Lessee to Lessor of rent or any other payment due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Lessor by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any installment of rent, or any other payment due hereunder from Lessee is not received by Lessor within fifteen (15) days of its due date, Lessee shall pay to Lessor an additional sum of five percent (5%) of such rent or other charge as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the cost that Lessor will incur by reason of late payment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee default with respect to the overdue amount, or prevent Lessor from exercising any other rights or remedies available to Lessor."

4.4 Net Lease.

This Lease is a net lease. Lessee shall pay for electrical, natural gas, propane, sewer, trash, water, telephone, cable, security, surveillance, well equipment, appliances, barn repairs, greenhouse repairs and maintenance, parking/driveway lot maintenance, fence and gate repair, interior and exterior maintenance, roof maintenance, and other costs and utilities associated with the Leased Premises. Lessor shall pay property taxes expenses of the Property not related to any personal property or fixtures placed on or in the Property. Lessee shall pay, prior to delinquency, all taxes levied or assessed against any personal property or fixtures placed in the Leased Premises, whether levied or assessed against Lessor or Lessee. If Lessee does not pay, in full, when due, Lessor may, but is not obligated to, pay said expense(s) on Lessee's behalf and all sums paid by Lessor shall bear interest at the rate of eighteen percent (18%) and shall be immediately due and payable, by Lessee to Lessor, under the terms of this Lease.

4.5 Method of Payment of Rental.

All payments of Monthly Rent shall be in lawful money of the United States, and payable without deduction, offset, counterclaim, prior notice or demand. Lessee shall care for and maintain Leased Premises which shall include but not limited to the cleaning up and hauling away of garbage, illegal dumping or otherwise at Lessee's sole and exclusive expense. Lessee shall maintain and keep the Property neat and orderly at Lessee's sole and exclusive expense. Lessor shall be prohibited from making alterations to the Leased Premises without the express written

LESSEE: DS

LESSOR: DS

consent of the Lessor which shall not be unreasonably withheld. All said alterations or otherwise, shall be restored at the Lessee's sole and exclusive expense at the end of the Lease Term.

With exception to the Lessor being responsible for a maximum amount totaling $5,000 (five thousand dollars) throughout the term of this Lease, Lessee shall be responsible for the maintenance, repair and replacement of fixtures, improvements and/or equipment affixed to the Property,. Throughout the term of this Lease and from time to time, Lessee shall be responsible at its sole costs and expense of clearing and cleaning up of any and all dumping, trash and/or garbage. Lessee shall be solely responsible for, and pay when due, all charges related to the Property including but not limited to: repairs and maintenance related to its use, any and all utilities related to its use, sewer, trash, electricity, internet, cable, security systems, surveillance, water, gates, fencing, well equipment, interior and exterior maintenance including the roof, parking lot repair and maintenance, fenced yard repair and maintenance, HVAC repair and maintenance, remodeling costs, storm drain run off, telephone, gas, snow removal, etc. and all other utilities or services used by or supplied to Lessee, together with any taxes thereon, during the term of this Lease. These payments are to be made directly to the supplier or vendor. If Lessee does not pay, in full, when due, Lessor may, but is not obligated to, pay said utility, maintenance and/or repair expense(s) on Lessee's behalf and all sums paid by Lessor shall bear interest at the rate of eighteen percent (18%) and shall be immediately due and payable, by Lessee to Lessor, under the terms of this Lease. Lessee shall pay for any and all utilities and services furnished to and/or used by Lessee on the Leased Premises, including, without limitation, all water, sewer, trash, electricity and natural gas. Lessee shall not sell any water or export or transfer any water to other lands or properties.

Lessee is leasing the Property 'as-is, where-is' without any representation or warranty of the utility, electrical system, suitability, operational condition, mechanical condition, safety condition(s), general condition(s) of the Property and/or any compliance of the Property or improvements on the Property or other codes or regulations that may or may not be required for any operations to be conducted on, in or about the Property by Lessee. Lessee agrees and hereby acknowledges that Lessee had sufficient time and opportunity to conduct and has conducted its own inspections with regard to the Property's general and specific condition(s), mechanical suitability and operational condition, environmental condition, zoning, permitting, and furthermore has determined that the Property is suitable, operational and acceptable for any and all of Lessee's purposes. Lessee has not relied on any representation or warranty or statement from the Lessor, its representatives and/or its agents. Lessee hereby accepts the Leased Premises in its "AS IS, WHERE IS" condition, with all faults and without any warranty or representation of any kind by Lessor. Lessee acknowledges and represents to Lessor that Lessee has had the full opportunity to and did in fact inspect the Leased Premises prior to entering into this Lease. Lessee at its cost shall be solely responsible for obtaining any necessary occupancy permits or licenses for Lessee's use or occupancy of the Leased Premises, or any portion thereof, provided, however, that Lessor shall, at Lessee's sole cost and expense, cooperate with Lessee in Lessee's efforts to obtain any required permits or licenses.

Lessee at its sole cost and expense shall have the right to install its customary business signs on the Leased Premises or the building with the prior written consent of Lessor, which shall not be unreasonably withheld or delayed. Any sign installed on the building by Lessee shall comply with all applicable ordinances and any sign criteria established by the covenants, conditions and restrictions or the rules and regulations of the governing association, if any. Lessee shall be solely responsible for, and pay when due, all charges related to removal of the sign upon

LESSEE: 

LESSOR: 

the termination of the Lease Term. Lessee will also be solely responsible for, and pay when due, all cost related to restoration of the Leased Premises at the end of the Lease Term, to the condition of the Property when the Lease began.

Notwithstanding any term or provision contained in this Lease, in the event the Property, the Improvements located thereon, and/or any part thereof suffers a casualty or calamity, Lessee and/or Lessor shall have no obligation to restore the Leased Premises.

4.6 Security Deposit. $0.00

4.7 Notice to Terminate and Vacate. At any time prior to May 1st, 2023, the Lessee shall have the right to terminate this lease without any penalty(s) by delivering a thirty (30) day written notice by Lessee to Lessor ("Early Termination"). There will be no extension and/or renewal of the Early Termination.

5. Indemnity, Insurance, Waiver of Subrogation.

5.1 Indemnities.

5.1.1 Indemnity. Lessee shall protect, indemnify and hold Lessor, managers, members, officers, employees and agents of each of them (the "**Lessor Entities**") harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of (a) any damage to any property (including but not limited to property of any Lessor entity) or any injury (including but not limited to death) to any person occurring in, on or about the Leased Premises or Building to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault, or omission by or of Lessee or any of Lessee's agents, contractors, managers, members, employees, licensees or invitees (collectively, the "**Lessee Entities**") to meet any standards imposed by any duty with respect to the injury or damage; (b) any cause in, on or about the Leased Premises; (c) Lessee's failure to comply with any and all governmental laws, ordinances and regulations applicable to the condition or use of the Premises or its occupancy; or (d) any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed pursuant to this Lease provided that the foregoing indemnity shall not apply to the extent solely arising out of the negligence or willful misconduct of Lessor or the Lessor Parties. Further, Lessee's agreement to indemnify Lessor pursuant to this Section is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to the Lessee's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination. Lessor hereby indemnifies Lessee and its subsidiaries, partners, parental or other affiliates and their respective members, shareholders, officers, directors, employees, and contractors (collectively, "**Lessee Parties**") and holds Lessee and the Lessee Parties harmless from any Claims to the extent resulting from the negligence or willful misconduct of Lessor. Lessee's agreement to indemnify Lessor and Lessor's agreement to indemnify Lessee pursuant to this Section 5.1.1 is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Lessor or Lessee pursuant to this Lease, to the extent such policies cover the matters subject to such indemnification obligations. Lessee hereby assumes all risk of damage to property or injury to persons in or about the Leased Premises from any cause, and Lessee hereby waives all claims in respect thereof against Lessor and the Lessor Parties, excepting where the damage is caused solely by the negligence or willful misconduct of Lessor or the Lessor Parties.

LESSEE: DS

LESSOR: DS

5.1.2 Indemnity. Lessee shall indemnify, hold harmless, and, at Lessor's option (with such attorneys as Lessor may approve in advance and in writing), defend Lessor and Lessor's officers, directors, shareholders, partners, members, managers, employees, from and against any and all "Losses" (hereinafter defined) arising from or related to: (a) any violation by Lessee or any of Lessee's Parties of any of the requirements, ordinances, statutes, regulations or other laws referred to in this Lease, including, without limitation, the environmental laws; (b) any breach of the provisions of this Lease by Lessee or any of Lessee's Parties; or (c) any hazardous use on, about or from the Leased Premises of any Hazardous Material. The term "**Losses**" shall mean all claims, demands, expenses, actions, judgments, damages (whether consequential, direct or indirect, known or unknown, foreseen or unforeseen), penalties, fines, liabilities, losses of every kind and nature (including, without limitation, property damage, diminution in value of Lessor's interest in the Leased Premises or the Building, damages for the loss or restriction on use of any space or amenity within the Building, sums paid in settlement of claims and any costs and expenses associated with injury, illness or death to or of any person), suits, administrative proceedings, costs and fees, including, but not limited to, attorneys' and consultants' fees and expenses, and the costs of cleanup, remediation, removal and restoration, that are in any way related to any matter covered by the foregoing indemnity.

5.1.3 Lessee shall not: (a) install facilities for or operate on Leased Premises a gasoline supply station or gasoline pump; (b) allow vehicles used or designed for the transportation of, or bulk amounts of, gasoline, petroleum product or explosives on Leased Premises; (c) store bulk gasoline, petroleum products or explosives on Leased Premises. Except with the prior written approval of Lessor, which approval may be withheld at the Lessor's sole discretion, Lessee shall not cause, permit or suffer any "Hazardous Material" (defined below) to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated or used upon, about, or underneath the Leased Premises or any portion thereof by Lessee, its agents, employees, contractors, or invitees, or any other person. Any request for written consent by Lessor shall be in writing and shall demonstrate to the satisfaction of Lessor that the Hazardous Material is necessary to the business of Lessee, and will be stored, used and disposed of in a manner that complies with all federal, state or local laws, statutes, rules, regulations, ordinances, orders, permits or licenses applicable to the Hazardous Material. Any such approved use of Hazardous Materials shall continue during the term of this Lease to comply with all federal, state, and local laws, statutes, rules, regulations, ordinances, orders, permits or licenses applicable to Hazardous Material. "Hazardous Material" is defined for purposes of this Lease as any substance:

(i) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, or instrumentality of the United States, the State of Oregon, or any political subdivision thereof; or

(ii) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (42 USC 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 USC 6901 et seq.); or

LESSEE: 

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(iii) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law.

5.2 Fire Insurance on Lessee's Personal Property.

Lessee shall, at its sole cost and expense, purchase and maintain throughout the term of this Lease, fire, flood and casualty insurance on any structure on the Property of no less than its full insurable value and Lessee's personal property as Lessee may deem appropriate. As it relates to the Leased Premises, Lessor shall be the sole beneficiary to said fire and casualty insurance policy. Lessee shall furnish Lessor with copies of such insurance policy, or with a certificate of the company issuing such insurance, certifying that the same is in full force and effect within fifteen (15) days of mutual execution of this Lease. If Lessee does not procure and maintain such insurance, Lessor may, but is not obligated to, procure such insurance on Lessee's behalf and all sums paid by Lessor shall bear interest at the rate of eighteen percent (18%) and shall be immediately due and payable, by Lessee to Lessor.

5.3 Fire, Extended Coverage and All Perils Insurance.

Lessor may, at its sole cost and expense, during the term of the Lease keep the Improvements insured against loss or damage thereto by fire and other risks covered by insurance commonly known as the broad form of extended coverage. If Lessee does not procure and maintain such insurance, Lessor may, but is not obligated to, procure such insurance on Lessee's behalf and all sums paid by Lessor shall bear interest at the rate of eighteen percent (18%) and shall be immediately due and payable, by Lessee to Lessor.

5.4 Waste.

Lessee shall not commit, or permit others to commit, waste on the Leased Premises, or maintain a nuisance upon the Leased Premises. Lessee accepts the Leased Premises in its present condition.

5.5 Liability Insurance.

At all times during the term hereof, Lessee shall keep in force, at its sole cost and expense, public liability and property damage insurance with respect to the Leased Premises and the business operated by Lessee, with coverage limits of not less than Two Million Dollars ($2,000,000) combined for each occurrence and in the aggregate. Lessee is also responsible for any Workers Compensation insurance required under state law with respect to Lessee's operations on the Leased Premises. Prior to Lessee possession of Leased Premised, Lessor shall be added as an additional insured to Lessee's liability insurance and such insurance shall contain a clause or endorsement to the effect that it may not be terminated or materially amended except after ten (10) days' prior written notice to Lessor and Lessee. Lessee shall furnish Lessor with copies of such insurance policy, or with a certificate of the company issuing such insurance, certifying that the same is in full force and effect within fifteen (15) days of mutual execution of this Lease. If Lessee does not procure and maintain such insurance, Lessor may, but is not obligated to, procure such insurance on Lessee's behalf and all sums paid by Lessor shall bear interest at the rate of eighteen percent (18%) and shall be immediately due and payable, by Lessee to Lessor.

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5.6 Mutual Waiver.

Anything in this Lease to the contrary notwithstanding, Lessor and Lessee each waive all rights of recovery, claim, action or cause of action, against the other, its agents (including partners, both general and limited), officers, managers, members, directors, shareholders or employees, for any loss or damage that may occur to the Leased Premises, or any improvements thereto, or the Property or any personal property of such party therein, by reason of fire, the elements, or any other cause that could be insured against under the terms of standard fire and extended coverage insurance policies, regardless of cause or origin, including negligence of the other party, its agents, officers or employees; and each Party covenants that no insurer shall hold any right of subrogation against such other Party. The waivers provided in this Section 5.6 shall not apply to the indemnity obligations of Lessee hereunder.

6. Assignment and Subletting.

Lessee will not assign this Lease nor any interest therein nor let the Leased Premises, or any part of thereof, or any right or privilege appurtenant thereto.. Any assignment and/or transfer of this Lease or any rights hereof, in whole or in part, by Lessee will be considered null and void.

7. Condemnation/Casualty.

7.1 If the entire Leased Premises is taken by any public or quasi-public agency or entity under the power of eminent domain during the term of this Lease, this Lease shall terminate and Lessor shall rebate any pro-rata rents remaining under the Term of this Lease.

7.2 If only a portion of the Leased Premises is taken by eminent domain, and such portion so taken adversely effects access to, or water or utilities available to, the Leased Premises or otherwise adversely impairs Lessee's use of the Leased Premises or operations thereon, then Lessee may terminate this Lease by giving Lessor thirty (30) days' prior written notice of termination. If only a portion of the Leased Premises is taken by eminent domain and Lessee does not terminate this Lease, the rent (base and expense pass-throughs) thereafter payable under this Lease shall be equitably abated.

7.3 No agreement, settlement, sale, or transfer to or with the condemning authority shall be made without the consent of Lessor and Lessee. Lessor and Lessee each agree to execute and deliver to the other Party any instruments that effectuate or facilitate the provisions of this Lease relating to condemnation. In the event of any taking, Lessor shall be entitled to any and all compensation, damages, income, rent, awards and any interest therein whatsoever that may be paid or made in connection therewith, awarded for the fee title of the Property, and Lessee shall have a claim for the leasehold interest in the Property including any unexpired term of this Lease, and for the unamortized value of any improvements to the Property made and paid for by Lessee. In addition, Lessee may also prosecute any claim directly against the condemning authority for moving expenses, loss of business, goodwill, for damage to, and cost of removal of, trade fixtures and other personal property belonging to Lessee, provided that no such claim shall diminish or adversely affect Lessor's award.

7.4 If all or any portion of the Leased Premises is damaged or destroyed by casualty, Lessor shall be entitled to receive any and all the insurance proceeds.

LESSEE: DS

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8. Events of Default; Remedies.

8.1 Default by Lessee. Upon the occurrence of any of the following events, Lessor shall have the remedies set forth in Section 8.2 hereof:

8.1.1 The failure by Lessee to make any payment of rent or other payment required to be made by Lessee hereunder, as and when due, when such failure shall continue for a period of five (5) days after written notice thereof from Lessor to Lessee; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under Oregon Code of Civil Procedure.

8.1.2 The failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) business days after written notice has been given to Lessee; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under Oregon Code of Civil Procedure.

8.1.3 Any bankruptcy or insolvency proceeding is filed by, or against, Lessee.

8.1.4 Upon any termination of the Lease by Lessor due to default by Lessee, all of Lessee's right, title, and interest in and to any entitlements, fixtures, engineering, mapping, surveys or otherwise for benefit of and/or on the Leased Premises shall revert to Lessor.

8.2 Remedies.

In the event of any uncured default by Lessee, then in addition to any other remedies available to Lessor at law or in equity, Lessor shall have the immediate option to terminate this Lease and all rights of Lessee hereunder by giving written notice of such intention to terminate. In the event that Lessor shall elect to so terminate this Lease, then Lessor may recover from Lessee:

8.2.1 The worth, at the time of the award, of the unpaid Rent which had been earned at the time of termination; plus

8.2.2 The worth, at the time of the award, of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; plus

8.2.3 The worth, at the time of the award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided;

8.2.4 Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom; and

8.2.5 Such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable Oregon law.

The "worth at the time of the award" of the amounts referred to in Section 8.2.1 and 8.2.2 of this Section 8.2 is computed by allowing interest at such lawful rate as may be specified in the Lease or, if no such rate is specified in the Lease, at the legal rate. The worth at the

LESSEE: 

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time of award as to the amount referred to in Section 8.2.3 of Section 8.2, is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus eight percent (8.00%).

All of these rights shall be concurrent and cumulative and are in addition to, and not in derogation of, all other rights and remedies available to Lessor.

9. Option To Purchase.

9.1 Option to Purchase Leased Premises. Subject to the terms and conditions of this Lease and the delivery of the option premium payment by Lessee to Lessor on or before December 24, 2022 in the amount of SIX THOUSAND AND 00/100 U.S. DOLLARS ($6,000.00) ("Option Premium Payment 1"), Lessor hereby grants to Lessee an option to purchase the Leased Premises subject to the requirements of this section as set forth below ("Option") and as set forth in the purchase and sale agreement attached as Exhibit "B" ("Purchase Agreement"). Anytime after May 2, 2023 and subject to no Lease defaults and/or terminations of this Lease, Lessee shall be entitled to assign this Option to another entity managed by Obie Strickler.

9.2 Purchase Price. The Purchase Price for the Property shall be ONE MILLION SIX HUNDRED THOUSAND AND 00/100 U.S. DOLLARS ($1,600,000.00) and the other consideration set forth in the Purchase Agreement ("Purchase Price").

9.3 Non-Refundable Escrow Deposit. On or prior to December 01, 2023, Lessee shall pay to Lessor TWENTY-FIVE THOUSAND AND 00/100 U.S. DOLLARS ($25,000.00) as consideration for the purposes of purchasing the Property ("Initial Deposit" as defined in the Purchase Agreement). With the payment of said Initial Deposit to Title Company (as defined in the Purchase Agreement) at the address indicated in Section 2.2 (a) of the Purchase Agreement, attached, this Option will be deemed to have been exercised. In reference to the Initial Deposit, Lessor and Lessee agree as follows: (a) except in the event of a breach of the Lease by the Lessor, the Initial Deposit is nonrefundable and immediately released to the Lessor by Title Company; (b) the Initial Deposit represents consideration for the option; (c) the Initial Deposit does not constitute a penalty or liquidated damages; and (d) if paid in full by Lessee to Lessor, the Initial Deposit, the Option Premium Payment 1 and SEVENTY-FIVE PERCENT (75%) of any Rents due and paid prior to December 02, 2023 shall be credited against the Purchase Price in the event the Property is purchased, by Lessee, in accordance to the terms and conditions of the Purchase Agreement on or prior to December 31, 2023. Subject to the terms and conditions of the Extension (defined below), if Lessee does not pay to Lessor the Option Premium Payment 1, in full, on or prior to December 24, 2022 AND Lessee does not pay to Lessor the Initial Deposit, in full, on or prior to December 02, 2023, then, without further notices to either party, this option under Section 9 and/or any other option to purchase, or otherwise, the Property and/or Leased Premises will be null and void, and Lessor will not be obligated, whatsoever, to negotiate, discuss, extend terms, promise, contemplate or enter into any further agreements, related to the purchase or otherwise of the Property and/or Leased Premises with Lessee.

9.4 Settlement and Closing. The settlement and escrow closing shall take place at the time, place, and based upon the conditions set forth in the Purchase Agreement.

9.5 {reserved}

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9.6 No Transfer, Conveyance, or Assignment of Property. During the pendency of this option under Section 9, the Lessor agrees that it shall not transfer, convey, assign, sell, or option the Property. Any said transfer, conveyance, assignment, sale or otherwise, in whole or in part, will be null and void.

9.7 "As-Is, Where-Is" Sale. Lessee acknowledges and agrees that Lessor makes no representation or warranty, whatsoever, either here or in the Purchase Agreement, of the condition, suitability, development potential, zoning, permitting, environmental condition, general condition, investment potential, use, or otherwise of the Leased Premises. All entry and inspection shall be preceded by at least 24 hours' written notice to Lessee.

10. Entry and Inspection.

Lessee shall permit Lessor and its agents to enter upon the Leased Premises at all reasonable times to inspect the same; or to exhibit the same to prospective purchasers, mortgagees, or lessees; provided, however, than such entry shall not unreasonably disturb Lessee or interfere with Lessee's operations on the Leased Premises.

11. Subordination.

Lessor and Lessee agree that this Lease shall be superior to any mortgage or deed of trust now or hereafter on the Property. Notwithstanding the foregoing, Lessee shall agree to subordinate this Lease to any mortgages or trust deeds now or hereafter placed upon the Leased Premises (and to any and all advances made or to be made under them, to the interest and all obligations secured by them, and to all renewals, replacements and extensions of them); if, but only if, as a condition to such subordination, the mortgagee or beneficiary named in any such mortgages or trust deeds shall agree (pursuant to an agreement reasonably satisfactory to Lessee), to not disturb Lessee or Lessee's rights under this Lease/ Option as long as Lessee is not in default beyond any grace periods provided herein, such mortgagee or beneficiary shall recognize the Lease in the event of foreclosure, this Lease shall not terminate as a result of such foreclosure, and Lessee's rights under this Lease shall continue in full force and effect and its possession be undisturbed except in accordance with the provisions of this Lease.

12. Attornment.

Subject to Section 13 hereof, in the event of the sale or assignment of Lessor's interest in the Leased Premises, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage or other security instrument made by Lessor covering the Leased Premises, Lessee shall attorn to the assignee or purchaser and recognize such purchaser as Lessor under this Lease.

13. Right to Cure.

In the event of breach, default, or non-compliance hereunder by Lessor, unless an emergency situation, Lessee shall, before exercising any right or remedy available to it hereunder, at law or in equity, give Lessor written notice of the claimed breach, default, or noncompliance, and Lessor shall have a reasonable period of time (but not more than twenty (20) business days for a monetary default, nor thirty (30) business days for a non-monetary breach) to cure such default. Any amounts expended by Lessee to cure such Lessor defaults may be deducted from rents or other amounts thereafter coming due to Lessor hereunder.

LESSEE: DS

LESSOR: DS

14. No Recording.

Both Parties agree not to record this Lease. Anytime after May 2, 2023 and subject to no Lease defaults and/or terminations of this Lease, a Notice of Option will be recorded in the official records of Jackson County, Oregon. At the termination of this Lease, Lesse herby irrevocably agrees to immediately release and record the release of Notice of Option in the officials records

15. Termination and Quitclaim.

At the end of the term hereof, whenever and however occurring, Lessee shall quit and surrender up to Lessor peaceable possession of the Leased Premises in their then condition.

16. Pro-Rations.

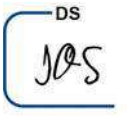
Rental and any other payment, required to be made by Lessee hereunder shall be prorated between the Parties as of the date of termination of this Lease.

17. Attorneys' Fees.

If any action is brought by either Party against the other Party, relating to or arising out of this Lease, or the enforcement hereof, the prevailing Party is entitled to recover from the other Party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For purposes of this Lease, the term "attorneys' fees" or "attorneys' fees and costs" means the fees and expenses of counsel to the Parties hereto, which may include printing, photostating, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 17 will survive the entry of any judgment, and will not merge, or be deemed to have merged, into any judgment. "Prevailing Party" within the meaning of this Section 17 shall include a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action.

18. Holding Over and Extensions.

18.1. Extensions. At the sole and absolute discretion of Lessee and subject to the terms and conditions of this Lease, Lessee may request a one (1) year extension of the Lease and the Option for a period commencing January 1, 2024 and ending December 31, 2024 with Monthly Rent equal to Nine Thousand Dollars ($9,000.00) per month, each and every month throughout the extension period ("Extension") and the Purchase Price of the Option shall be adjusted to One Million Seven Hundred Thousand Dollars ($1,700,000.00) ("Adjusted Purchase Price"). In order to elect the Extension, Lessee shall deliver written notice and the Option Premium Payment 2 (defined below) to the Lessor no later than December 01, 2023. Lessee shall deliver to Lessor Fifteen Thousand Dollars ($15,000.00) as an additional option premium payment no later than December 02, 2023 ("Option Premium Payment 2"). Any and all credits defined in Section 9.3

LESSEE: 

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above shall be applied to the Adjusted Purchase Price in addition to the Option Premium Payment 2 and FIFTY PERCENT (50%) of any Rents due and paid prior to December 02, 2024 in the event the Property is purchased, by Lessee, in accordance to the terms and conditions of the Purchase Agreement on or prior to December 31, 2024. The Purchase Price as stated in the Exhibit B, Purchase Agreement shall be adjusted to the Adjusted Purchase Price.

18.2 Holding Over. Any holding over after the expiration of the term hereof or, if applicable, post the expiration of the Extension, shall be construed to be a tenancy from month-to-month at an amount equal to Twelve Thousand and 00/100 U.S. Dollars ($12,000.00) on a monthly basis, and shall otherwise be on the same terms herein specified, as far as possible. For avoidance of doubt, the monthly rent that shall be due and payable by Lessee to Lessor, paid in advance, in the amount of Twelve Thousand and 00/100 U.S. Dollars ($12,000.00) per month for any extension(s) of term up to four (4) months post the expiration of the term hereof or, if applicable, post the expiration of the Extension. No prorations of rents will be adjusted during and/or in any extension period of this Lease. The entire monthly rental amount of Twelve Thousand U.S. Dollars and 00/100 ($12,000.00) is due and payable on or before the 1st of every month for rents owed for the preceding months. In no event will this Lease be extended, held over or amended anytime past four (4) months post the expiration of the term hereof or, if applicable, post the expiration of the Extension. In any and all events, four (4) months post the expiration of the term hereof or, if applicable, post the expiration of the Extension, this Lease will be considered terminated by the Parties herein and neither Party shall have any further obligations to each other.

19. Quiet Enjoyment.

Notwithstanding anything to the contrary contained herein, Lessor shall not commit, or suffer to be committed, any act or thing which may unreasonably disturb the quiet use and enjoyment by Lessee of the Leased Premises.

20. No Waiver.

Failure of Lessor to insist upon the strict performance of any provision or to exercise any right hereunder shall not be deemed a waiver of any breach by Lessee. No provision of this Lease shall be deemed to have been waived unless such waiver shall be in writing signed by Lessor.

This Lease, conditions, covenants and terms, herein contained and to be performed by the Parties, are separate and independent; and the performance of each and every one is not conditioned or dependent upon performance of any other, unless specifically so stated within the language of the provision. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

21. Notices.

Any notice, demand, request, or other instrument which may be or is required to be given under this Lease, shall be in writing and shall be delivered personally, mailed by first class mail, postage prepaid, electronic mail or delivered by facsimile or by FedEx or other reputable overnight courier, and shall be addressed (i) if to the Lessor, at the place specified for payment of rent, and (ii) if to Lessee, at the Leased Premises. Either Party may designate such other address as shall be given by written notice. Notices at the execution of this Lease shall be sent as follows:

LESSEE: DS

LESSOR: DS

IF TO LESSEE:

Grown Rogue Gardens, LLC
Attn: Obie Strickler
P.O. Box 1055
Jacksonville, OR 97530
Telephone: (541) 613-7173
Email: obie@grownrogue.com

IF TO LESSOR:

Lender Capital, LLC
Attn: John Clair
1000 N. Green Valley Parkway
#440-395
Henderson, NV 89074
Telephone: (702) 776-9075
Email: info@tayloradmin.com
and
John@claircapital.com

22. Partial Invalidity.

If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstance shall, to any extent, be held invalid, void or unenforceable, the remainder of this Agreement, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid, void or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law, and said invalid or unenforceable term, provision, condition or covenant shall be substituted by a term, provision, condition or covenant as near in substance as may be valid and enforceable.

23. Construction.

Should any provision of this Lease require judicial interpretation, it is agreed that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one Party by reason of the rule of construction that a document is to be construed more strictly against the person whom himself or through his agent prepared the same, it being agreed that the agents of both Parties have participated in the preparation thereof.

24. Gender.

Whenever the context of any provision shall require it, the singular number shall be held to include the plural number, and vice versa, and the use of any gender shall include any other or all genders.

25. Marginal Captions.

The various headings and numbers herein and grouping of the provisions of this Lease into separate sections are for the purpose of convenience only and shall not be considered a part hereof.

26. Provisions Binding, Etc.

Except as otherwise provided, all provisions herein shall be binding upon and shall inure to the benefit of the Parties, their legal representatives, heirs, successors, and permitted

LESSEE: DS

LESSOR: DS

assigns. Each provision to be performed by Lessee shall be construed to be both a covenant and a condition, and if there shall be more than one Lessee, they shall all be bound, jointly and severally, by such provisions.

27. Entire Agreement.

This Lease and the exhibits, riders and/or addenda, if any, attached hereto, set forth the entire agreement between the Parties with respect to the lease of the Leased Premises. No oral modification of, or amendment to, this Lease shall be effective, but this Lease may be modified or amended by written agreement signed by the Lessor and Lessee. However, any amendments and/or modifications will be at the Lessor's sole and absolute discretion. This Lease, supersedes all prior agreements with respect to the Leased Premises, written or oral. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Lease. Lessee, by the signature below, hereby acknowledges reading this Lease, understanding it, and agreeing to be bound by its terms and conditions.

28. Additional Acts.

The Parties agree to execute such additional documents as may be necessary to carry out the intentions, terms and conditions of this Lease.

29. No Third Party Beneficiaries.

This Lease has been made and is made solely for the benefit of Lessee and Lessor and their respective successors and permitted assigns. Nothing in this Lease is intended to confer any rights or remedies under, or because of this Lease, on any persons other than the parties to it and their respective successors and permitted assigns. Nothing in this Lease is intended to relieve or discharge the obligation or liability of any third persons to any party to this Lease.

30. Civil Rights (Non-Discrimination).

Lessee, for itself and assigns, as part of the consideration hereof, does covenant and agree, as a covenant running with the land, that (1) no person, on the grounds of race, color, or national origin, shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of Leased Premises; (2) that in connection with the construction of any improvements on Leased Premises, no discrimination shall be practiced in the selection of employees and contractors, by contractors in the selection and retention of first-tier subcontractors, and first-tier subcontractors in the selection and retention of second-tier subcontractors; and (3) that Lessee shall use Leased Premises in compliance with all other requirements imposed pursuant to Title 15, Code of Federal Regulations, Commerce and Foreign Trade, Subtitle A, Office of the Secretary of Commerce, Part 8 (15 C.F.R., Part 8), and as said Regulations may be amended. In the event of breach of any of the above non-discrimination covenants, Lessor shall have the right to immediately terminate this Lease, to re-enter and repossess Leased Premises, and to hold the same as though this Lease had never been made or issued.

31. "Uniform" Act.

Should this Lease be terminated for any reason, Lessee hereby acknowledges, understands, agrees and waives any and all benefits under the Uniform Relocation Assistance and

LESSEE: DS

LESSOR: DS

Real Property Acquisition Policies Act of 1970 as amended, or any other benefits under similar acts applicable to Lessee, or the premises.

32. Singular/Plural.

In construing this Lease, where the context so requires, the singular includes the plural and all grammatical changes shall be made so that this Lease shall apply equally to corporations and individuals.

33. Time.

Time is of the essence of this Lease as to each and every provision hereof. Failure of Lessor to object to the violation of any provision of this Lease shall not be deemed a waiver by Lessor of a subsequent similar breach nor of Lessor's right to demand strict performance by Lessee of any provision contained therein.

34. Relationship of Parties.

Nothing contained in this Lease shall be deemed or construed by the Parties to create the relationship of principal and agent, a partnership, joint venture or any other association between Lessor and Lessee.

35. Governing Law.

This Lease is entered into and shall be governed by and construed in accordance with the laws of the State of Oregon, United States. Venue for any dispute arising hereunder shall be Jackson County, Oregon, United States.

36. Interpretation.

This Lease shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Lease.

37. Authority of Signatories.

Each person executing this Lease individually and personally represents and warrants that he or she is duly authorized to execute and deliver the same on behalf of the entity for which he or she is signing (whether it be a corporation, limited liability company, general or limited partnership, or otherwise), and that this Lease is binding upon said entity in accordance with its terms.

{REMAINDER OF PAGE LEFT INTENTIONALLY BLANK}

LESSEE: DS

LESSOR: DS

IN WITNESS WHEREOF, the Parties hereto have executed this Lease the day and year first above written.

LESSOR:

Lender Capital, LLC
a Nevada limited liability company

By: /s/ John Clair
Name: John Clair
Its: Manager

LESSEE:

Grown Rogue Gardens, LLC
an Oregon limited liability company

By: /s/ Obie Strickler
Name: Obie Strickler
Its: Manager

EXHIBIT A

Legal Description

LOTS 4, 5 AND 6 OF L AND N SUBDIVISION NO. 1, IN JACKSON COUNTY, OREGON, ACCORDING TO THE OFFICIAL PLAT THEREOF, RECORDED IN VOLUME 9, PAGE 94 OF PLAT RECORDS

Property Site Map
{attached}

LESSEE: 

LESSOR: 

Jackson County GIS

LESSEE: DS

LESSOR: DS

EXHIBIT B

PURCHASE AGREEMENT

{TO BE ATTACHED}

LESSEE:  LESSOR: 

Exhibit 4.28

OPTION EXERCISE NOTIFICATION

This Option Exercise Notification (this "***Notification***"), dated and effective January 13, 2023, is between Grown Rogue Unlimited, LLC, an Oregon limited liability company ("***GRU***"), and J. Obie Strickler ("***Strickler***"). GRU and Strickler are referred to in this Agreement collectively as the "***Parties***" and each individually as a "***Party***."

RECITALS

The Parties entered into an Option Agreement ("**Agreement**") dated February 4, 2021 which stipulated under Sections 3, 4, and 5 of the Agreement the terms under which GRU could acquire the Subject Strickler Interest.

AGREEMENT

1. Recitals. The above recitals are incorporated as a material and contractual term of this Agreement.

2. Conditions. Consistent with Section 4 of the Agreement, GRU has received all licensing, regulatory, and governmental approvals from the State of Michigan necessary to own an equity interest in an entity that operates, a cannabis business in the State of Michigan.

3. Consideration. GRU has paid to Strickler all amounts payable, that are currently due, as required by Section 5 of the Agreement.

4. Exercise of Option. GRU hereby is exercising the Purchase Option as described in the Agreement.

GRU: GROWN ROGUE UNLIMITED, LLC

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

Exhibit 4.29

CONSULTING AGREEMENT

This Consulting Agreement ("***Agreement***") dated as of the 24th day of May, 2023 (the "***Effective Date***"), is between Goodness Growth Holdings, Inc., a British Columbia corporation having an address of 207 S. Ninth Street, Minneapolis, MN (the "***Company***") and Grown Rogue Unlimited, LLC, an Oregon limited liability company having an address of 550 Airport Road, Medford, OR 97501 ("***Consultant***") (Company and Consultant are referred to herein individually as the "***Party***" or collectively as the "***Parties***").

Recitals

WHEREAS, Company owns vertically-integrated, state-licensed cultivator, processor, and retail assets producing and selling commercialized cannabis products in the states of Maryland and Minnesota (the "***Initial Markets***");

WHEREAS, Consultant has experience and competency in growing, harvesting, post-harvest processing, packaging and selling cannabis products, as well as driving continuous improvements in cannabis flower production, with an emphasis on quality through genetics and best practices;

WHEREAS, Company desires to obtain Consultant's assistance in commercializing Company's products in its Initial Markets; and

WHEREAS, the Parties wish to set forth in writing the terms and conditions of this independent consultant engagement.

Agreement

NOW THEREFORE, in consideration of the promises contained in this Agreement, and intending to be legally bound, the Parties agree as follows:

1. Term and Termination.

A. Term. Company hereby engages Consultant in the capacity set forth in this Agreement, and Consultant hereby accepts this engagement, for a term beginning on the Effective Date and ending on June 30, 2025 (the "***Initial Term***"). Upon the expiration of the Initial Term, this Agreement shall automatically renew for an additional two (2) year term (the "***Renewal Term***"), unless and until Company provides notice of nonrenewal to Consultant in writing at least ninety (90) days before the end of the Initial Term, or unless and until earlier termination under this Agreement by either Company or Consultant pursuant to the terms of this Agreement. Upon the expiration of the Renewal Term, this Agreement shall automatically renew for a final two (2) year term (the "***Final Term***", and together with the Initial Term and Renewal Term, the "***Term***") unless and until Company provides notice of nonrenewal to Consultant in writing at least ninety (90) days before the end of the Renewal Term, or unless and until earlier termination under this Agreement by either Company or Consultant pursuant to the terms of this Agreement.

B. Termination by Company. This Agreement may be terminated by Company by providing written notice to Consultant:

i. If Consultant is in material breach of any representation, warranty, or covenant under this Agreement and either the breach cannot be cured or, if the breach can be cured, it is not cured by Consultant within a commercially reasonable period of time, in no case exceeding sixty (60) days, following Consultant's receipt of written notice of such breach from Company;

ii. If, as a result of Consultant's intentional, reckless or negligent action or failure to act, any of Company's cannabis-related licenses in the Initial Markets are actually or reasonably likely to be suspended, revoked, or terminated;

iii. If, as a result of changes to federal, state or local law, rule or regulation, any of Company's cannabis related licenses in the Initial Markets are actually or reasonably likely to be non-renewed, expired, or otherwise of no force or effect due to the existence of either Party's performance under this Agreement; provided, however, that, before exercising its right of termination under this subsection (iii), Company shall use commercially reasonable efforts to comply with any such changes to federal, state or local law, rule or regulation in order to maintain its cannabis related licenses in full force and effect and in good standing after giving effect to such changes in federal, state or local law, rule or regulation;

iv. If Company is acquired, sells all or substantially all of its assets, or is merged into another entity and is not the surviving entity of such merger;

v. If any of the following events occur (each such event shall be referred to as a "***Company Insolvency Event***"): (a) Company becomes insolvent or is generally unable to pay, or fails to pay, its debts including principal and/or interest due as those debts become due;, (b) Company files, or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency Law, and such petition or proceeding is not dismissed within forty-five (45) days; or (c) Company applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business, and such application or appointment is not withdrawn or dismissed within forty-five (45) days;

vi. For convenience, provided that such termination for convenience shall take effect ninety (90) days after written notice by Company to Consultant;

vii. If any of the following events occurs (each, a "***Consultant Insolvency Event***"): (a) Consultant becomes insolvent or generally unable to pay, or fails to pay, its debts as they become due, (b) Consultant files, or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency Law, and such petition or proceeding is not dismissed within one hundred twenty (120) days, or (c) Consultant applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business, and such application or appointment is not withdrawn or dismissed within one hundred twenty (120) days

C. Termination by Consultant. This Agreement may be terminated by Consultant by providing written notice to Company:

i. If Company is in material breach of any representation, warranty, or covenant under this Agreement (other than a breach covered by subsection (iv) below) and either the breach cannot be cured or, if the breach can be cured, it is not cured by Company within a commercially reasonable period of time, in no case exceeding ninety (90) days, following Company's receipt of written notice of such breach from Consultant, unless a Company Insolvency Event shall have occurred;

ii. If, as a result of Company's intentional, reckless or negligent action or failure to act, any of Company's cannabis-related licenses are actually or reasonably likely to be suspended, revoked, or terminated, unless a Company Insolvency Event shall have occurred,;

iii. If, as a result of changes to federal, state or local law, rule or regulation, any of Company's cannabis related licenses are actually or reasonably likely to be non-renewed, expired, or otherwise of no force or effect due to the existence of or either Party's performance under this Agreement;

iv. If Company shall fail to (a) pay any amount owed when due pursuant to Section 3 of this Agreement and such failure continues beyond thirty (30) days after Company's receipt of written notice from Consultant, or (b) issue warrants when due pursuant to Section 3 of this Agreement and such failure continues beyond sixty (60) days after Company's receipt of written notice from Consultant, unless a Company Insolvency Event shall have occurred;

v. If a Consultant Insolvency Event shall have occurred; or

vi. For convenience, provided that such termination for convenience shall take effect ninety (90) days after written notice by Consultant to Company.

D. Termination Fee. Provided no Company Insolvency Event or Consultant Insolvency Event shall have occurred, should this Agreement be terminated by Company pursuant to Section 1.B.(vi), or by Consultant during the same period, pursuant to Section 1.C(i), 1.C(ii), or 1.C(iv), Company shall pay Consultant a termination fee (the "***Termination Fee***") as described in Exhibit A. If Company terminates this Agreement pursuant to Section 1.B.(iv), the Termination Fee shall be an amount equal to the greater of: (i) $5,000,000 and (ii) four (4) times the arithmetic mean of the quarterly fees paid pursuant to Section 3.A. of the Agreement, calculated by using the quarterly fees paid for the most recent two (2) calendar quarter period. From and after April 1, 2025, if Company owes a Termination Fee to Consultant pursuant to this Agreement, at Company's election, up to fifty percent (50%) of the Termination Fee may be paid in the subordinate voting shares of Company's capital stock, valuing the stock for such purpose at the greatest discount off of market price permitted under the circumstances, up to twenty percent (20%), by the Canadian Securities Exchange or any successor principal stock exchange on which Company's subordinate voting shares are traded. For the avoidance of doubt, no Termination Fee shall be owed if a Company Insolvency Event shall have occurred.

E. Survival. In the event that this Agreement is terminated pursuant to the provisions of Sections 1.B. or 1.C., all obligations under Sections 6, 7, 8, 9, 10, 13, 16, 17, and 18 of this Agreement shall survive termination or expiration of this Agreement.

2. Services. During the Term, Consultant shall provide the services described in Exhibit B hereto to Company (the "***Services***"). Exhibit B may be amended from time to time during the Term by written consent of both Parties. To the extent of a conflict between the terms of this Agreement and Exhibit B, the terms of this Agreement shall supersede and be controlling. Such Services shall be performed at times and places as shall be mutually convenient for Company and Consultant, and Consultant shall exercise independent judgment as to the method for accomplishing the Services. The nature, extent, period of performance, and limitations of the Services provided will be mutually agreed to by Company and Consultant. Consultant shall: (i) devote whatever time, effort and resources may be necessary or required to provide Services hereunder in a professional manner; and (ii) at all times in the performance of the Services, comply with all applicable laws, codes and regulations and the reasonable and lawful instructions, standards of conduct, policies and procedures established and/or promulgated by Company, in written or electronic form, which may be amended from time to time upon written notice to Consultant. Company does not control the manner or means of Consultant's transportation to any worksite. In performing the Services, Consultant shall: (i) hire, supervise, compensate

and terminate its own employees; (ii) maintain all licenses and permits necessary to perform the Services; and (iii) perform the Services in a timely and professional manner.

3. Compensation.

A. Fees. For the services described in Exhibit B, during the Term of this Agreement Company agrees to pay Consultant a sum equal to Twenty Per Cent (20%) (the "***Base Fees***") of any increase (the "***ANI Increase***") in Company's quarterly adjusted net income from operations (the "***ANI***") for the aggregate of Company's Minnesota and Maryland operations over the Q4 (October 1 through December 31) 2022 ANI Baseline (as defined in Exhibit C) plus any annual increase in CPI-U (all items) for the period between June 1, 2023, and the date of calculation for such operations. Base Fees shall be calculated for each of Company's fiscal quarters using ANI as described in, and calculated in accordance with, Exhibit C. If Company determines, acting reasonably and in good faith, that the quarterly ANI Increase for a given fiscal quarter is at least Fifty Per Cent (50%) attributable to Consultant's services described in Exhibit B, Company shall pay Consultant an additional sum up to Seven and a Half Per Cent (7.5%) of ANI Increase (the "***Additional Base Fees***"). If Company determines, acting reasonably and in good faith, that the quarterly ANI Increase for a given fiscal quarter is at least Seventy-Five Per Cent (75%) attributable to Consultant's services described in Exhibit B, Company shall pay Consultant an additional sum up to Seven and a Half Per Cent (7.5%) of ANI Increase (the "***Final Additional Base Fees***"). For the purposes of calculating Additional Base Fees and Final Additional Base Fees, Company shall provide Consultant with its determination of the ANI Increase attributable to Consultant's services within thirty (30) days of the end of Company's fiscal quarter (the "***Fee Attribution Statement***") on a form mutually agreeable to both Parties. Consultant shall have ten (10) days to accept or dispute the Fee Attribution Statement or dispute Company's calculation pursuant to Section 3.B. If Consultant does not respond to the Fee Attribution Statement within the ten (10) day period (the "***Fee Attribution Statement Review Period***"), Consultant shall forfeit any dispute rights and Company shall make any payment for Additional Base Fees and Final Additional Base Fees in accordance with its calculation set forth on the Fee Attribution Statement.

B. Fee Disputes. If Consultant disputes Company's Fee Attribution Statement, the Parties acknowledge and agree that they will work in good faith to resolve the dispute. The Parties further acknowledge and agree that if they are not able to agree upon a Fee Attribution Statement within twenty (20) days following the expiration of the Fee Attribution Statement Review Period, the Parties will resolve the dispute by binding arbitration, using a single arbitrator acceptable to both Parties, and employing American Arbitration Association rules for commercial disputes. The Parties agree that the results of the arbitration will be final and binding on the Parties and may be entered in any court with jurisdiction thereof. Each Party shall pay Fifty Per Cent (50%) of the cost and expense of the arbitrator and arbitration process, excluding each Party's legal fees and related costs, which each Party shall bear separately. Notwithstanding the existence of any dispute over Additional Base Fees and/or Final Base Fees, Company shall remit payment of the Base Fees in accordance with subsection 3.D.

C. Renewal Term and Final Term Base Fee Reductions. If Company pays Base Fees, Additional Base Fees, and Final Additional Base Fees in excess of Fifteen Million Dollars ($15,000,000.00) in the aggregate during the Initial Term and this Agreement renews for the Renewal Term, then the Base Fees payable to Consultant by Company shall be reduced to Fifteen Per Cent (15%) for the Renewal Term. In addition, if Company pays Base Fees, Additional Base Fees, and Final Additional Base Fees in excess of Twelve Million Dollars ($12,000,000.00) in the aggregate during the Renewal Term and this Agreement renews for the Final Term, then the Base Fees payable to Consultant by Company shall be further reduced to Ten Per Cent (10%) for the Final Term. A form 1099 shall be issued each calendar year for all payments made and other compensation given, if required by applicable law.

D. Payment. Company shall pay Base Fees to Consultant for each of the fiscal quarters ending March 31, June 30, and September 30 within thirty (30) days after the end of each such quarter. Company

shall pay Base Fees to Consultant for each fiscal quarter ending December 31 within sixty (60) days after Company's fiscal quarter and year end. Company shall pay any Additional Base Fees and Final Additional Base Fees, if achieved, to Consultant within Fifteen (15) days after the determination of the final amount thereof pursuant to subsection 3.A. or 3.B. The Parties agree that, notwithstanding the Effective Date, the first Base Fee due to Consultant under this Agreement shall be based on the ANI Increase for the fiscal quarter beginning January 1, 2023, and ending March 31, 2023, as compensation for Services provided by Consultant to Company during such period under the terms of a Memorandum of Understanding between the Parties, which Base Fee Company shall pay to Consultant on or before July 1, 2023.

E. Annual Review of Payments. Concurrently with filing its annual audited financial statements on EDGAR and/or SEDAR for each fiscal year during the Term, Company shall deliver a copy of such audited financial statements to Consultant together with (i) Company's calculation of ANI for each quarter during such prior fiscal year and the ANI for the fiscal year ended the prior December 31, in each case, in accordance with Exhibit C and based on such annual audited financial statements, and (ii) Company's determination of any over- or under-payment of Base Fees, Additional Base Fees, and Final Additional Base Fees during the prior fiscal year based thereon (collectively, the "***Annual True-Up Report***"). Consultant shall have thirty (30) days after it receives the Annual True-Up Report to accept Company's year-end reconciliation as set forth in such Annual True-Up Report or to give notice of a dispute of such year-end reconciliation pursuant to Section 3.B. If Company has, in the aggregate, overpaid Base Fees, Additional Base Fees, or Final Additional Base Fees to Consultant during the prior fiscal year, Company may offset the overpayment from the next payment(s) of Base Fees due to Consultant. If Consultant was underpaid by Company Base Fees, Additional Base Fees, or Final Additional Base Fees, in the aggregate for such fiscal year, Company shall pay Consultant the amount of the underpayment, without interest or penalty, pursuant to the terms of subsection 3.D.

F. Company Warrants. Upon the commencement date of the Initial Term of this Agreement, Company shall grant to Consultant Ten Million (10,000,000) warrants to purchase subordinate voting shares of Company with a strike price set at a Twenty-Five Per Cent (25%) premium of the 10-day volume weighted average price ("***VWAP***") of Company's subordinated voting shares prior to the Effective Date. Such warrants shall be issued to Consultant with a five (5) year term to exercise, shall not be registered with the United States Securities Exchange Commission or any Canadian provincial securities commission, and shall not be assignable except as set forth in the warrant certificate.

G. Consultant Warrants. Upon the commencement date of the Initial Term of this Agreement, Consultant shall cause its parent company, Grown Rogue International, Inc. ("***GRIN***"), to grant to Company Eight Million Five Hundred Thousand (8,500,000) warrants to purchase subordinate voting shares of GRIN with a strike price set at a Twenty-Five Per Cent (25%) premium of the 10-day VWAP of GRIN's subordinated voting shares prior to the Effective Date. Such warrants shall be issued to Company with a five (5) year term to exercise, shall not be registered with the United States Securities Exchange Commission or any Canadian provincial securities commission, and shall not be assignable except as set forth in the warrant certificate.

4. Expenses. Company shall be solely responsible for paying all reasonable expenses incurred by Consultant in performing its obligations under this Agreement, including but not limited to travel, food, lodging, and other expenses.

5. Assignment. This is a contract for personal services by Consultant, and this Agreement may not be assigned to any Party without the prior written consent of Company.

6. Independent Consultant. Consultant shall be for all purposes an independent contractor of Company and not, solely by reason of the existence of this Agreement, an employee, partner, or owner of Company and shall not participate in any employee benefit program of Company by reason of this Agreement. Except as

required by law, Company shall not withhold any sums from the payments to be pursuant to Section 3 for Social Security, FICA, unemployment, employment, or other federal, state, or local tax liabilities or contributions, and all withholdings, liabilities, and contributions shall be solely the responsibility of Consultant. Neither Consultant nor its employees, nor employees of an entity for which Consultant serves as an employee, partner or other type of owner, shall be entitled to receive any benefits which employees of Company receive and shall not be entitled to receive from Company workers' compensation, unemployment compensation, medical insurance, life insurance, paid vacations, paid holidays, pension, profit sharing, or Social Security on account of and work or Services provided to Company. Consultant shall be solely responsible for paying: (i) its employees, if any, and all taxes, FICA, workers' compensation, unemployment compensation, medical insurance, life insurance, paid vacations, paid holidays, pension, profit sharing and other benefits for Consultant and its employees, servants and agents; and (ii) any employees of a business entity for whom Consultant serves as an employee, partner or other type of owner. Consultant will defend, indemnify, and hold harmless Company from any and all loss or liability, including attorney's fees, arising from its failure to make these payments, withholdings, or benefits, if any. Consultant shall: (i) be totally and solely responsible for the timely reporting and payment of all income or other taxes and other governmental liabilities resulting from the performance of its Services hereunder, (ii) pay all self-employment and other taxes, including income taxes and estimates thereof, as shall be required by the Internal Revenue Code and the laws, rules, and regulations of any other government entity having jurisdiction over Consultant, and (iii) indemnify, defend and hold Company harmless for any tax or other liability arising from or related to Consultant's failure to timely report and pay all income or other taxes or other governmental liabilities relating to compensation received from Company or otherwise relating to the Services.

7. Restrictive Covenants. As an inducement for each Party to enter into this Agreement, each Party covenants and agrees as follows:

A. Non-Solicitation. During the period commencing on the Effective Date and ending with the expiration of the Term or the earlier termination of this Agreement for any reason ("***Restrictive Term***"), neither Party (the "***Restricted Party***") will, directly or indirectly, on Restricted Party's behalf or on behalf of or in conjunction with any other Person:

(i) Solicit, attempt to solicit (whether or not said solicitation is initiated by Restricted Party), induce, or attempt to induce the business of any person or entity who is a customer or who Restricted Party knows or reasonably should know is a prospective customer of the other Party;

(ii) Cause, induce, attempt to cause or induce, solicit, or attempt to solicit (whether or not said solicitation is initiated by Restricted Party) any customer, supplier, subcontractor, tradesman, lessor, licensor, licensee, employee, consultant or any other person or entity with a business relationship with the other Party to cease doing business with the other Party, to deal with any competitor of the other Party or in any way interfere with any such person's or entities' relationship with the other Party; or

(iii) Recruit, solicit, hire, retain or attempt to recruit, solicit (whether or not said solicitation is initiated by Restricted Party), hire or retain any employee or independent contractors of the other Party or in any way interfere with the relationship between the other Party and any of its employees or independent contractors. The Parties agree that, with respect to this subsection (iii) (and only this subsection (iii)), the Restrictive Term shall continue after the expiration of the Term or earlier termination of this Agreement for a period of one (1) year;

B. Extension of Term. In the event of a breach by Restricted Party of any covenant set forth in Sections 7.A of this Agreement, the Restrictive Term of such covenant will be extended by the period of the duration of such breach.

C. Modification. The terms and conditions of this Agreement shall be enforced to the maximum extent allowed by law. Therefore, if a final, non-appealable judgment of a court or tribunal of competent

jurisdiction ("***Judicial Authority***") determines that any term or provision contained in Section 7.A is invalid or unenforceable, then the Parties agree that: (i) such provisions shall be rendered invalid, unenforceable, or void only to the extent that such final, non-appealable determination of such Judicial Authority finds such provision unreasonable or otherwise unenforceable with respect to Restricted Party, and (ii) the Judicial Authority making the determination of invalidity or unenforceability will have the power to reduce the scope, duration or geographic area, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. This Agreement will be deemed amended and enforceable within the jurisdiction of such Judicial Authority as so modified after the expiration of the time within which the judgment may be appealed and this Agreement shall remain in full force and effect, as originally drafted, in all other jurisdictions. This Section 7.C is reasonable and necessary to protect and preserve each Party's legitimate business interests and to prevent any unfair advantage conferred on Restricted Party, or any of Restricted Party's affiliates.

8. Confidential Information.

A. Defined. For the purposes of this Agreement, the term "***Confidential Information***" means all information in whatever form (whether oral, written, electronic, paper, or other medium), concerning a Party (the "***Disclosing Party***"), furnished by or on behalf of the Disclosing Party to the other Party (the "***Receiving Party***"), or learned by the Receiving Party as a result of the Services, at any time (whether before or after the date of this Agreement) and in each case, regardless of the manner in which the medium in or on which such information is furnished, stored or displayed, including without limitation: (i) the occurrence and subject matter of the Services; (ii) all information, products, plans, methods, ideas, intellectual property, trade secrets, compensation data, financial information, marketing strategies and information, programs and services, inventions, processes, designs, sketches, drawings, business opportunities, projections, developments, know-how, formulae, computer software and programs, (including all code) and intellectual property, prospects, pending projects and proposals, pricing information, technical data, customer and supplier lists, customer prospect lists, product and equipment designs or enhancements, concepts, inventions and ideas, and other developments and techniques, other trade secrets or confidential or proprietary information, whether patentable or copyrightable or not, and other information that is not generally known or readily ascertainable by other persons. Written information supplied to the Receiving Party may be marked "CONFIDENTIAL" when feasible, but the failure to so mark such information shall not be deemed a waiver by the Disclosing Party of confidentiality.

B. Exclusion. "Confidential Information" shall not include any information which: (i) was in the possession of the Receiving Party at the time it was first disclosed by or on behalf of the Disclosing Party; (ii) was in the public domain at the time it was disclosed to the Receiving Party; (iii) enters the public domain through sources independent of the Receiving Party and through no act or omission of the Receiving Party; (iv) was lawfully obtained by the Receiving Party from a third party not known by the Receiving Party to be under an obligation of confidentiality to Company; or (v) was independently developed by the Receiving Party with the use of or reference to the Confidential Information.

C. Use of Confidential Information. The Receiving Party agrees that Confidential Information shall be used solely for the purposes of performing its obligations under this Agreement ("***Permitted Purposes***"). The Receiving Party agrees: (i) not to disclose (or permit disclosure of) any Confidential Information (or any portion thereof) to any person or entity; (ii) not use the Confidential Information for its own purposes, or any other purposes other than Permitted Purposes; and (iii) to keep and shall cause its representatives and affiliates to keep all such Confidential Information confidential and shall exercise reasonable care to prevent disclosure of such Confidential Information to any third party, except as authorized in writing by the Disclosing Party. Internal dissemination of Confidential Information by the Receiving Party shall be limited to those representatives who are directly involved in the Services and whose duties justify their need to know such information, provided that the Receiving Party shall be liable for any breach of this Section 8 by its representatives and affiliates to which it discloses Confidential Information. The Receiving Party shall

promptly notify the Disclosing Party in writing of any unauthorized use or disclosure of Confidential Information which may come to the Receiving Party's attention.

D. Ownership. The Receiving Party agrees that: (i) Confidential Information and all goodwill associated with or symbolized by such Confidential Information are and shall remain the sole property of the Disclosing Party; (ii) no action by the Disclosing Party shall be deemed to constitute or result in an assignment of any Confidential Information to the Receiving Party or the creation of any equitable or other interest herein or to grant the Receiving Party the right to use the Confidential Information except as contemplated herein; (iii) all legal rights in the Confidential Information, including the right to patent any technology arising therefrom, shall belong exclusively to the Disclosing Party; and (iv) this Agreement does not constitute a license of any Confidential Information.

E. Mandatory Disclosure**.** In the event the Receiving Party is legally compelled to disclose any Confidential Information, the Receiving Party shall, to the extent legally permitted, promptly give notice to the Disclosing Party so that the Disclosing Party may seek to quash such compulsion or to obtain an appropriate protective order. In the event the Disclosing Party does not (or seek to) quash such compulsion, and regardless of whether a protective order is obtained, the Receiving Party shall, without violating this Section 8, disclose only such limited portion of the Confidential Information as is required to avoid sanction by the court having jurisdiction of such matter.

F. Return of Documents / Cessation of Use. In the event the Agreement is terminated for any reason, or at any time within five (5) days following the Disclosing Party's written request, the Receiving Party shall: (i) promptly return (or upon the Disclosing Party's written direction, destroy) all documentation (whether original or copies whether electronic or other medium) and other materials (whether tangible or stored in any storage medium, and whether prepared by the Receiving Party or the Disclosing Party from information supplied by the Disclosing Party) containing any Confidential Information to the Receiving Party without retaining any copies thereof; and (ii) immediately cease any use of the Confidential Information.

9. Intellectual Property.

A. Definitions.

(i) "***Intellectual Property***" means, collectively, Hard Intellectual Property and Soft Intellectual Property.

(ii) "***Hard Intellectual Property***" means any copyrights, patents and patent applications, trademarks, service marks, logos, trade dress, brands, product names, domain names, formulas and recipes, and other similar intellectual property.

(ii) "***Soft Intellectual Property***" means any process, technique, system, method, algorithm, technology, and other similar trade secrets and know-how, but expressly excluding any Hard Intellectual Property.

B. Ownership.

i. Consultant Intellectual Property. Subject to Section C below, Consultant will own all Intellectual Property that (a) was in existence and owned by Consultant before the Effective Date; or (b) was made or discovered by Consultant after the Effective Date, other than in any Intellectual Property developed or created by Consultant specifically for Company in connection with the Services.

ii. Company Intellectual Property. Company will own all Intellectual Property that (a) was in existence and owned by Company before the Effective Date; (b) was made or discovered by

Company after the Effective Date; or (c) constitutes Intellectual Property and was developed or created by Consultant specifically for Company in connection with the Services.

C. Grant of Licenses.

i. Soft Intellectual Property License. Consultant hereby grants to Company a non-exclusive, royalty-free, irrevocable, perpetual, sub-licensable right and license to make or cause to be made, use, and sell Consultant's Soft Intellectual Property in connection with Company's cannabis products in Company's Initial Markets (the "***Soft IP License***").

ii. Hard Intellectual Property License. Consultant hereby grants to Company a right and license, during the Term of this Agreement and for the one-year period following the expiration or earlier termination of this Agreement (such one-year period, the "***Tail Period***") to make or cause to be made, use, and sell Consultant's Hard Intellectual Property in connection with Company's cannabis products in Company's Initial Markets (the "***Hard IP License***").

iii. Exclusivity. The Hard IP License granted herein shall be (a) exclusive to Company in its Initial Markets during the Term of this Agreement, and (b) non-exclusive to Company, including in its Initial Markets, during the Tail Period. For the avoidance of doubt, the Hard IP License shall terminate automatically upon the expiration of the Tail Period and from and after the expiration of the Tail Period Company shall cease using any of the Hard Intellectual Property.

iv. Royalty. During the Term of this Agreement, the Hard IP License shall be royalty-free at no additional cost to Company. During the Tail Period, Company agrees to pay Consultant a royalty fee for the Hard IP License at the rate of Five Per Cent (5%) of the net selling price, as herein defined, of all products subject to the Hard IP License (the "***Royalty***"). For the purposes of computing the Royalty, the net selling price shall be the total of all gross sales amounts actually invoiced or shipped, reduced by any cash discount actually granted to customers which are directly related to their respective purchase of products subject to the Hard IP License from Company and separately billed and itemized on the invoice to the customer and credits or refunds for returns actually made.

v. Payment and Reporting. Company agrees to make any Royalty payments to Consultant on a monthly basis to be paid by the fifteenth (15^{th}) day of the immediately subsequent month. With each monthly Royalty payment, Company will deliver to Consultant a report with the following information for the previous month: (a) gross consideration received by Company for sales of products subject to the Hard IP License during the month, (b) the calculation of the net selling price for each sale of products, and (c) the calculation of the monthly Royalty payment due to Consultant. Consultant's acceptance of or any report or Royalty payment will not in any manner preclude Consultant from questioning the accuracy of any report or correctness of any payment at any time.

10. Remedies. The Parties agree that their obligations in Sections 7, 8 and 9 of this Agreement are necessary and reasonable in order to protect each Party and its business. The Parties agrees that the remedy at law for any breach of the provisions of this Agreement will be adequate as defined by the Court.

11. Consideration. The consideration given to Consultant by Company shall be the fees and warrants paid to Consultant pursuant to Section 3 hereof.

12. Notices. All notices and other communications shall be in writing and shall be deemed to have been duly given if delivered via: (i) personal delivery; (ii) expedited delivery service with proof of delivery;

(iii) registered or certified United States mail, postage prepaid; or (iv) upon delivery by email, in each case, addressed to the appropriate Party as follows:

To Company:	Vireo Health, Inc. 207 South Ninth Street Minneapolis, MN 55402 Attn: General Counsel E-mail: michaelschroeder@vireohealth.com	To Consultant:	Grown Rogue Unlimited, LLC 550 Airport Road Medford, OR 97501 Attn: Obie Strickler E-mail: obie@grownrogue.com

or to any other address as the person to whom notice is to be given may have previously furnished to the other in writing as set forth above, provided that notice of an address change shall be deemed given only upon receipt.

13. Representations and Warranties.

A. Consultant's Representations and Warranties. Consultant represents and warrants to Company that:

i. It is a limited liability company, duly organized and validly existing under the laws of the State of Oregon;

ii. It has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

iii. The execution of this Agreement by its representative whose signature is set forth at the end of this Agreement, and the delivery and performance of this Agreement by Consultant, have been fully authorized by all necessary action on the part of Consultant;

iv. It has duly executed and delivered this Agreement and this Agreement constitutes the legally binding obligation of Consultant enforceable against Consultant in accordance with its terms;

v. Consultant's performance of the Services will not involve the use or disclosure of any trade secret information of any third party or the infringement of any intellectual property ownership or rights of any third party;

vi. The execution, delivery, and performance of this Agreement by Consultant will not violate, conflict with, require consent under or result in any breach or default under (a) any of Consultant's organizational documents; (b) any applicable law; or (c) with or without notice or lapse of time or both, the provisions of any material contract to which Consultant is a party;

vii. It has obtained all material licenses, authorizations, approvals, consents or permits required by applicable laws to conduct its business generally and to exercise its rights and perform its obligations under this Agreement; and

viii. Consultant will perform the Services diligently and in accordance with accepted and sound professional practices and procedures.

B. Company's Representations and Warranties. Company represents and warrants to Consultant that:

i. It is a corporation, duly organized, validly existing and in good standing under the laws of British Columbia;

ii. It has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

iii. The execution of this Agreement by its representative whose signature is set forth at the end of this Agreement, and the delivery and performance of this Agreement by Company, have been fully authorized by all necessary action on the part of Company;

iv. It has duly executed and delivered this Agreement and this Agreement constitutes the legally binding obligation of Company enforceable against Company in accordance with its terms;

v. The execution, delivery, and performance of this Agreement by Company will not violate, conflict with, require consent under or result in any breach or default under (a) any of Company's organizational documents; (b) any applicable law; or (c) with or without notice or lapse of time or both, the provisions of any material contract to which Company is a party; and

vi. It has obtained all material licenses, authorizations, approvals, consents or permits required by applicable laws to conduct its business generally and to exercise its rights and perform its obligations under this Agreement.

14. Entire Agreement and Amendment. This Agreement: (i) constitutes the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes all prior agreements or understandings between Consultant and Company or their agents; and (ii) may be changed or modified only by an agreement in writing signed by both Parties.

15. Severability. Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement, provided that: (i) each Party receives the substantial benefit of its bargain with respect to the transaction contemplated hereby; and (ii) the ineffectiveness of such provision would not result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

16. Indemnification.

A. Indemnification by Consultant. Consultant shall indemnify, defend, and hold Company, its officers, directors, and employees harmless from and against any and all liabilities, claims, demands, proceedings, obligations, assessments, losses, costs, damages, or expense, or any nature whatsoever, contingent or otherwise (including, without limitation, any and all judgments, degrees, equitable relief, extraordinary relief, settlements, awards, and reasonable attorneys' fees and court costs, including arbitrators' fees) that are incurred, sustained, suffered, or assessed against Company in a third party claim arising out of, relating to, or as a result of alleged or actual breach of this Agreement by Consultant or Consultant's intentional misconduct or gross negligence.

B. Indemnification by Company. Company shall indemnify, defend and hold Consultant, its officers, directors, and employees harmless from and against any and all liabilities, claims, demands, proceedings, obligations, assessments, losses, costs, damages, or expense, of any nature whatsoever, contingent or otherwise (including, without limitation, any and all judgments, degrees, equitable relief, extraordinary relief, settlements, awards, and reasonable attorneys' fees, and court costs, including arbitrators' fees) that are incurred, sustained, suffered, or assessed against Consultant in a third party claim arising out of, relating to, or as a result of alleged or actual breach of this Agreement by Company or Company's intentional misconduct or gross negligence.

17. Remedies. In the event of any breach by Consultant or Company of any of the provisions of this Agreement, the other Party, in addition to any other rights, remedies or damages available at law or in equity, will be entitled to recover all costs and expenses, including without limitation reasonable attorneys' fees, incurred by such Party, its successors and assigns as a consequence of any such breach. This Section 17 will survive the termination or expiration of this Agreement.

18. Set Off. Company shall have the absolute right to offset against any and all payments or consideration due Consultant under this Agreement for any damages to which Company is entitled due to Consultant's breach of its representations, warranties and covenants as set forth in this Agreement provided that Company's entitlement to such damages is agreed to by the Parties or such damages have been awarded to Company by a court or arbitrator of competent jurisdiction.

19. Exclusivity. The work performed for Company under this Agreement shall be performed by Consultant on an exclusive basis with respect to the Initial Markets. During the Term, Consultant shall not perform any services similar to the Services for any person or entity other than Company in any of the Initial Markets. Consultant shall be free to undertake additional activities for another party in locations outside of the Initial Markets, provided that such activities do not interfere with execution of the Services under this Agreement or otherwise violate this Agreement, including Sections 7, 8, and 9.

20. [Intentionally Omitted.]

21. Insurance. During the Term, Consultant will acquire and be responsible for maintaining appropriate insurance, including comprehensive automobile liability insurance in the amount of $1,000,000 and comprehensive general liability insurance, and all other insurance necessary or desirable for Consultant, its representatives and affiliates, and any employees including unemployment and worker's compensation insurance, if required by applicable law. Prior to commencing the Services, Consultant shall provide certificates of insurance to Company as evidence of Consultant's compliance with this Section 21 upon request.

22. General Terms.

A. Governing Law; Venue. The validity, construction and performance of this Agreement shall be governed by and construed in accordance with the law of the State of New York, U.S.A. applicable to contracts executed in and performed entirely within such state, without reference to any choice of law principals thereof, but the specific performance provisions and right a Party to seek injunctive relief for the other Party's breach of the covenants contained herein may also be enforced in any other state or country or nation wherever such breach occurs, and in accordance with the laws of such other state, country or nation, to the extent necessary to secure enforcement in such other jurisdiction. Each Party: (i) agrees that all actions, claims or proceedings related to this Agreement shall be commenced and maintained exclusively in the Supreme Court of New York, Albany County, or the United States Federal Courts for the Northern District of New York; and (ii) irrevocably consents to submit to the personal jurisdiction and venue of such courts and waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue in any such court or that any such proceeding which is brought in accordance with this Section has been brought in an inconvenient forum.

B. Waiver. The failure of either Party to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right, power or privilege hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or privilege at any other time or times.

C. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which, when taken together, will be deemed to constitute one and the same agreement.

D. Captions. The captions stated herein are for convenience only and are not intended to alter any of the provisions of this Agreement.

23. Representatives and Affiliates. Each Party agrees that any breach by any of the follow is a breach of such party: (i) any one or more of its principals, shareholders, owners, directors, officers, employees, financing sources, professional advisors (including financial advisors, accountants, and consultants) or agents (collectively the "Representatives"); and (ii) all of its affiliated companies, if any, and the successors and permitted assigns of any of such entities and the owners thereof (collectively, "Affiliates") and Representatives of any Affiliates. Thus, when the term Party is used in this Agreement, that term shall be read and interpreted to include each Party and its Representatives and Affiliates. The benefits of this Agreement shall inure to the benefit of each Party and any other company directly or indirectly controlled by, or under direct or indirect common control with the Party.

[Signatures on Following Page]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties as of the Effective Date.

Company: GOODNESS GROWTH HOLDINGS, INC.

Signature: /s/ Joshua Rosen
Print Name: Joshua Rosen
Title: Interim Chief Executive Officer

Consultant: GROWN ROGUE UNLIMITED, LLC

Signature: /s/ Obie Strickler
Print Name: Obie Strickler
Title: Manager

(*Signature Page to Consulting Agreement*)

EXHIBIT A
to
Independent Consultant Agreement

Date Range of Effective Termination	Termination Fee
Any time during the Term	An amount equal to the greater of: (i) $2,500,000 and (ii) four (4) times the arithmetic mean of the quarterly fees paid pursuant to Section 3.A. of the Agreement, calculated by using the quarterly fees paid for the most recent two (2) calendar quarter period

EXHIBIT B
to
Independent Consultant Agreement

Consultant shall be responsible for directing and supervising cultivation and post-harvest practices for all flower and flower products (*i.e.*, pre-rolls) from clone to package for the Company in the Initial Markets. This work shall include oversight and supervision of the following key tasks:

- Genetic selection and planning;
- Crop scheduling and orchestration;
- Data collection and tracking of cultivation and post-harvest processes;
- Propagation; vegetative; and flowering plant management;
- Design and infrastructure improvements and upgrades;
- Development of standard operating procedures for all facets of cultivation and post-harvest;
- Training and staff development;
- Fertigation programs, schedules, and operations;
- Integrated pest management (IPM) programs, schedules, and operations;
- Plant health;
- Plant care including pruning, shaping, and defoliation;
- Plant harvesting, drying and curing;
- Bucking and trimming;
- Flower bucking and sorting;
- Flower and flower derived product creation (*i.e.*, pre-rolls);
- Coordination with sales and laboratory staff on genetic selection, prioritization, and end product distribution;
- Managing cost of goods sold for flower and flower related products;
- Develop plans and strategies for growing the business and achieving Company's production and product margin goals;
- Managing budgets;
- Creating a culture of success and ongoing business and goal achievement;
- Collaborating with leadership on progress and Company goals for continued success; and
- Other objectives that Consultant and Company mutually agree upon.

EXHIBIT C
to
Independent Consultant Agreement

Following is a description of the calculation of Adjusted Net Income ("***ANI***") for purposes of the Consulting Agreement between Company and Consultant. Consultant's compensation will be based on the improvement in Company's quarterly ANI for its markets in MN and MD relative to a preset baseline.

1. **Quarterly Consolidating Income Statements**

   ANI shall be calculated by market and operating entity in order to measure the contribution from the MN and MD markets. Company's Accounting department shall be responsible for providing Consultant a consolidating income statement every quarter, which will match Company's publicly-filed, GAAP-compliant income statement on a consolidated basis.

2. **Calculation of ANI**

   Quarterly ANI is calculated for each market with the following steps:

   - Revenue
   - Minus product costs
   - Minus selling, general and administrative expenses
   - Minus interest expense, for operating entities only
     - Corporate interest expense is excluded
   - Plus (minus) other income (expenses)
   - Minus current income tax expense
   - Minus inventory adjustment, as defined below
   - Minus CapEx adjustment, as defined below

   The following line items from Company's publicly-filed income statements are excluded from the calculation:

   - Inventory valuation adjustments
   - Stock-based compensation expenses
   - Depreciation
   - Amortization
   - Impairment of long-lived assets
   - Loss on sale of property and equipment
   - Gain on disposal of assets
   - Deferred income tax expense
   - Any other extraordinary or nonrecurring items that may arise in the future, as mutually agreed upon by both Parties in good faith.

   Defined terms from the calculated are defined below:

   - "***Inventory Adjustment***": this adjustment is intended to capture the cash flow impact of Company's accumulation or depletion of inventory. It is calculated as the quarterly change in inventory from the balance sheet, plus the inventory valuation adjustment from the income statement.

- "***Capital Expenditures Adjustment***": This adjustment is intended to deduct a depreciation charge for any capital expenditures that Consultant recommends to Company, which Company has the absolute right to accept or deny in its sole discretion. For any such recommended capital expenditures, the amount of depreciation charged against the asset in accordance with GAAP guidelines will be deducted from ANI for the duration of the Consulting Agreement.

- "***Baseline ANI***" is the amount of USD$2,140,260, which is equal to ANI for the MN and MD markets in Q4 2022.

Other notes on the calculation of ANI:

- The Company's current income tax expense is calculated on a consolidated basis for MN, NY, and MD, so it must be manually allocated to the MN and MD markets based on proportional gross profit for the quarter.

Dropbox Sign

Audit trail

Title	Grown Rogue Goodness Growth Consulting Agreement
File name	Independent Contr...TION VERSION.docx
Document ID	393220ad974844bccb6e19a8d59999c8e471aa0d
Audit trail date format	MM / DD / YYYY
Status	• Signed

Document History

SENT	**05 / 24 / 2023** 22:37:14 UTC	Sent for signature to Josh Rosen (joshrosen@vireohealth.com) and Obie Strickler (obie@grownrogue.com) from michaelschroeder@vireohealth.com IP: 76.208.102.161
VIEWED	**05 / 24 / 2023** 22:37:23 UTC	Viewed by Obie Strickler (obie@grownrogue.com) IP: 40.64.64.110
VIEWED	**05 / 24 / 2023** 22:54:53 UTC	Viewed by Josh Rosen (joshrosen@vireohealth.com) IP: 68.225.195.171
SIGNED	**05 / 24 / 2023** 22:55:07 UTC	Signed by Josh Rosen (joshrosen@vireohealth.com) IP: 68.225.195.171
SIGNED	**05 / 25 / 2023** 00:13:09 UTC	Signed by Obie Strickler (obie@grownrogue.com) IP: 68.116.101.58
COMPLETED	**05 / 25 / 2023** 00:13:09 UTC	The document has been completed.

Exhibit 4.30

THE SECURITIES TO WHICH THIS PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE, AND WILL BE ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

GROWN ROGUE INTERNATIONAL INC.
(the "**Issuer**")

CONVERTIBLE DEBENTURE

SUBSCRIPTION AGREEMENT

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for a convertible debenture of the Issuer (the "**Debenture**") having an aggregate principal amount set forth on page 3 (the "**Original Principal Amount**") and bearing interest at 9% quarterly per calendar year, maturing 48 months from the day of Closing (as defined herein). The entire amount of principal owing under the Debenture is convertible at any time while any principal amount remains outstanding into common shares of the Issuer (each, a "**Share**") at a price equal to C$0.24 per Share (as may be adjusted in accordance with the terms of the Debenture), all upon and subject to the terms and conditions set forth in Schedule A attached hereto. The Subscriber shall receive one half of one warrant (each whole warrant, a "**Warrant**", and together with the Debenture, the "**Purchased Securities**") for each C$0.24 of the Original Principal Amount purchased with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.28 per Share (as may be adjusted in accordance with the terms of the Warrant). The Warrants are exercisable for a period of three years from the date of Closing, subject to the terms and conditions set forth in Schedule A, provided that if, at any time following Closing the common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Canadian Securities Exchange (the "**Exchange**"), the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided. The number of Warrants shall be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada.

The offering of the Purchased Securities (the "**Offering**") shall further have, and the Offering shall further be conducted on, the terms and conditions specified in Schedules A and B hereto. The Purchased Securities will be offered in Canada, in the United States and in such other jurisdictions outside of Canada and the United States as the Issuer may determine, pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. Unless otherwise indicated, all monetary references are in Canadian Dollars.

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION PRIOR TO DELIVERY TO THE ISSUER

1. The subscriber (the "**Subscriber**") must complete the information required on page 3 with respect to subscription amounts, subscriber details and registration and delivery particulars. Subscribers who are not purchasing as principal (or deemed under applicable securities laws to be purchasing as principal) must disclose the identity of the Disclosed Principal (as hereafter defined) on page 3.

2. The Subscriber must complete, for itself and any Disclosed Principal, the personal information required on page 4. The Subscriber acknowledges and agrees that this information may be provided to the Exchange and the applicable securities regulatory authorities, as applicable.

3. The Subscriber, for itself and any Disclosed Principal, must complete the applicable forms (the "**Forms**") at the end of Schedule B:

   (a) All Subscribers resident in Canada must complete **Form 1** – **"Certificate for Exemption"**, and:

      (i) if an individual and in Form 1 have indicated they are an "accredited investor" pursuant to section (j), (k) or (l) of the definition of "accredited investor" in National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"), the Subscriber must also complete **Form 1A** – ***"Form 45-106F9: Form for Individual Accredited Investors"***

      (ii) if resident in Saskatchewan and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1B** – ***"Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates"***

(iii) if resident in Ontario and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1C – "*Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors*"**

(b) All Subscribers who are U.S. Purchasers (as defined in Schedule A, section 1.1) must complete **Form 2 – "Certificate of U.S. Accredited Investor Status"**.

(c) All Subscribers who are neither residents of Canada nor a U.S. Purchaser must complete **Form 3 – "Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers)"**.

4. Return this subscription, together with all applicable Forms, to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

TO: GROWN ROGUE INTERNATIONAL INC.

1. The Subscriber irrevocably subscribes for and agrees to purchase from the Issuer

(a) a Debenture with an Original Principal Amount of: US$ 550,000 , and

(b) 1,511,125 Warrants (to be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada)

2. The Subscriber and the Issuer agree that the Purchased Securities shall have, and the Offering thereof shall be conducted on, the terms and conditions specified in Schedules A and B hereto. The Subscriber hereby makes the representations, warranties, acknowledgments and agreements set out in Schedules A and B hereto and in all applicable Forms, and acknowledges and agrees that the Issuer and its counsel, will and can rely on such representations, warranties, acknowledgments and agreements should this subscription be accepted by the Issuer.

3. Identity of and execution by Subscriber:

BOX A: SUBSCRIBER INFORMATION AND EXECUTION		
Mindset Value Fund (name of subscriber)		
30 West Mission St., #8, Santa Barbara, CA 93101 (address – include city, province and postal code)		
805-284-2090 (telephone number)	aaron@mindsetcapital.com (email address)	X /s/ Aaron Edelheit (signature of subscriber/authorized signatory) Aaron Edelheit (if applicable, print name of signatory and office)

Execution hereof by the Subscriber shall constitute an offer and agreement to subscribe for the Purchased Securities for such total subscription price as set out in Item 1 above pursuant to the provisions of Item 2 above, and acceptance by the Issuer shall effect a legal, valid and binding agreement between the Issuer and the Subscriber. This subscription may be executed and delivered in counterparts and by facsimile, and shall be deemed to bear the date of acceptance below.

4. If the Purchased Securities are to be registered other than as set out in Box A, the Subscriber directs the Issuer to register and deliver the Purchased as follows:

BOX B: ALTERNATE REGISTRATION INSTRUCTIONS
(name of registered holder)
(address of registered holder – include city, province and postal code)
(registered holder: contact name, contact telephone number and contact email address)

5. If the Purchased Securities are to be delivered other than as set out in Box A (or if completed, Box B), the Subscriber directs the Issuer to deliver the Purchased Securities as follows:

BOX C: ALTERNATE DELIVERY INSTRUCTIONS
(name of recipient)
(address of recipient – include city, province and postal code)
(recipient: contact name, contact telephone number and contact email address)

6. If the Subscriber is purchasing as agent for a principal, and is not a trust company or trust corporation purchasing as trustee or agent for accounts fully managed by it or is not a person acting on behalf of an account fully managed by it (and in each such case satisfying the criteria set forth in NI 45-106), complete Box D below and provide as a separate attachment the personal information required on page 4 and all applicable Forms on behalf of such principal (a "**Disclosed Principal**"):

BOX D: IDENTIFICATION OF PRINCIPAL
(name of Disclosed Principal)
(address of Disclosed Principal – include city, province and postal code)
(Disclosed Principal: contact name, contact telephone number and contact email address)

ACCEPTANCE

The Issuer hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

This subscription is accepted and agreed to by the Issuer as of the 13 day of July, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
Authorized Signatory
J. Obie Strickler

PERSONAL INFORMATION

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercise control or direction over (provide additional details as applicable):

☑ 3,639,500 common shares of the Issuer and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Issuer:

$ 1.5 million in convertible debt from December

☐ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status.** The Subscriber either:

☐ Is an "Insider" of the Issuer as defined in the *Securities Act* (Ontario), by virtue of being:

(a) a director or an officer of the Issuer;

(b) a director or an officer of a person that is an Insider or subsidiary of the Issuer;

(c) a person that has

(i) beneficial ownership of, or control or direction over, directly or indirectly, or

(ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

securities of the Issuer carrying more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

☑ Is not an Insider of the Issuer.

3. **Registrant Status.** The Subscriber either:

☐ Is a "Registrant" by virtue of being a person registered or required to be registered under the *Securities Act* (Ontario) or other applicable securities laws; or

☑ Is not a Registrant.

"**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to the applicable securities laws, or a person (as that term is defined herein) registered or otherwise required to be registered under applicable securities laws.

SCHEDULE A

1. Interpretation

1.1 Unless the context otherwise requires, reference in this subscription to:

(a) "**Agreement**" means this subscription agreement, including all schedules, forms and other attachments attached thereto;

(b) "**Applicable Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders and notices of, the applicable securities regulatory authority or authorities of the applicable jurisdiction or jurisdictions as the case may be;

(c) "**Business Day**" means a day which is not a Saturday, Sunday, or civic or statutory holiday on which Canadian chartered banks are open for the transaction of regular business in the city of Toronto, Ontario;

(d) "**Closing**" refers to the completion of the purchase and sale of the Purchased Securities, and if the purchase and sale occurs in two or more tranches, the respective completion of the purchase and sale of Purchased Securities shall be the "Closing" in respect of those Purchased Securities;

(e) "**Closing Time**" means the time of Closing;

(f) "**Debenture**" has the meaning set out in the cover page to this Agreement;

(g) "**Exchange**" means the Canadian Securities Exchange;

(h) "**Exemptions**" has the meaning set out in section 3.1 of this Schedule A;

(i) "**Forms**" has the meaning set out in the cover page to this Agreement;

(j) "**NI 45-102**" and "**NI 45-106**" refer to National Instrument 45-102 *Resale of Securities* and National Instrument 45-106 *Prospectus Exemptions*, respectively, of the Canadian Securities Administrators;

(k) "**Offering**" has the meaning set out in the cover page to this Agreement;

(l) "**Original Principal Amount**" has the meaning set out in the cover page to this Agreement;

(m) "**Public Record**" refers to all public information which has been filed by the Issuer pursuant to Applicable Securities Laws;

(n) "**Purchased Securities**" has the meaning set out in the cover page to this Agreement;

(o) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(p) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(q) "**Selling Jurisdictions**" means Canada, the United States and such other jurisdictions outside of Canada and the United States where the Issuer may conduct the Offering;

(r) "**Share**" has the meaning set out in the cover page to this Agreement;

(s) "**Subscriber**" has the meaning set out in the cover page to this Agreement;

(t) "**subscription**" or "**subscription agreement**" means this subscription agreement and includes all schedules hereto and the Forms;

(u) "**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S; and for greater certainty, "U.S. Person" includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose

of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person;

(v) "**U.S. Purchaser**" means a Subscriber that (i) has been offered the Purchased Securities in the United States, (ii) executed this subscription agreement or otherwise placed its purchase order for the Purchased Securities in the United States, or (iii) is, or is acting on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.

(w) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

(x) "**Warrant**" has the meaning set out in the cover page to this Agreement; and

(y) "**Warrant Share**" has the meaning set out in section 2.1 of this Schedule A.

1.1 In the subscription, the terms "**designated offshore securities market**", "**directed selling efforts**", "**foreign issuer**" and "**United States**" have the meanings prescribed in Regulation S.

1.2 Unless otherwise stated, all dollar figures herein expressed are in Canadian Dollars.

1.3 References imputing the singular shall include the plural and vice versa; references imputing individuals shall include corporations, partnerships, societies, associations, trusts and other artificial constructs and vice versa; and references imputing gender shall include the opposite gender.

1.4 **For greater certainty, the parties hereby acknowledge and agree that, if the Subscriber is acting as agent or trustee on behalf of a Disclosed Principal, the words "Subscriber", "it" and "its" mean the Subscriber and the Disclosed Principal, unless the context otherwise requires.**

2. <u>Description of Offering and Purchased Securities</u>

2.1 Subject to any approval and consent (the "**Approval**") that may be required by the Exchange, the Subscriber hereby irrevocably subscribes for and agrees to purchase from the Issuer, subject to the terms and conditions set forth herein, a Debenture in the Original Principal Amount set out above (the "**Subscription Price**") which is tendered herewith. Subject to the terms hereof, this Agreement will be effective when executed by all the parties to it. Subject to the approval of the Issuer and satisfaction of all conditions, the Subscriber agrees to complete the Closing within ten days from the date of this Agreement. This subscription is part of an offering by the Issuer of Debentures with principal amounts, totalling in the aggregate, of up to US$5,000,000, subject to adjustment in accordance with the terms of this Agreement.

2.2 The Subscriber (and any Disclosed Principal) and the Issuer acknowledge and agree that the Debenture will be duly and validly created and issued pursuant to a definitive certificate (the "**Debenture Certificate**") governing the terms of issue of the Debenture and the conversion of the same, which Debenture Certificate shall include the following terms:

(a) Repayment of the outstanding Original Principal Amount, together with interest accrued but unpaid, will be made on or prior to 5:00 p.m. (Toronto time) on the date that is 48 months from the Issue Date (the "**Maturity Date**").

(b) The Debenture will bear interest from the date of issue (the "**Issue Date**") at 9% per calendar year, and payable quarterly in cash.

(c) The Original Principal Amount of the Debenture is convertible by the Debenture holder into Shares at any time while any Original Principal Amount is outstanding, at a conversion price equal to C$0.24 per Share, subject to any adjustment as set out in the Debenture certificate (the "**Conversion Price**").

2.3 The Subscriber shall receive one half of one Warrant for each C$0.24 Original Principal Amount with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.28 per Share. The Warrants are exercisable for a period of three years from the date of Closing, provided that if, at any time following Closing the

common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange, the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided.

2.4 The Issuer is offering the Purchased Securities in the Selling Jurisdictions. The Issuer may, in its discretion, increase the size of the Offering and/or offer or sell additional securities concurrently with the Offering and/or the Issuer may, in the future in its sole discretion and without notice to the Subscriber, offer or sell additional securities. The Offering is not subject to any minimum aggregate offering and there can be no assurances that the Issuer will raise sufficient funds, through the Offering or otherwise, to meet its objectives.

3. Eligibility and Subscription Matters

3.1 The Offering is being made pursuant to exemptions (the "**Exemptions**") from the registration and prospectus requirements of the Applicable Securities Laws. The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, acknowledgments and agreements of the Subscriber contained in this Agreement both at the date hereof and at the time of Closing and otherwise provided by the Subscriber to the Issuer to determine the availability of Exemptions should this subscription be accepted.

3.2 The Offering is not, and under no circumstances is to be construed as, a public offering of the Purchased Securities. The Offering is not being made, and this subscription does not constitute, an offer to sell or the solicitation of an offer to buy the Purchased Securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

3.3 Subscribers must duly complete and execute this subscription together with all applicable Forms hereto (**please see the Instructions listed on the face page hereof**) and return them to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

3.4 Subscriptions are irrevocable subject to the right of the Issuer to terminate the Offering.

3.5 A subscription will only be effective upon its acceptance by the Issuer. Subscriptions will only be accepted if the Issuer is satisfied that, and will be subject to a condition for the benefit of the Issuer that, the Offering can lawfully be made in the jurisdiction of residence of the Subscriber pursuant to an available Exemption and that all other Applicable Securities Laws have been and will be complied with in connection with the proposed distribution. The Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional upon, among other things, the sale of the Purchased Securities to the Subscriber being exempt from any prospectus requirements of Applicable Securities Laws. This Agreement shall be deemed to be accepted only when signed by a duly authorized representative of the Issuer.

3.6 If this subscription is rejected in whole by the Issuer, any certified cheque, money order, bank draft or other form of payment delivered by the Subscriber on account of the aggregate subscription price for the Purchased Securities subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this subscription is accepted only in part by the Issuer, payment representing the amount by which the payment delivered by the Subscriber to the Issuer exceeds the subscription price of the Purchased Securities sold to the Subscriber pursuant to a partial acceptance of this subscription will be promptly delivered to the Subscriber without any interest paid on such amount.

3.7 No offering memorandum or other disclosure document has been prepared or will be delivered to the Subscriber in connection with the Offering, and the Subscriber hereby expressly acknowledges and confirms that it has not received, and has no need for, an offering memorandum or other disclosure document in connection with the Offering.

4. Closing Procedure

4.1 The Offering will be completed in one or more Closings at such time or times, on such date or dates, and at such place or places, as the Issuer may determine. At each Closing, the Issuer will deliver certificates representing the Purchased

Securities to those Subscribers whose subscriptions have been accepted, against the duly completed and executed subscriptions and applicable subscription price in respect thereof.

5. Reporting and Consent

5.1 The Subscriber expressly consents and agrees to:

(a) the Issuer collecting personal information regarding the Subscriber for the purpose of completing the transactions contemplated by this Agreement; and

(b) the Issuer releasing personal information regarding the Subscriber and this subscription, including the Subscriber's name, residential address, telephone number, email address and registration and delivery instructions, the number of Purchased Securities purchased, the number of securities of the Issuer held by the Subscriber, the status of the Subscriber as an insider or registrant, or as otherwise represented herein, and, if applicable, information regarding the beneficial ownership of the principals of the Subscriber, to securities regulatory authorities in compliance with Applicable Securities Laws, to other authorities as required by law and to the registrar and transfer agent of the Issuer for the purpose of arranging for the preparation of the certificates representing the Purchased Securities in connection with the Offering.

The purpose of the collection of the information is to ensure the Issuer and its advisers will be able to issue Purchased Securities to the Subscriber in accordance with the instructions of the Subscriber and in compliance with applicable Canadian corporate and securities laws and Canadian Securities Exchange policies, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Securities Laws and with other authorities as required by law. The Subscriber further expressly consents and agrees to the collection, use and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including the provision of all such personal information to third party service providers from time to time.

The contact information for the officer of the Issuer who can answer questions about the collection of information by the Issuer is as follows:

Name & Title:	J. Obie Strickler, President & CEO
Issuer Name:	**Grown Rogue International Inc.**
Address:	550 Airport Road, Medford, Oregon, 97504, United States
Email:	obie@grownrogue.com

5.2 The Subscriber expressly acknowledges and agrees that:

(a) the Issuer may be required to provide applicable securities regulators, or otherwise under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* of Canada, a list setting forth the identities of the purchasers of the Purchased Securities and any personal information provided by the Subscriber, and the Subscriber hereby represents and warrants that to the best of the Subscriber's knowledge, none of the funds representing the subscription proceeds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; the Subscriber hereby further covenants that it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Issuer with appropriate information in connection therewith;

(b) the Subscriber is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism ("**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations ("**UNAQTR**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea ("**UNRDPRK**"), the Regulations Implementing the United Nations Resolution on Iran ("**RIUNRI**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**") or any other similar statute;

(c) the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder pursuant to the PCMLA, the Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRI, the Zimbabwe Regulations, the Burma Regulations or any other similar statute; and

(d) it shall complete, sign and return such additional documentation as may be required from time to time under Applicable Securities Laws or any other applicable laws in connection with the Offering and this subscription.

5.3 The Subscriber authorizes the indirect collection of Personal Information (as hereinafter defined) by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 *Definitions*) and confirms that the Subscriber has been notified by the Issuer:

(a) that the Issuer will be delivering Personal Information to the securities regulatory authority or regulator;

(b) that the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it in Applicable Securities Laws;

(c) that such Personal Information is being collected for the purpose of the administration and enforcement of Applicable Securities Laws; and

(d) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as follows:

(i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: inquiries@bcsc.bc.ca;

(ii) Alberta Securities Commission, Suite 600, 250 – 5th Street, SW Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;

(iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5879, Facsimile: (306) 787-5899;

(iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;

(v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca, Public official contact regarding indirect collection of information: Inquiries Officer;

(vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Facsimile: (514) 864-6381 (For privacy requests only), Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers);

(vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street,, Suite 300 Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;

(viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;

(ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283; and

(x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187.

"**Personal Information**" means any personal information as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time and without limiting the foregoing, but for greater clarity in this Agreement, means information about an identifiable individual, including but not limited to any information about the Subscriber and, if applicable, any Disclosed Principal, and includes information provided by the Subscriber in this Agreement.

6. Resale Restrictions and Legending of Purchased Securities

6.1 The Subscriber hereby acknowledges and agrees that the Offering is being made pursuant to Exemptions and, as a result, the Purchased Securities will be subject to a number of statutory restrictions on resale and trading. Until these restrictions expire, the Subscriber will not be able to sell or trade the Purchased Securities unless the Subscriber complies with an Exemption from the prospectus and registration requirements under Applicable Securities Laws. In general, unless permitted under securities legislation, the Subscriber cannot trade the Purchased Securities in Canada before the date that is four months and a day after the date of the Closing. **See also section 6.3 below**.

6.2 The Subscriber acknowledges and agrees that:

(a) the Purchased Securities have not been and will not be registered under the U.S. Securities Act, or any State securities laws, and may not be offered and sold, directly or indirectly, to a U.S. Purchaser without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available;

(b) the Issuer has no present intention and is not obligated under any circumstances to register the Purchased Securities, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Purchaser, and in particular, the Subscriber and the Issuer further acknowledge and agree that the Issuer is hereby required to refuse to register any transfer of the Purchased Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration; and

(c) any Warrants may not be exercised in the United States or by or on behalf of any U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available.

6.3 **The foregoing discussion on hold periods and resale restrictions is a general summary only and is not intended to be comprehensive or exhaustive, or to apply in all circumstances.** Subscribers are advised to consult with their own advisers concerning their particular circumstances and the particular nature of the restrictions on transfer, the extent of the applicable hold period and the possibilities of utilizing any further Exemptions or the obtaining of a discretionary order to transfer any Purchased Securities. Subscribers are further advised against attempting to resell or transfer any Purchased Securities until they have determined that any such resale or transfer is in compliance with the requirements of all Applicable Securities Laws, including but not limited to compliance with restrictions on certain pre-trade activities and the filing with the appropriate regulatory authority of reports required upon any resale of the Purchased Securities.

6.4 In the event that any of the Purchased Securities are subject to a hold period or any other restrictions on resale and transferability, the Issuer will place a legend on the certificates representing the Purchased Securities as are required under Applicable Securities Laws, by the Exchange or as the Issuer may otherwise deem necessary or advisable.

7. Representations and Warranties of the Issuer

7.1 the Issuer is a corporation incorporated and existing under the laws of the jurisdiction in which it is incorporated;

7.2 the execution and delivery of, and performance by the Issuer of this Subscription Agreement has been authorized by all necessary corporate action on the part of the Issuer;

7.3 this Subscription Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding agreement of the Issuer enforceable against it in accordance with its terms;

7.4 the Issuer is a "reporting issuer" in the Provinces of Alberta, Nova Scotia, Ontario and British Columbia and is in compliance with its obligations under the Applicable Securities Laws in all material respects;

7.5 the Issuer has the power and authority to create, issue and deliver the Purchased Securities and perform its obligations under the Purchased Securities;

7.6 the Issuer has complied, or will comply, with all Applicable Securities Laws in connection with the issuance of the Purchased Securities;

7.7 no approval, authorization, consent or other order of, and no filing, registration or recording with, any governmental authority is required by the Issuer in connection with the execution and delivery or with the performance by the Issuer of this Subscription Agreement except in compliance with the Applicable Securities Laws and the requirements of the Exchange; and

7.8 Neither the Issuer, nor any partner, director, or officer or any person directly or indirectly controlling, controlled by or under common control with the Issuer is subject to any "disqualifying event" set forth in Rule 506(d) of Regulation D or any similar disqualification provision.

8. Miscellaneous

8.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber, including any fees and disbursements of any special counsel retained by the Subscriber, relating to the purchase, resale or transfer of the Purchased Securities, shall be borne by the Subscriber.

8.2 Except as expressly provided for in this subscription and in any agreements, instruments and other documents contemplated or provided for herein, this subscription contains the entire agreement between the parties with respect to the sale of the Purchased Securities and there are no other terms, conditions, representations, warranties, acknowledgments and agreements, whether expressed or implied, whether written or oral, and whether made by the parties hereto or anyone else. This subscription may only be amended by instrument in writing signed by the parties hereto. Notwithstanding the foregoing, the Subscriber is not waiving any remedies or protections available by statute or common law in connection with this Agreement or the transactions contemplated hereby.

8.3 Each party to this subscription covenants that it will, from time to time both before and after the Closing, at the request and expense of the requesting party, promptly execute and deliver all such other notices, certificates, undertakings, escrow agreements and other instruments and documents, and shall do all such other acts and other things, as may be necessary or desirable for purposes of carry out the provisions of this subscription.

8.4 The invalidity, illegality or unenforceability of any particular provision of this subscription shall not affect or limit the validity, legality or enforceability of the remaining provisions of this subscription.

8.5 This subscription, including without limitation the terms, conditions, representations, warranties, acknowledgments and agreements contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber and the Issuer notwithstanding the completion of the purchase and sale of the Purchased Securities, the conversion or exercise of any Purchased Securities and any subsequent disposition thereof by the Subscriber.

8.6 This subscription is not transferable or assignable. This subscription shall enure to the benefit of and be binding upon the parties hereto and its respective successors and permitted assigns.

8.7 This subscription is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in his personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

8.8 The Issuer shall be entitled to rely on delivery of a facsimile or portable document format ("**pdf**") copy of the executed subscription, and acceptance by the Issuer of such facsimile or pdf subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this subscription is delivered to the Issuer at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions, unaltered, of the pages not delivered at Closing.

8.9 This subscription may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

8.10 The parties hereto acknowledge and confirm that they have requested that this subscription as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

8.11 Time shall be of the essence hereof.

SCHEDULE B

1. Representations, Warranties, Covenants, Acknowledgments and Agreements of the Subscriber

1.1 The Subscriber hereby represents, warrants, covenants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) the Subscriber is resident in the jurisdiction set out on page 3 above, and if such address is not located in Ontario, the Subscriber expressly certifies that it is not resident in Ontario;

(b) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchased Securities, and in particular no governmental agency or authority, stock exchange or other regulatory body or any other entity has made any finding or determination as to the merit for investment of, nor have any such agencies, authorities, exchanges, bodies or other entities made any recommendation or endorsement with respect to, the Purchased Securities;

(c) there is no government or other insurance covering the Purchased Securities;

(d) there are risks associated with the purchase of the Purchased Securities, which are speculative investments that involve a substantial degree of risk, and the Subscriber may lose his, her or its entire investment. The Subscriber has carefully reviewed and is aware of all of the risk factors related to the purchase of Purchased Securities;

(e) other than as disclosed to the Issuer in writing, there is no person acting or purporting to act on behalf of the Subscriber (including any beneficial Subscriber), in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchased Securities, the Subscriber covenants to indemnify and hold harmless the Issuer with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(f) there are restrictions on the Subscriber's ability to resell the Purchased Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Purchased Securities;

(g) the Issuer has advised the Subscriber that it is relying on one or more exemptions from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Applicable Securities Laws, and as a consequence of acquiring the Purchased Securities pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it;

(h) the Subscriber has been further advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Purchased Securities under Applicable Securities Laws (i) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Issuer is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Subscriber is restricted from using certain of the civil remedies available under such legislation;

(i) the Subscriber has had access to all information regarding the Issuer and the Purchased Securities that the Subscriber has considered necessary in connection with its investment decision, and, in particular, the Subscriber's decision to execute this Agreement and purchase the Purchased Securities has been based entirely upon its review of the Public Record, including the Issuer's financial statements, and has not been based upon any written or oral representation or warranty as to fact or otherwise made by or on behalf of the Issuer;

(j) no person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Purchased Securities, (ii) that any person will refund the purchase price for the Purchased Securities, or (iii) as to the future price or value of the Purchased Securities;

(k) the Subscriber is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Purchased Securities, and is and will be able to bear the economic loss of its entire investment in any of the

Purchased Securities and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment;

(l) the Subscriber has been advised to consult its own investment, legal and tax advisers with respect to the merits and risks of an investment in the Purchased Securities and Applicable Securities Laws and resale restrictions, and in all cases the Subscriber has not relied upon the Issuer or its counsel or advisers for investment, legal or tax advice, always having, if desired, in all cases sought the advice of the Subscriber's own personal investment adviser, legal counsel and tax advisers, and in particular, the Subscriber has been advised and understands that it is solely responsible, and none of the Issuer, its counsel or its advisers are in any way responsible, for the Subscriber's compliance with Applicable Securities Laws and resale restrictions regarding the holding and disposition of the Purchased Securities;

(m) the Subscriber has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Agreement, restrictions with respect to trading in the Purchased Securities imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation has been made to it by or on behalf of the Issuer with respect thereto, acknowledges that it is aware of the characteristics of the Purchased Securities, the risks relating to an investment therein and of the fact that it may not be able to resell the Purchased Securities except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with the other requirements of applicable law;

(n) to the knowledge of the Subscriber, the Offering was not advertised or solicited in any manner in contravention of Applicable Securities Laws, and has not been made through or as a result of any general solicitation or general advertising or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Purchased Securities;

(o) the Subscriber has no knowledge of a "material fact" or "material change", as those terms are defined in the Applicable Securities Laws applicable in its jurisdiction of residence, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

(p) the Subscriber is not a "control person" as defined in the policies of the Exchange, will not become a "control person" by virtue of purchasing the Purchased Securities as contemplated herein, or any further acquisition of any Purchased Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;

(q) the Subscriber has the legal capacity and competence to enter into and execute this subscription and to take all actions required pursuant hereto, and if the Subscriber is not an individual, it is also duly formed and validly subsisting under the laws of its jurisdiction of formation and all necessary approvals by its directors, shareholders, partners and others have been obtained to authorize the entering into and execution of this subscription and the taking of all actions required hereto on behalf of the Subscriber. If the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which the Agreement is executed and is legally competent to execute this Agreement and take all action pursuant hereto; the Subscriber, or any Disclosed Principal, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or, each principal/beneficial purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment. The Subscriber is familiar with the aims and objectives of the Issuer and is informed of the nature of its activities;

(r) none of the funds the Subscriber is using to purchase the Purchased Securities are, to the best knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(s) upon acceptance by the Issuer of this Agreement and the satisfaction of any closing conditions, the aggregate subscription price for the Purchased Securities is immediately releasable to the Issuer to be used for the ongoing business of the Issuer;

(t) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Agreement and the transactions contemplated herein can be consummated by the Subscriber;

(u) the Subscriber has duly and validly entered into, executed and delivered this Agreement and it constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

(v) if the Subscriber is acting as agent or trustee (including, for greater certainty, a portfolio manager or comparable adviser) for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Agreement and all other necessary documents in connection with such subscription on behalf of such principal, each of whom is subscribing as principal for its own account and not for the benefit of any other person, and this subscription has been duly and validly authorized, executed and delivered by or on behalf of such principal, and when accepted by the Issuer, will constitute a legal, valid and binding obligation enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies, against such principal;

(w) the entering into of this subscription and the transactions contemplated hereby does not and will not, conflict with, result in a violation or breach of, or constitute a default under, any of the terms and provisions of any law, regulation, order or ruling applicable to the Subscriber, or of any agreement, contract or indenture, written or oral, to which it is or may be a party or by which it is or may be bound, and, if the Subscriber is a corporation, its constating documents or any resolutions of its directors or shareholders;

(x) you acknowledge that legal counsel retained by the Issuer are acting as counsel to the Issuer and not as counsel to you and you may not rely upon such counsel in any respect;

(y) the Subscriber is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered under National Instrument 31-103 – *Registration Requirements and Exemptions* (or, in Québec, Regulation 31-103 *respecting Registration Requirements and Exemptions*);

(z) with respect to compliance with the U.S. Securities Act:

(i) none of the Purchased Securities have been registered under the U.S. Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(ii) the Subscriber is neither an underwriter of, or dealer in, the common shares of the Issuer, nor participating, pursuant to a contractual agreement or otherwise, in the distribution of the Purchased Securities;

(iii) the Subscriber is acquiring the Purchased Securities for investment only and not with a view to resale or distribution and, in particular, has no intention to distribute, directly or indirectly, all or any of the Purchased Securities to U.S. Purchasers, and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or person in the United States respecting (A) the transfer or assignment of any rights or interests in any of the Purchased Securities; (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this subscription or the Purchased Securities; or (C) the voting of any securities offered hereby or underlying any securities offered hereby;

(iv) the Subscriber does not intend to and will not engage in hedging transactions with regard to the Purchased Securities unless in compliance with the U.S. Securities Act; and

(v) the current structure of this transaction and all transactions and activities contemplated hereunder, and the Subscriber's participation therein, is not a scheme to avoid the registration requirements of the U.S. Securities Act;

(aa) unless the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber is not a U.S. Purchaser; and

(ii) the Subscriber is not purchasing the Purchased Securities as the result of any "directed selling efforts";

(bb) if the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber, by completing Form 2 – Certificate of U.S. Accredited Investor Status, is representing and warranting to the Issuer that the Subscriber is an "accredited investor" as the term is defined in Regulation D, and that all information contained in the Subscriber's completed Form 2 – Certificate of U.S. Accredited Investor Status is complete and accurate in all respects and may be relied upon by the Issuer;

(ii) the Subscriber will not acquire the Purchased Securities as a result of, and will not itself engage in, any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(iii) the Subscriber and their adviser(s) have had a reasonable opportunity to ask questions of and receive answers from the Issuer in connection with the distribution of the Purchased Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(iv) the Subscriber hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under Applicable Securities Laws, the certificates representing any of the Purchased Securities will bear legends in substantially the form set forth on Form 2 hereto;

(v) the Issuer will refuse to register any transfer of the Purchased Securities not made pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available Exemption from the registration requirements of the U.S. Securities Act or pursuant to Regulation S; and

(vi) the statutory and regulatory basis for the Exemption claimed for the offer of the Purchased Securities would not be available if the Offering is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act;

(cc) the Issuer may complete additional financings in the future to develop the business of the Issuer and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

(dd) the Subscriber has not received, nor does it expect to receive, any financial assistance from the Issuer, directly or indirectly, in respect of the Subscriber's purchase of the Purchased Securities; and

(ee) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Purchased Securities subscribed for hereunder following the Closing.

1.2 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that it is:

(a) purchasing the Purchased Securities as principal for investment purposes only, for its own account and not for the benefit of any other person and not with a view to, or for resale in connection with, any distribution thereof in violation of any Applicable Securities Laws; or

(b) deemed to be purchasing as principal pursuant to NI 45-106 by virtue of the Subscriber being an "accredited investor" as such term is defined in paragraph (p) or (q) of the definition of "accredited investor" in NI 45-106 (reproduced in Form 1 attached hereto) and provided, however, that the Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada, and that the Subscriber has concurrently executed and delivered Form 1 and under the heading of Category 1: Accredited Investor therein checked off paragraphs (n) or (s); or

(c) acting as agent for a Disclosed Principal (whose name and residential address are disclosed on page 4 of this subscription) who is purchasing the Purchased Securities as principal for investment purposes only, that the Subscriber is duly authorized and empowered to enter into this subscription, make all requisite representations, warranties, covenants, acknowledgments and agreements and execute all documentation in connection therewith on behalf of the Disclosed Principal, and that the Subscriber has concurrently completed, executed and delivered Forms 1 and 2, as applicable, on behalf of such Disclosed Principal in compliance with this Agreement.

1.3 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) **if it is resident in or otherwise subject to the securities laws of a Province or Territory of Canada other than Ontario**, it is:

(i) a person described in section 2.3 of NI 45-106 by virtue of being an "accredited investor" as defined in NI 45-106, and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in section 2.5 of NI 45-106 by virtue of being (A) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (B) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (C) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (D) a close personal friend or close business associate of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (E) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the Issuer; (F) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Issuer; (G) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F); or (H) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F);

(iii) a person, other than an individual, described in section 2.10 of NI 45-106 by virtue of the Purchased Securities having an acquisition cost to the purchaser of not less than $150,000 paid in cash, and provided that it is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106, and further provided that if it is resident in or otherwise subject to the securities laws of Alberta, no document purporting to describe the business and affairs of the Issuer, which has been prepared for review by prospective purchasers to assist such prospective purchasers in making an investment decision in respect of the Purchased Securities, has been delivered to or summarized for or seen by or requested by the Subscriber in connection with the Offering; or

(iv) a person described in section 2.24 of NI 45-106 by virtue of being an employee, "executive officer", "director" or "consultant" of the Issuer or of a "related entity" of the Issuer or by virtue of being a "permitted assign" of the foregoing persons, as those terms are defined in sections 1.1 or 2.22 of NI 45-106, and its participation in the Offering is voluntary,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, Schedules 1 and 2, thereof); **and**

(b) **if it is resident in or otherwise subject to the securities laws of Ontario**, it is:

(i) a person described in section 73.3 of the *Securities Act* (Ontario) by virtue of being an "accredited investor" as defined in the *Securities Act* (Ontario), and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in subsection 1.3(a)(ii), (iii) or (iv) of this Schedule B; or

(iii) a person described in section 2.7 of NI 45-106 by virtue of being (A) a founder of the Issuer; (B) an affiliate of a founder of the Issuer; (C) a spouse, parent, grandparent, brother, sister, child or grandchild of an executive officer, director or founder of the Issuer; or (D) a person that is a control person of the Issuer,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, all appendices thereof); **and**

(c) **if it is resident outside of Canada or the United States**:

(i) it is knowledgeable of, or has been independently advised as to, the Applicable Securities Laws of the securities regulatory authorities (the "**International Authorities**") having application to the Offering and the Issuer in the jurisdiction (the "**International Jurisdiction**") in which the Subscriber is resident;

(ii) it is purchasing Purchased Securities pursuant to an applicable Exemption from any prospectus, registration or similar requirements under the Applicable Securities Laws of the International Jurisdiction, or the Subscriber is permitted to purchase the Purchased Securities under the Applicable Securities Laws of the International Jurisdiction without the need to rely on such Exemptions;

(iii) the Applicable Securities Laws of the International Jurisdiction do not require the Issuer to make any filings or seek any approvals of any nature whatsoever with or from any of the International Authorities in connection with the Offering or the Purchased Securities, including any resale thereof;

(iv) the Offering and the completion of the offer and sale of the Purchased Securities to the Subscriber as contemplated herein complies in all respects with the Applicable Securities Laws of the International Jurisdiction, and does not trigger:

(A) any obligation to prepare and file a prospectus or similar or other offering document, or any other report with respect to such purchase in the International Jurisdiction; or

(B) any continuous disclosure reporting obligation of the Issuer in the International Jurisdiction;

(v) it will, if requested by the Issuer, deliver to the Issuer a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in subparagraphs (ii), (iii) and (iv) above to the satisfaction of the Issuer, acting reasonably; and

(vi) the Subscriber, by completing Form 3 – Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers), is representing and warranting to the Issuer that the Subscriber is a resident of an International Jurisdiction, and that all information contained in the Subscriber's completed Form 3 – Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers) is complete and accurate in all respects and may be relied upon by the Issuer.

2. Reliance, Notification, Indemnity and Survival

2.1 The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, certifications, acknowledgments and agreements of the Subscriber contained in this subscription and otherwise provided by the Subscriber to and with the Issuer to determine the availability of Exemptions should this subscription be accepted, and otherwise in completing the offering, issue and sale of the Purchased Securities to the Subscriber in accordance with applicable laws. The Subscriber covenants and agrees to provide to the Issuer evidence of the Subscriber's qualifications for the Exemption indicated on Form 1, Form 2 or Form 3, as applicable, immediately upon request by the Issuer.

2.2 The Subscriber undertakes to notify the Issuer immediately of any change in any representation, warranty or other information pertaining to the Subscriber herein or otherwise provided in connection with this subscription which takes place prior to Closing.

2.3 The Subscriber acknowledges that the Issuer and its counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder) to purchase the Purchased Securities under the Offering, and hereby agrees to indemnify the Issuer and its directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including its legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. To the extent that any person entitled to be indemnified hereunder is not a party to this subscription, the Issuer shall obtain and hold the rights and benefits of this subscription in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this subscription.

2.4 The representations, warranties, acknowledgements and agreements made by the Subscriber in this subscription and otherwise provided by the Subscriber and the Issuer shall be true and correct as of the date of execution of this subscription and as of Closing as if repeated thereat, and shall survive the Closing.

FORM 1

CERTIFICATE FOR EXEMPTION

In addition to the representations, warranties acknowledgments and agreements contained in the subscription to which this Form 1 – Certificate for Exemption is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, it is resident in the jurisdiction set out on the Acceptance Page of the subscription and: **[check all appropriate boxes]**

Category 1: Accredited Investor

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

☐ (b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer;

☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

☐ (f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds Cdn$1,000,000

(Provide details of financial assets: _____);

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities exceeds $5,000,000;

(Provide details of financial assets: _____);

☐ (k) an individual whose net income before taxes exceeded Cdn$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year

(Provide details of net income: _____);

☐ (l) an individual who, either alone or with a spouse, has net assets of at least Cdn$5,000,000;

(Provide details of net income: _____);

☐ (m) a person, other than an individual or investment fund, that has net assets of at least Cdn$5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution;

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owner of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

AND/OR if the Subscriber is a resident of, or otherwise subject to the securities laws of, Ontario, the Subscriber is **[check any applicable box]**:

☐ (aa) a bank listed in Schedule I, II or III to the *Bank Act* (Canada);

☐ (bb) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;

☐ (cc) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (dd) the Business Development Bank of Canada;

☐ (ee) a subsidiary of any person or company referred to in clause (aa), (bb), (cc) or (dd), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (ff) a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations;

☐ (gg) the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada;

☐ (hh) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Quebec;

☐ (ii) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (jj) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada;

☐ (kk) a person or company that is recognized or designated by the Ontario Securities Commission as an accredited investor; or

☐ (ll) such other persons or companies as may be prescribed by the regulations under the *Securities Act* (Ontario).

Additional Instruction: If the Subscriber is an individual and qualifies under Category 1 pursuant to paragraphs (j), (k) or (l), it must also complete and sign FORM 1A attached hereto entitled "*Form 45-106F9: Form for Individual Accredited Investors*" and Appendix A.

Definitions:

"**Canadian financial institution**" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**EVCC**" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

"**financial assets**" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"**person**" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"**spouse**" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; or

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

"**VCC**" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429, whose business objective is making multiple investments.

Category 2: Family, Friends and Business Associates

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (b) a spouse, parent, grandparent, brother, sister, grandchild or child of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (c) a parent, grandparent, brother, sister, grandchild or child of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (d) a close personal friend* of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (e) a close business associate** of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (f) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, grandchild, child, close personal friend or close business associate of a founder of the Issuer;

☐ (g) a parent, grandparent, brother, sister, grandchild or child of a spouse of a founder of the Issuer,

☐ (h) a person of which **a majority** of the voting securities are beneficially owned by persons described in paragraphs (a) to (g);

☐ (i) a person of which **a majority** of the directors are persons described in paragraphs (a) to (g);

☐ (j) a trust or estate of which **all** of the beneficiaries are persons described in paragraphs (a) to (g); or

☐ (k) a trust or estate of which **a majority** of the trustees or executors are persons described in paragraphs (a) to (g),

of which the relevant director, executive officer, control person or founder of the Issuer or affiliate thereof referred to in paragraphs (b) to (k) above is:

State name: _____

State the length of your relationship with this person: _____

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Saskatchewan, it must also complete and sign FORM 1B attached hereto entitled "*Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates*"

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Ontario, it must also complete and sign Schedule 1C attached hereto entitled "*Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors*".

Notes:

* "**close personal friend**" means an individual who has known the named director, executive officer, control person or founder well enough and for a sufficient period of time to be in a position to assess the capabilities and trustworthiness of that person. The term "close personal friend" can include a family member who is not already specifically identified in paragraphs (b), (c), (f) or (g) if the family member otherwise meets the criteria described above. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close personal friend" solely because that individual is a relative, a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

** "**close business associate**" means an individual who has had sufficient prior business dealings with the named director, executive officer, control person or founder to be in a position to assess the capabilities and trustworthiness of that person. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close business associate" solely because that individual is a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

Category 3: $150,000 Purchaser

☐ The Subscriber is not an individual and has an acquisition cost for the Purchased Securities of not less than $150,000 paid in cash, and is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106.

Category 4: Employees, Officers, Directors and Consultants

The Subscriber is **[check appropriate box]**:

☐ (a) an employee of the Issuer or of a "related entity" of the Issuer;

☐ (b) an executive officer of the Issuer or of a "related entity" of the Issuer;

☐ (c) a director of the Issuer or of a "related entity" of the Issuer;

☐ (d) a consultant of the Issuer or of a "related entity" of the Issuer; or

☐ (e) a "permitted assign" of a person described in paragraphs (a) to (d),

and its participation in the Offering is voluntary.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 20_____.

If a corporation, partnership or other entity:

_____
Print Name of Subscriber

_____
Signature of Authorized Signatory

_____
Name and Position of Authorized Signatory

_____
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

APPENDIX "A" TO FORM 1
INDIVIDUAL ACCREDITED INVESTOR QUESTIONNAIRE

THIS APPENDIX "A" IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS SUBSCRIBING UNDER CATEGORIES (J), (K) OR (L) IN CATEGORY 1 OF FORM 1 TO WHICH THIS APPENDIX "A" IS ATTACHED.

Unless otherwise defined, all capitalized terms not otherwise defined in this Appendix "A" shall have the meaning ascribed to such terms in the Subscription Agreement to which this Appendix is attached.

I understand that in order to be accepted as an "accredited investor" under categories (j), (k) OR (l) of the definition of accredited investor in NI 45-106, I must satisfy certain of the following criteria. The undersigned hereby represents and warrants to the Issuer as follows:

1. Personal Data.

Name: _____

Telephone: _____

Residence Address: _____

2. Definitions. Please review the following definitions prior to completing the information below:

a) "**financial assets**" means cash, securities or a contract of insurance, a deposit or evidence of deposit that is not a security for the purposes of securities legislation. These financial assets are generally liquid or relatively easy to liquidate. The value of a purchaser's personal residence would not be included in a calculation of financial assets.

b) "**related liabilities**" means: (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or (ii) liabilities that are secured by financial assets.

c) "**net assets**" means all of the purchaser's total assets minus all of the purchaser's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a purchaser's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the purchaser's personal residence. To calculate a purchaser's net assets, subtract the purchaser's total liabilities from the purchaser's total assets (including real estate). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the security.

3. Net income test. Please answer the following questions concerning your **net income** by marking the appropriate box.

3.1 My annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.2 My spouse's annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My spouse's annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My spouse's annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My spouse's annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.3 The annual **net income** before taxes (all sources) for my spouse and me during the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

	A.	**B.**	**C.**
Net income ranges	**The annual net income before taxes (all sources) for the most recent calendar year of my spouse and me is:** *(tick the appropriate box below)*	**The annual net income before taxes (all sources) for the prior calendar year of my spouse and me is:** *(tick the appropriate box below)*	**The annual net income before taxes (all sources) that my spouse and I reasonably expect to earn in the current calendar year is:** *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

4. Financial Assets Test. Please answer the following questions concerning your "**financial assets**" (see definition above) by marking the appropriate box.

4.1 I and/or my spouse beneficially own **financial assets** having an aggregate realizable value that, before taxes, net of any **related liabilities** are as set out below. Please tick the appropriate **financial asset** range excluding taxes from all sources in each of A, B and C below.

	A.	**B.**	**C.**
Financial asset ranges	**My financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**My spouse's financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**The financial assets of my spouse and I have an aggregate realizable value that, before taxes, and net of any related liabilities are:** *(tick the appropriate box below)*
Less than $249,999			
$250,000-$499,999			
$500,000-$999,999			
Greater than $1,000,000			

4.2 For the purposes of this Section 4:

(a) do you and/or your spouse have:

(i) physical or constructive possession or evidence of ownership of your **financial assets**?

☐ Yes ☐ No

(ii) any entitlement to the receipt of any income generated by the **financial assets**?

☐ Yes ☐ No

(iii) any risk of loss of the value of the **financial assets**?

☐ Yes ☐ No

(iv) the ability to dispose of the **financial assets** or otherwise deal with the **financial assets** as you and/or your spouse sees fit?

☐ Yes ☐ No

(b) did you exclude the value of any real estate owned by you and/or your spouse in the calculation of **financial assets**, such as your principal residence and/or cottage?

☐ Yes ☐ No

(c) did you exclude any **related liabilities** in connection with the (i) cash, (ii) securities or a (iii) contract of insurance (*i.e.,* the cash surrender value only), deposit or an evidence of deposit that is not a security under the Applicable Securities Laws?

☐ Yes ☐ No

5. $5,000,000 Net Asset Test. I and/or my spouse have **net assets** as set out below. Please tick the appropriate net asset range in each of A, B and C below.

	A.	**B.**	**C.**
Net asset ranges	**My total net assets are:** *(tick the appropriate box below)*	**My spouses' net assets are:** *(tick the appropriate box below)*	**The aggregate net assets of my spouse and I are:** *(tick the appropriate box below)*
Less than $499,999			
$500,000-$999,999			
$1,000,000-$2,999,999			
$3,000,000-$4,999,999			
Greater than $5,000,000			

Based on the above information, I hereby represent and warrant that:

(a) my **net income** before taxes was more than $200,000 in each of the 2 most recent calendar years, and I expect it to be more than $200,000 in the current calendar year;

(b) my **net income** before taxes combined with that of my spouse was more than $300,000 in each of the 2 most recent calendar years, and I expect that our combined **net income** before taxes to be more than $300,000 in the current calendar year;

(c) I either alone or with my spouse, beneficially own **financial assets** having an aggregate realizable value that, before taxes but net of any related liabilities, is more than $1,000,000; or

(d) I either alone or with my spouse, have **net assets** of at least $5,000,000.

My commitment to investments which are not readily marketable is reasonable in relation to my net worth. I meet at least one of the criteria for an “accredited investor” under NI 45-106.

The foregoing representations and warranties and all other information which I have provided to the Issuer concerning myself and my financial condition are true and accurate as of the date hereof. If in any respect, such representations, warranties, or information shall not be true and accurate, I will give written notice of such fact to the Issuer immediately prior to Closing specifying which representations, warranties or information are not true and accurate, and the reasons therefor.

I understand that the information contained herein is being furnished by me in order for the Issuer to determine my suitability as an **accredited investor**, may be accepted by the Issuer in light of the requirements of NI 45-106 and that the Issuer will rely on the information contained herein for purposes of such determination.

Purchaser's Signature

Dated: _____, 2023 Signed: _____

_____ _____
Witness Print the name of Purchaser

_____
Print Name of Witness

Spouse's Signature (if applicable)

Dated: _____, 2023 Signed: _____

_____ _____
Witness Print the name of spouse of Purchaser

_____
Print Name of Witness

- FORM 1A -

Form 45-106F9
Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*
Purchased from: *the Issuer*	

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
If you are relying on a prospectus exemption contained in any of sections (j), (k), or (l) of Category 1 "Accredited Investor" in Form 1, you must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
● Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
● Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
● Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
● Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention: J. Obie Strickler* *e-mail: obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*

- FORM 1B -

FORM 45-106F5
Risk Acknowledgement - Saskatchewan Close Personal Friends and Close Business Associates

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing $ _____ [*total consideration*] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [*state name*], who is a _____ [*state title - founder, director, executive officer or control person*] of _____ [*state name of issuer or its affiliate – if an affiliate state "an affiliate of the issuer" and give the issuer's name*].

I acknowledge that I am purchasing based on my close relationship with _____ [*state name of founder, director, executive officer or control person*] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____ _____
Date Signature of Purchaser

_____
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice.

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at http://www.sfsc.gov.sk.ca.

INSTRUCTION: THE PURCHASER MUST SIGN 2 COPIES OF THIS FORM. THE PURCHASER AND THE ISSUER MUST EACH RECEIVE A SIGNED COPY.

- FORM 1C -

Form 45-106F12
Risk Acknowledgement Form for Family, Friend and Business Associate Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
3. Family, friend or business associate status	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	**Your initials**
A) You are: *1) [check all applicable boxes]* ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR *2) [check all applicable boxes]* ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
B) You are a family member of _____ *[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____ of that person or that person's spouse. *[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]*	

C) You are a close personal friend of _____ *[Instruction: Insert the name of your close personal friend]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
D) You are a close business associate of _____ *[Instruction: Insert the name of your close business associate]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.

First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE

5. Contact person of the issuer or an affiliate of the issuer

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: *[check the box that applies]*

☐ family relationship as set out in section 3B of this form

☐ close personal friendship as set out in section 3C of this form

☐ close business associate relationship as set out in section 3D of this form

First and last name of contact person (please print):	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:

SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention: J. Obie Strickler* *e-mail: obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	
Signature of executive officer of the issuer (other than the purchaser):	Date:

***Form instructions**:*

1 *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*
4. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

FORM 2

CERTIFICATE OF U.S. ACCREDITED INVESTOR STATUS

In addition to the representations, warranties, acknowledgments and agreements contained in the subscription agreement (the "**subscription**") to which this Form 2 – Certificate of U.S. Accredited Investor Status is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, that the Subscriber is a resident of the jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of the subscription, and:

1. The Subscriber hereby represents, warrants, acknowledges and agrees to and with the Issuer that the Subscriber:

(a) is a U.S. Purchaser;

(b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the subscription and it is able to bear the economic risk of loss arising from such transactions;

(c) is acquiring the Purchased Securities for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Purchased Securities in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Purchased Securities in the United States or to U.S. Persons; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof pursuant to the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and any applicable State securities laws or if an exemption from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;

(d) is not acquiring the Purchased Securities as a result of any form of general solicitation or general advertising, as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the Internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) understands the Purchased Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the sale contemplated hereby is being made in reliance on an Exemption from such registration requirements provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D promulgated thereunder.

(f) satisfies one or more of the categories indicated below (**check appropriate box**):

_____ Category 1. [Rule 501(a)(1)] A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____ Category 2. [Rule 501(a)(1)] A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

_____ Category 3. [Rule 501(a)(1)] A broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended; or

_____ Category 4. [Rule 501(a)(1)] An investment adviser registered pursuant to Section 203 of the U.S. Investment Advisers Act of 1940, as amended, or registered pursuant to the laws of a state; or

_____ Category 5. [Rule 501(a)(1)] An investment adviser relying on the exemption from registering with the Commission under Section 203(l) or (m) of the U.S. Investment Advisers Act of 1940, as amended; or

_____ Category 6. [Rule 501(a)(1)] An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

_____	Category 7. [Rule 501(a)(1)]	An investment company registered under the U.S. Investment Company Act of 1940, as amended; or
_____	Category 8. [Rule 501(a)(1)]	A business development company as defined in Section 2(a)(48) of the U.S. Investment Company Act of 1940, as amended; or
_____	Category 9. [Rule 501(a)(1)]	A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended; or
_____	Category 10. [Rule 501(a)(1)]	A Rural Business Investment Company as defined in Section 384A of the U.S. Consolidated Farm and Rural Development Act of 1972, as amended; or
_____	Category 11. [Rule 501(a)(1)]	A plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with assets in excess of U.S. $5,000,000; or
_____	Category 12. [Rule 501(a)(1)]	An employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company or registered investment advisor, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self-directed plan, the investment decisions are made solely by persons who are accredited investors; or
_____	Category 13. [Rule 501(a)(2)]	A private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 14. [Rule 501(a)(3)]	An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. $5,000,000; or
_____	Category 15. [Rule 501(a)(4)]	A director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or
_____	Category 16. [Rule 501(a)(5)]	A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds U.S. $1,000,000; or

(**Note**: For the purposes of calculating "net worth"

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the Offering, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the closing of the Offering exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.)

(**Note**: For the purposes of calculating "joint net worth", joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.)

(**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

_____	Category 17. [Rule 501(a)(6)]	A natural person who had an individual income in excess of U.S. $200,000 in each year of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or (**Note:** The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)
_____	Category 18. [Rule 501(a)(7)]	A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under Regulation D under the U.S. Securities Act; or
☒	Category 19. [Rule 501(a)(8)]	An entity in which each of the equity owners are accredited investors; or (**Note:** It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this category. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this category may be available.)
_____	Category 20. [Rule 501(a)(9)]	An entity, of a type not listed in Categories 1 through 14, 18 or 19 above, not formed for the specific purpose of acquiring the securities offered, owning "investments" (as defined in Rule 2a51-1(b) under the U.S. Investment Company Act of 1940, as amended) in excess of U.S. $5,000,000; or
_____	Category 21. [Rule 501(a)(10)]	A natural person holding in good standing one or more of the following professional licenses: (i) General Securities Representative license (Series 7); (ii) Private Securities Offerings Representative license (Series 82), and (iii) Investment Adviser Representative license (Series 65); or
_____	Category 22. [Rule 501(a)(11)]	A natural person who is a "knowledgeable employee" (as defined in Rule 3c-5(a)(4) under the U.S. Investment Company Act of 1940, as amended) of the issuer of the securities being offered or sold where the issuer would be an "investment company" (as defined in Section 3 of U.S. Investment Company Act of 1940, as amended), but for the exclusion provided by either Section 3(c)(1) or section 3(c)(7) of U.S. Investment Company Act of 1940, as amended; or
_____	Category 23. [Rule 501(a)(12)]	A "family office" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended): (i) with assets under management in excess of U.S. $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
_____	Category 24. [Rule 501(a)(13)]	A "family client" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended) of a family office meeting the requirements in Category 23 above and whose prospective investment in the issuer is directed by such family office pursuant to clause (iii) of Category 23.

(g) if an individual, is a resident of the state or other jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of its subscription; or if not an individual, has received and accepted the offer to acquire the Purchased Securities at the office of the Subscriber at the disclosed address set out in the Subscriber's information on page 3, of its subscription.

2. The Subscriber acknowledges and agrees that:

(a) the Subscriber has not acquired the Purchased Securities as a result of, and will not itself engage in any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration of any of the Purchased Securities pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;

(b) if the Subscriber decides to offer, sell or otherwise transfer any of the Purchased Securities, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

(i) the sale is to the Issuer;

(ii) the sale is made outside of the United States pursuant to the requirements of Rule 904 of Regulation S;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder if available and in accordance with any applicable state securities or "Blue Sky" laws; or

(iv) the Purchased Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state laws and regulations governing the offer and sale of securities,

and, in the case of paragraphs (iii) and (iv), the Subscriber has prior to such sale furnished to the Issuer an opinion of counsel of recognized standing or other evidence in form and substance satisfactory to the Issuer;

(c) upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. State laws and regulations, the certificates representing any of the Purchased Securities (and any underlying Shares) will bear a legend in substantially the following form:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

and provided that if any of the Purchased Securities are being sold by the Subscriber in an off-shore transaction and in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing a declaration to the Issuer and its transfer agent in the form attached as Schedule I to Form 2 hereof or such other evidence as the Issuer or its transfer agent may from time to time prescribe (which may include an opinion of counsel satisfactory to the Issuer and its transfer agent), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S;

and provided further, that if any of the Purchased Securities are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be

removed by delivery to the Issuer's transfer agent of an opinion or other evidence satisfactory to the Issuer and its transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(d) any Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless registered under the U.S. Securities Act and any applicable state securities laws unless an exemption from such registration requirements is available and upon the original issuance of the Warrants, and until such time as it is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, all certificates representing the Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

> "THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(e) the Issuer may make a notation on its records or instruct the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein and the subscription;

(f) the Subscriber understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Rule 902 of Regulation S, (ii) may not, at the time the Purchased Securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer;

(g) the Subscriber understands and agrees that the financial statements of the Issuer have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(h) the Subscriber understands that (i) the Issuer may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash or cash equivalents (a "**Shell Corporation**"), (ii) if the Issuer is deemed to be, or to have been at any time previously, a Shell Corporation, Rule 144 under the U.S. Securities Act may not be available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants), and (iii) the Issuer is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants);

(i) the Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Issuer is organized under the laws of Ontario, Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Issuer and such persons may be located outside the United States;

(j) the Subscriber understands that the Purchased Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the Securities and Exchange Commission (the "**SEC**") provide in substance that the Subscriber may dispose of the Purchased Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Purchased Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Purchased Securities indefinitely or to transfer the Purchased Securities in the United States or to U.S. Persons in "private placements" which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Purchased Securities for an indefinite period of time.

(k) the Subscriber understands and agrees that there may be material tax consequences to the Subscriber of an acquisition, disposition or exercise of any of the Purchased Securities, and the Issuer gives no opinion

and makes no representation with respect to the tax consequences to the Subscriber under United States, state, local or foreign tax law of the Subscriber's acquisition or disposition of such Purchased Securities, and in particular, no determination has been made whether the Issuer will be a "passive foreign investment company" ("**PFIC**") within the meaning of Section 1291 of the United States Internal Revenue Code (the "**Code**"), provided, however, the Issuer agrees that it shall provide to the Subscriber, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Issuer as a "qualified electing fund" for the purposes of the Code, should the Issuer or the Subscriber determine that the Issuer is a PFIC in any calendar year following the Subscriber's purchase of the Purchased Securities; and

(l) the funds representing the subscription price which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to the subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and that no portion of the subscription price to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Subscriber, and it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the subscription to which this Certificate is attached.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the 7th day of July, 2023.

If a corporation, partnership or other entity:

Mindset Value Fund
Print Name of Subscriber

/s/ Aaron Edelheit
Signature of Authorized Signatory

Aaron Edelheit, CEO
Name and Position of Authorized Signatory

California, USA
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

SCHEDULE I TO FORM 2
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: **GROWN ROGUE INTERNATIONAL INC.**

AND TO: The [registrar and transfer agent/warrant agent] for the securities of Grown Rogue International Inc.

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") and (B) certifies that (1) the undersigned is not an "affiliate" of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a "distributor" or an affiliate of "distributor", (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing-off" the resale restrictions imposed because the securities are "restricted securities" as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at _____ this _____ day of _____, 20__

By: X _____
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (B)2(b) above)

We have read the foregoing representations of our customer, _____ (the "**Seller**") dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of _____ or other designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

_____
Name of Firm

By: X _____
Authorized officer

Date: _____

FORM 3

CERTIFICATE OF NON-CANADIAN SUBSCRIBERS
(OTHER THAN U.S. SUBSCRIBERS)

TO: **GROWN ROGUE INTERNATIONAL INC.** (the **"Issuer**")

The undersigned Subscriber, on its own behalf and (if applicable) on behalf of others for whom it is contracting hereunder, represents, warrants and covenants to the Issuer (and acknowledges that the Issuer is relying thereon) that:

(i) the undersigned is, and (if applicable) any beneficial purchaser for whom the undersigned is contracting hereunder is, a resident of, or otherwise subject to, the securities legislation of a jurisdiction other than Canada or the United States;

(ii) (A) the undersigned is a purchaser that is recognized by the securities regulatory authority in the jurisdiction in which it is, and (if applicable) any other purchaser for whom it is contracting hereunder is, resident or otherwise subject to the securities laws of such jurisdiction, as an exempt purchaser and is purchasing the Purchased Securities as principal for its, or (if applicable) each such other purchaser's, own account, and not for the benefit of any other person; or (B) a purchaser which is purchasing Purchased Securities pursuant to an exemption from any prospectus or securities registration requirements available to the Issuer, the Subscriber and any such other purchaser under applicable securities laws of their jurisdiction of residence or to which the Subscriber and any such other purchaser are otherwise subject to;

(iii) the purchase of the Purchased Securities by the Subscriber, and (if applicable) each such other purchaser, does not contravene any of the applicable securities laws in such jurisdiction and does not trigger: (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise; or (ii) any registration or other obligation on the part of the Issuer;

(iv) the Subscriber, and (if applicable) any other purchaser for whom it is contracting hereunder, will not sell or otherwise dispose of any Purchased Securities, except in accordance with applicable securities laws in Canada and the United States, and if the Subscriber, or (if applicable) such beneficial purchaser sells or otherwise disposes of any Purchased Securities to a person other than a resident of Canada or the United States, as the case may be, the Subscriber, and (if applicable) such beneficial purchaser, will obtain from such purchaser representations, warranties and covenants in the same form as provided in this Form 3 and shall comply with such other requirements as the Issuer may reasonably require; and

(v) the Subscriber hereby confirms that the Issuer is exempt from registration in the foreign jurisdiction and materially complies with all applicable securities regulatory requirements of the foreign jurisdiction in connection with the distribution.

Upon execution of this Certificate by the Subscriber, this Certificate shall be incorporated into and form a part of the subscription agreement (the "**Subscription Agreement**") to which this Certificate is attached. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Subscription Agreement.

DATED _____, 2023.

_____
Name of Subscriber

By: _____
Signature

_____
Title

Exhibit 4.31

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY (OR THE COMMON SHARES ISSUABLE ON CONVERSION THEREOF) BEFORE NOVEMBER 14, 2023.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

UNSECURED CONVERTIBLE DEBENTURE CERTIFICATE
Grown Rogue International Inc.

(Existing under the laws of the Province of Ontario)

DEBENTURE CERTIFICATE NO. **2023-07-13-05** **PRINCIPAL AMOUNT US$ 550,000**

GROWN ROGUE INTERNATIONAL INC. (the "**Company**"), for value received, hereby acknowledges itself indebted and promises to pay to Mindset Value Fund of 30 West Mission Street #8, Santa Barbara, CA, 93101, USA (hereinafter referred to as the "**holder**" or the "**Debentureholder**") in United States currency at any time following July 13, 2023 (the "**Issue Date**") but on or prior to July 13, 2027 (the "**Maturity Date**"), at such place as the Debentureholder may reasonably designate by notice in writing to the Company, the outstanding Principal Amount in the manner hereinafter provided, and to pay interest on the Principal Amount outstanding from time to time and owing hereunder to the date of payment as hereinafter provided, both before and after maturity or demand, default and judgement.

The Debentureholder has the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, to convert all or any portion of the outstanding Principal Amount and any accrued and unpaid interest, into common shares of the Company (each, a "**Common Share**"), at a price of C$0.24 per Common Share subject to adjustment as herein provided. The Principal Amount of the Debenture and accrued but unpaid interest thereon, may be prepaid prior to Maturity Date upon providing 30 days' notice to the Debentureholder. In the event that only part of the Principal Amount of the Debenture is converted into Shares, any accrued and unpaid interest will remain payable.

Conversion of all or any part of the Debenture may only be completed at the offices of the Company or such other office as the Company may advise the holder in writing. This Debenture is issued subject to the terms and conditions appended hereto as Schedule "A".

Unless otherwise indicated, a reference to currency means Canadian currency.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Company has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 13 day of July, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: 

Authorized Signatory

(See terms and conditions attached hereto as Schedule "A")

SCHEDULE "A"

TERMS AND CONDITIONS FOR DEBENTURE

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings set out below.

(a) "**Applicable Securities Laws**" means the securities laws, regulations, policies, notices, rulings and orders in the Province of Ontario;

(b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

(c) "**Company**" means Grown Rogue International Inc. and its successors and assigns;

(d) "**Common Shares**" means fully-paid and non-assessable common shares in the capital of the Company as constituted on the date hereof which the Debentureholder is entitled to receive upon the conversion of the Debenture pursuant to Article 4;

(e) "**Conversion Date**" or "**Date of Conversion**" means the date on which a written notice of conversion is received by the Company pursuant to §4.2(a);

(f) "**Conversion Price**" means, subject to §4.3, C$0.24 per Common Share;

(g) "**Conversion Rights**" means the rights of the Debentureholder to convert the Debenture into Common Shares pursuant to Article 4;

(h) "**Debenture**" means this secured convertible debenture as supplemented, amended or otherwise modified, renewed or replaced from time to time;

(i) "**Eastern Time**" means the local time in Toronto, Ontario, Canada;

(j) "**Events of Default**" shall have the meaning set forth in § 5.1;

(k) "**Exchange**" means the Canadian Securities Exchange, or such other stock exchange on which the Common Shares principally trade;

(l) "**Interest**" means any accrued but unpaid interest with respect to the Principal Amount;

(m) "**Issue Date**" means July 13, 2023;

(n) "**Law**" includes any law (including common law and equity), statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

(o) "**Maturity Date**" means July 13, 2027;

(p) "**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal or arbitrator, whether foreign or domestic;

(q) "**Other Debentures**" means each of the other convertible debentures issued by the Company as part of the Offering (as defined in the Subscription Agreement);

(r) "**Person**" means an individual, partnership, corporation, trust, unincorporated association, joint venture or government or any agent, instrument or political subdivision thereof;

(s) "**Principal Amount**" means the principal amount outstanding under this Debenture from time to time; and

(t) "**Subscription Agreement**" means the subscription agreement of even date between the Company and the Debentureholder providing for the issuance of this Debenture;

(u) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of any outstanding convertible securities including, without limitation, this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(v) "**USA**", "**United States**", or "**U.S.**" means the United States of America, its territories and possessions and any state of the United States, and the District of Columbia.

1.2 Interpretation

For the purposes of this Debenture, except as otherwise expressly provided herein:

(a) the words "**herein**", "**hereof**", and "**hereunder**" and other words of similar import refer to this Agreement as a whole and not to any particular Article, clause, subclause or other subdivision or Schedule;

(b) a reference to an Article means an Article of this Debenture and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Debenture so designated;

(c) the headings are for convenience only, do not form a part of this Debenture and are not intended to interpret, define or limit the scope, extent or intent of this Debenture or any of its provisions;

(d) the word "including", when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as "without limitation" or "but not limited to" or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;

(e) unless otherwise indicated, a reference to currency means Canadian currency; and

(f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
DEBENTURE

2.1 Principal Amount

The Company agrees to repay to the Debentureholder in United States currency the Principal Amount of the Debenture, together with interest thereon, by 5:00 p.m. (Eastern Time) on the Maturity Date, subject to the early redemption or conversion of the Debenture, as applicable, pursuant to the terms set forth in §2.4 and Article 4 respectively.

2.2 Interest on Debenture

The Debenture will bear interest at 9% per annum on the Principal Amount from the date of issue (the "**Issue Date**"). Interest is to be calculated from the date noted above and payable quarterly in cash in United States currency in arrears on the last Business Day of March, June, September and December of each year. The first Interest payment will be made on September 30, 2023 and will consist of Interest accrued from and including the Issue Date to but excluding September 30, 2023.

2.3 Payment of Principal Amount and Interest on Debenture

Any Principal Amount together with any Interest thereon as of the Maturity Date will be paid in full in United States currency by the Company as at such date.

2.4 Early Redemption of Debenture

The Principal Amount together with any Interest thereon may be prepaid in United States currency by the Company prior to Maturity Date upon providing 30 days' notice to the Debentureholder.

2.5 Use of Proceeds

The proceeds of the Debenture shall be used for the ongoing development of the Company's business model and for general working capital purposes.

2.6 Outstanding Balance

Notwithstanding the stated Principal Amount of this Debenture, the actual outstanding balance of the Debenture from time to time shall be the aggregate outstanding Principal Amount of the Debenture, together with any accrued and unpaid Interest thereon payable by the Company to the Debentureholder pursuant to this Debenture.

2.7 Debenture to Rank *Pari Passu*

This Debenture shall rank *pari-passu* with the Other Debentures as if this Debenture and the Other Debentures had been issued and negotiated simultaneously.

ARTICLE 3
COVENANTS

3.1 Covenants of the Company

The Company covenants and agrees with the Debentureholder that, unless otherwise consented to in writing by the Debentureholder:

(a) **Reservation of Common Shares.** The Company shall at all times have reserved for issuance out of its authorized capital a sufficient number of Common Shares to satisfy its obligations to issue and deliver Common Shares upon the due conversion of the Debenture;

(b) **Approvals and Filings.** The Company shall, in connection with the execution and delivery of this Debenture and the possible conversion of the Debenture into Common Shares, obtain any and all statutory and regulatory approvals required to effect and complete the same and shall file all notices, reports and other documents required to be filed by or on behalf of the Company pursuant to Applicable Securities Laws in respect thereof, including the rules and regulations of the Exchange;

(c) **Resale Restrictions.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof from time to time will be subject to resale restrictions imposed under Applicable Securities Laws and applicable federal and "blue sky" securities laws of the United States and the rules of regulatory bodies having jurisdiction including, without limiting the generality of the foregoing, that the Common Shares so issued shall not be traded for a period of four months from the date of the execution of this Debenture except as permitted by Applicable Securities Laws and, if applicable, with the consent of the Exchange;

(d) **Restrictions in U.S.** This Debenture and the securities deliverable upon conversion hereof 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. This Debenture may not be converted in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Common Shares are registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available, and (iii) the holder has complied with the requirements set forth in the Conversion Form attached hereto as Schedule "B"**.** For the purposes of this §3.1(d), "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

(e) **Certificate Legend.** A legend will be placed on the certificates representing the Common Shares issued on conversion of the Debenture denoting the restrictions on transfer imposed by Applicable Securities Laws and the policies of the Exchange, if applicable:

(f) **Canadian Securities Laws.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof shall be made pursuant to an exemption from the prospectus requirements available to the Debentureholder or the Company in respect of the transactions contemplated herein under Applicable Securities Laws.

ARTICLE 4
CONVERSION OF DEBENTURE

4.1 Conversion Privilege and Conversion Price

The Debentureholder shall have the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, subject to early redemption, to convert to Common Shares, all or any part of the outstanding Principal Amount together with any accrued and unpaid Interest on the Conversion Date, at the Conversion Price.

4.2 Manner of Exercise of Right to Convert

(a) The Debentureholder may, at any time following the Issue Date and at any time while any portion of the Principal Amount is outstanding under this Debenture, convert the Principal Amount together with any accrued and unpaid Interest on the Conversion Date, in whole or in part, into Common Shares at the Conversion Price, by delivering to the Company the conversion form attached hereto as Schedule "B" executed by the Debentureholder or the Debentureholder's attorney duly appointed by an instrument in writing, exercising the Debentureholder's right to convert the Debenture in accordance with the provisions of this Article 4. Thereupon, the Debentureholder, subject to payment of all applicable stamp or security transfer taxes or other governmental charges, shall be entitled to be entered in the books of the Company as at the Conversion Date (or such later date as is specified in §4.2(b)) as the holder of the number of Common Shares into which the Debenture is convertible in accordance with the conversion form then received by the Company and the provisions of this Article 4 and, as soon as practicable thereafter, the Company shall deliver

to the Debentureholder and/or, subject as aforesaid, the Debentureholder's nominee(s) or assignee(s), a certificate or certificates for such Common Shares affixed with all required legends.

(b) For the purposes of this Article 4, the Debenture shall be deemed to be converted on the Conversion Date on which the conversion form under §4.2(a) is actually received by the Company, provided that if such conversion form or notice is received on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened;

(c) Any part of the Principal Amount together with any accrued and unpaid Interest may be converted as provided in §4.2(a); and

(d) The Debentureholder shall be entitled in respect of Common Shares issued upon conversion of the Debenture to dividends declared in favour of shareholders of record of the Company on and after the Conversion Date or such later date as the Debentureholder shall become the holder of record of such Common Shares pursuant to §4.2(b), from which applicable date any Common Shares so issued to the Debentureholder shall for all purposes be and be deemed to be outstanding as fully paid and non-assessable.

4.3 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

(a) If and whenever at any time while any portion of the Principal Amount is outstanding under this Debenture (referred to in this §4.3 as the "**Time of Expiry**"), the Company shall:

(i) subdivide, redivide or change its Common Shares into a greater number of shares,

(ii) consolidate, reduce or combine its Common Shares into a lesser number of shares, or

(iii) issue Common Shares to all or substantially all of the holders of its Common Shares by way of a stock dividend or other distribution on such Common Shares payable in Common Shares (other than dividends paid in the ordinary course);

(any such event being hereinafter referred to as a "**Capital Reorganization**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in effect on the effective date of such event referred to in §4.3(a)(i) or §4.3(a)(ii) or on the record date of such stock dividend referred to in §4.3(a)(iii), as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding before giving effect to such Capital Reorganization and the denominator of which shall be the number of Common Shares outstanding after giving effect to such Capital Reorganization. Such adjustment shall be made successively whenever any Capital Reorganization shall occur and any such issue of Common Shares by way of a stock dividend or other such distribution shall be deemed to have been made on the record date thereof for the purpose of calculating the number of outstanding Common Shares under §4.3(a)(i) and §4.3(a)(ii);

(b) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share (or having a conversion or exchange price per share) of less than the Current Market Price (as defined below) per Common Share on such record date (any such event being hereinafter referred to as a "**Rights Offering**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number equal to the number determined by dividing the aggregate purchase price of the additional Common Shares offered for subscription or purchase by such Current Market Price per Common Share, and of which the denominator shall be the total number of Common

Shares outstanding on such record date plus the number of the additional Common Shares offered for subscription or purchase. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment, if having received prior Exchange approval, shall be made successively whenever such a record date is fixed. To the extent that such Rights Offering is not made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(c) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the distribution to all or substantially all the holders of its Common Shares of:

(i) shares of any class whether of the Company or any other corporation (excluding dividends paid in the ordinary course);

(i) rights, options or warrants;

(ii) evidences of indebtedness; or

(iii) other assets or property (excluding dividends paid in the ordinary course);

and if such distribution does not constitute a Capital Reorganization or a Rights Offering or does not consist of rights, options or warrants entitling the holders, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share or having a conversion or exchange price per share of at least the Current Market Price per Common Share on such record date (any such non-excluded event being hereinafter referred to as a "**Special Distribution**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share determined on such record date, less the excess of the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of such Special Distribution over the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of the consideration therefor, if any, received by the Company and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purposes of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. The extent that such Special Distribution is not so made or to the extent any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(d) For the purpose of any computation under §4.3(b) or §4.3(c), the **"Current Market Price"** of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then and in each such case the

then-existing Conversion Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time prior to the Time of Expiry, there is a reclassification or change of Common Shares into other shares or there is a consolidation, merger, reorganization or amalgamation of the Company with or into another corporation or entity that results in any reclassification of Common Shares or a change of Common Shares into other shares or there is a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being hereinafter referred to as a "**Reclassification of Common Shares**"), the Debentureholder shall be entitled to receive and shall accept, upon the exercise of the Debentureholder's right of conversion at any time after the effective date thereof, in lieu of the number of Common Shares of the Company to which the Debentureholder was theretofore entitled on conversion, the kind and amount of shares or other securities or money or other property that the Debentureholder would have been entitled to receive as a result of such Reclassification of Common Shares, if, on the effective date thereof, the Debentureholder had been the registered holder of the number of such Common Shares to which the Debentureholder was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this §4.3.

(g) In any case in which this §4.3 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing or transferring to the Debentureholder who converts on a Conversion Date after such record date or agreement date and before the occurrence of such event the additional Common Shares issuable upon conversion by reason of the adjustment of the Conversion Price required by such event before giving effect to such adjustment; provided, however, that the Company shall deliver to the Debentureholder an appropriate instrument evidencing the Debentureholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares on and after the Date of Conversion or such later date as the Debentureholder would, but for the provisions of this §4.3(g), have become the holder of record of such additional Common Shares pursuant to §4.3(c);

(h) The adjustments provided for in this §4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this §4.3, provided that, notwithstanding any other provision of this §4.3, no adjustment shall be made which would result in any increase in the Conversion Price (except upon a consolidation, reduction or combination of outstanding Common Shares) and no adjustment of the Conversion Price shall be required unless such adjustment would require a decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment;

(i) In the event of any dispute arising with respect to the adjustments provided in this §4.3, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company (who may be auditors of the Company) and acceptable to the Debentureholder, acting reasonably. Such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the Debentureholder; and

(j) Notwithstanding any other provision herein contained, no adjustment to the Conversion Price shall be made in respect of any event described in this §4.3 (other than the events referred to in paragraphs (i) and (ii) of subsection (a)), if the Debentureholder is entitled, without converting the Debenture, to participate in such event on the same terms mutatis mutandis as if the Debentureholder had converted the Debenture into Common Shares prior to or on the effective date or record date of such event.

4.4 No Requirement to Issue Fractional Shares

The Company shall not be required to issue fractional Common Shares upon the conversion of the Debenture pursuant to this Article 4.

4.5 Certificate as to Adjustment

The Company shall from time to time forthwith after the occurrence of any event which requires adjustment or readjustment as provided in §4.3, deliver to the Debentureholder at the Debentureholder's address set forth on the final page hereof, an officer's certificate specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation are based.

4.6 Redemption of Debenture

Notwithstanding anything to the contrary contained herein, this Debenture will be redeemable at the option of the Company prior to 5:00 p.m. (Eastern Time) on the Maturity Date, pursuant to the terms set forth in §2.4.

ARTICLE 5
EVENTS OF DEFAULT

5.1 General

The occurrence of any one or more of the following events ("**Events of Default**") will constitute a default hereunder (whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court of any order, rule or regulation of any administrative or governmental body):

(a) **Non-Compliance:** (A) the Company fails to observe or perform one or more material covenants, agreements, conditions or obligations in favour of the Debentureholder, including a failure to pay any or all of the Principal Amount, interest and other monies due under the Debenture when due, or (B) the Company defaults pursuant to, or fails to observe or perform one or more material covenants, agreements, conditions or obligations under the Other Debentures or any other ancillary document or instrument entered into in connection with the transaction in which this Debenture was issued; and in each case, if such failure continues unremedied for a period of 30 days after the Debentureholder gives notice thereof to the Company;

(b) **Cross Default:** an event of default occurs under any, note, credit agreement or similar agreement or arrangement (including any ancillary document or instrument entered into in connection therewith) pursuant to which the Company has borrowed at least $1,000,000 in aggregate principal amount;

(c) **Bankruptcy or Insolvency:** the Company becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against the Company, or the Company commits or threatens to commit an act of bankruptcy;

(d) **Receivership:** a receiver or receiver manager of the Company is appointed under any statute or pursuant to any document issued by the Company;

(e) **Compromise or Arrangement:** any proceeding with respect to the Company is commenced under the compromise or arrangement provisions of the corporations statute pursuant to which the Company is governed, or the Company enters into an arrangement or compromise with any or all of its creditors pursuant to such provisions or otherwise;

(f) **Companies' Creditors Arrangement Act:** any proceeding with respect to the Company is commenced in any jurisdiction under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation; and

(g) **Liquidation:** an order is made, a resolution is passed, or a petition is filed, for the liquidation, dissolution or winding-up of the Company.

ARTICLE 6
RIGHTS, REMEDIES AND POWERS

6.1 Upon Default

Upon the occurrence of an Event of Default and at any time thereafter, so long as such Event of Default is continuing, the Debentureholder may exercise any or all of the rights, remedies and powers of the Debentureholder under any applicable legislation or otherwise existing, whether under this Debenture or any other agreement or at law or in equity, and in addition will have the right and power (but will not be obligated) to declare any or all of the Debenture to be immediately due and payable. Notwithstanding the above, if an Event of Default set out in Sections 5.1(b) to (f) occurs then the full amount owing under this Debenture shall become immediately due and payable.

6.2 Waiver

The Debentureholder in its absolute discretion may at any time and from time to time by written notice waive any breach by the Company of any of its covenants or agreements herein. No failure or delay on the part of the Debentureholder to exercise any right, remedy or power given herein or by any other existing or future agreement or now or hereafter existing by statute, at law or in equity will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy or power preclude any other exercise thereof or the exercise of any other such right, remedy or power, nor will any waiver by the Debentureholder be deemed to be a waiver of any subsequent, similar or other event.

ARTICLE 7
OTHER AGREEMENTS

7.1 Withholding Taxes

If the Company is obliged to withhold any payment hereunder on account of present or future taxes, duties, assessments or other governmental charges required by Law, the Company shall make such withholding or deduction and pay the balance owing to the Debentureholder.

7.2 Amendment and Waiver

Neither this Debenture nor any provision hereof may be amended, waived, discharged or terminated except by a document in writing executed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

7.3 Notices and Other Instruments

Any notice, demand or other communication required or permitted to be given to any party hereunder shall be in writing and shall be:

(a) personally delivered to such party; or

(b) except during a period of strike, lock-out or other postal disruption, sent by double registered mail, postage prepaid to the address of such party set forth on page one; or

(c) sent by email to the address of such party set forth on page one, or as otherwise designated by such party in a written notice to the other party;

and shall be deemed to have been received by such party on the earliest of the date of delivery under subsection (a), the actual date of receipt when mailed under subsection (b) and the Business Day following the date of communication under subsection (c). Any party may give written notice to the other parties of a change of address to some other address, in which event any communication shall thereafter be given to such

party as hereinbefore provided, at the last such changed address of which the party communication has received written notice.

7.4 Maximum Rate

Notwithstanding any other provisions of this Debenture or any other agreement, the maximum amount (including interest and any other consideration) payable to the Debentureholder in connection with the indebtedness evidenced by the Debenture, including the Principal Amount thereof and any Interest thereon, and all other obligations and liability of the Company to the Debentureholder pursuant to this Debenture and each part thereof shall not exceed the maximum allowable return permitted under the laws of Ontario and the laws of Canada applicable therein, and the provisions of this Debenture and all other existing and future agreements are hereby modified to the extent necessary to effect the foregoing.

7.5 Successors and Assigns

This Debenture shall be binding upon the Company and its successors.

7.6 Headings, etc.

The division of this Debenture into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

7.7 Severability

The provisions of this Debenture are intended to be severable. If any provision of this Debenture shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

7.8 Modification

From time to time the Company may modify the terms and conditions hereof for any purpose not inconsistent the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

7.9 Governing Law

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.10 Business Combination

(a) Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Company with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any corporation lawfully entitled to acquire and operate same (such event to be referred to in this §7.10 as a "**Business Combination**"), provided, however, that the corporation formed by such Business Combination, simultaneously with such amalgamation, merger, conveyance or transfer, assumes the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company in this Debenture.

(b) In case the Company, pursuant to §7.10(a), shall complete a Business Combination with or into any other corporation or corporations, the successor corporation formed by such Business Combination shall succeed to and be substituted for the Company hereunder and such changes in phraseology and form (but not in substance) may be made herein as may be appropriate in view of such amalgamation, merger or transfer.

SCHEDULE "B"

NOTICE OF CONVERSION FORM

To: Grown Rogue International Inc.

The undersigned registered holder of the enclosed certificate representing (US)$_____ in principal amount of the Convertible Debenture (the "**Debenture**"), issued by Grown Rogue International Inc. (the "**Corporation**"), does hereby exercise the right to convert (US)$_____ in the principal amount and interest, if applicable, owing under the Debenture into fully paid and non-assessable common shares ("**Common Shares**") of the Borrower pursuant to the terms of the Debenture, and does hereby irrevocably tender the Debenture to the Borrower for such purpose.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of conversion of the Debenture (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Debenture on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Conversion Form in the United States.

☐ B. The undersigned holder at the time of conversion of the Debenture (i) is the original holder who acquired the Debenture in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Debenture; (ii) is converting the Debenture for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of conversion of this Debenture and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of conversion of this Debenture.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the conversion of the Debenture should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

DATED the _____ day of _____, 20____.

)

)

)

_____ _____

Signature of Witness Signature of registered holder or authorized signatory thereof

)

If applicable, print name and office of signatory

)

)

Print Name of registered holder as on certificate

)

Street Address

)

)

City, Province/State and Postal Code/ZIP Code

Instructions:

1. The registered Debentureholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the original Debenture Certificate representing the Debenture being exercised to the Corporation.

2. If the Conversion Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

Exhibit 4.32

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 14, 2023.

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE 5:00 P.M. (TORONTO TIME) ON JULY 13, 2026.

WARRANT CERTIFICATE

GROWN ROGUE INTERNATIONAL INC.
(Existing under the *Business Corporations Act* (Ontario))

WARRANT CERTIFICATE NO. 2023- 07-13-05

1,511,125 WARRANTS entitling the holder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby, and

THIS IS TO CERTIFY THAT Mindset Value Fund (hereinafter referred to as the "**Warrantholder**") is entitled to acquire for each Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. (Toronto time) on July 13, 2026 (the "**Expiry Time**"), one fully paid and non-assessable Common Share at a price of C$0.28 per Common Share (as may be adjusted pursuant to the terms herein, the "**Exercise Price**"), provided that the Corporation has the right to accelerate the Expiry Time to be ninety (90) days following written notice to

the Warrantholder if during the term the Common Shares close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange.

This Warrant may be exercised only at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1. This Warrant is issued subject to the following terms and conditions:

TERMS AND CONDITIONS FOR WARRANT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) **"Common Shares"** means the common shares without par value in the capital of the Corporation as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Article 4 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, "**Common Shares**" shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.;

(b) **"Corporation"** means Grown Rogue International Inc. unless and until a successor corporation shall have become such in the manner prescribed in Article 6, and thereafter "**Corporation**" shall mean such successor corporation;

(c) **"Corporation's Auditors"** means an independent firm of accountants duly appointed as auditors of the Corporation;

(d) **"Exchange"** means the Canadian Securities Exchange or such other stock exchange on which the Corporation's Common Shares are listed and posted for trading;

(e) **"herein"**, **"hereby"** and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression "article" and "section" followed by a number refer to the specified article or section of these Terms and Conditions;

(f) **"person"** means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(g) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of any outstanding convertible securities including, without limitation, this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the

Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(h) **"Warrant"** means the warrants to acquire Common Shares evidenced by the Warrant Certificate; and

(i) **"Warrant Certificate"** means the certificate to which these Terms and Conditions are annexed.

1.2 Interpretation Not Affected by Headings

(a) The division of these Terms and Conditions into articles and sections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

(b) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

The terms hereof and of the Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE 2
ISSUE OF WARRANT

2.1 Issue of Warrants

That number of Warrants set out on the Warrant Certificate are hereby created and authorized to be issued.

2.2 Additional Securities

Subject to any other written agreement between the Corporation and Warrantholder, the Corporation may at any time and from time to time undertake further equity or debt financings and may issue additional Common Shares, warrants or grant options or similar rights to purchase Common Shares to any person.

2.3 Issue in Substitution for Lost Warrants

If the Warrant Certificate becomes mutilated, lost, destroyed or stolen:

(a) the Corporation shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate; and

(b) the Warrantholder shall bear the reasonable cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction or theft of the Warrant Certificate, shall furnish to the

Corporation such evidence of loss, destruction or theft as shall be satisfactory to the Corporation in its reasonable discretion and the Corporation may also require the Warrantholder to furnish indemnity in an amount and form satisfactory to the Corporation in its discretion, and shall pay the reasonable charges of the Corporation in connection therewith.

2.4 Warrantholder Not a Shareholder

The Warrant shall not constitute the Warrantholder a shareholder of the Corporation, nor entitle it to any right or interest in respect thereof except as may be expressly provided in the Warrant.

ARTICLE 3
EXERCISE OF THE WARRANT

3.1 Method of Exercise of the Warrant

The right to purchase Common Shares conferred by the Warrant Certificate may be exercised at or prior to the Expiry Time by:

(a) duly completing and executing a subscription substantially in the form annexed hereto as Appendix A (the "**Subscription Form**"), in the manner therein indicated; and

(b) surrendering this Warrant Certificate and the duly completed and executed Subscription Form to the Corporation prior to the Expiry Time at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1, together with payment of the purchase price for the Common Shares subscribed for in the form of cash, wire transfer or a certified cheque payable to the Corporation in an amount equal to the then applicable Exercise Price multiplied by the number of Common Shares subscribed for in lawful money of Canada.

3.2 Effect of Exercise of the Warrant

(a) Upon delivery and payment as set forth in section 3.1 herein, the Corporation shall cause to be issued to the Warrantholder the number of Common Shares subscribed for by the Warrantholder and the Warrantholder shall become a shareholder of the Corporation in respect of such Common Shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares. The Corporation shall cause such certificate or certificates to be mailed to the Warrantholder at the address or addresses specified in the Subscription Form within five (5) business days of such delivery and payment as set forth in section 3.1 herein or, if so instructed by the Warrantholder, held for pick-up by the Warrantholder at the principal office of the Corporation.

(b) Notwithstanding any adjustment provided for in Article 4 herein, the Corporation shall not be required to issue fractional Common Shares upon the exercise of the Warrants evidenced hereby. If any fractional interest would be deliverable upon the exercise of the Warrants evidenced hereby, the Company shall, in lieu of delivering any certificate for such fractional interest, round such fractional interest up to the nearest whole Common Share if the fractional interest is above 0.5, and round such fractional interest down to the nearest whole Common Share if the fractional interest is below 0.5. The holding of a Warrant shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as herein expressly provided.

3.3 Subscription for Less than Entitlement

The Warrantholder may subscribe for and purchase a number of Common Shares less than the number which it is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Common Shares less than the number which can be purchased pursuant to the Warrant Certificate, the Warrantholder shall be entitled to the return of the Warrant Certificate with a notation on the Grid annexed hereto as **Appendix B** showing the balance of the Common Shares which the Warrantholder is entitled to purchase pursuant to the Warrant Certificate which were not then purchased.

3.4 Expiration of the Warrant

After the Expiry Time, all rights hereunder shall wholly cease and terminate and the Warrant shall be void and of no effect.

3.5 Hold Periods and Legending of Share Certificate

If any of the Warrants are exercised prior to November 14, 2023, the certificates representing the Common Shares to be issued pursuant to such exercise shall bear the following legends:

"**Unless permitted under securities legislation, the holder of this security must not trade the security before November 14, 2023."**

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") nor under the laws of any state of the United States. Subject to certain limited exceptions, (i) Warrants may not be exercised within the United States and (ii) no Common Shares issuable upon exercise of Warrants will be delivered to any address in the United States. The Warrantholder acknowledges that a legend to that effect may be placed on any certificates representing the Common Shares issued on exercise of the rights represented by this Warrant Certificate. Terms used in this paragraph have the meanings given to them in Regulation S under the 1933 Act.

ARTICLE 4
ADJUSTMENTS

4.1 Adjustments

(a) For the purpose of this Article 4, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 4.1(a):

"Current Market Price" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation;

"director" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and

"trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(b) If and whenever at any time after the date hereof and prior to the Expiry Time the Corporation shall (i) subdivide or redivide its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares or (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of a stock dividend or other distribution (any of such events herein called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted effective immediately after the effective date of any such event in (i) or (ii) above or the record date at which the holders of Common Shares are determined for the purpose of any such dividend or distribution in (iii) above, as the case may be, by multiplying the Exercise Price in effect on such effective date or record date, as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would be outstanding if such securities were exchanged for or converted into Common Shares.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.1(b) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time after the date hereof and prior to the Expiry Time the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares, of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of less than the Current Market Price of the Common Shares on such record date (any of such events being herein called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

(A) the number of Common Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing

(I) either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(II) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this section 4.1(c), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this section 4.1(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time after the date hereof and prior to the Expiry Time, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the Common Shares of:

(i) shares of the Corporation of any class other than Common Shares;

(ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of at least the Current Market Price of the Common Shares on such record date);

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation (including cash, but excluding cash dividends paid in the ordinary course);

and if such issue or distribution does not constitute an Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

(I) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and

(II) the fair value, as determined by the directors of the Corporation, to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(d) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this section 4.1(d), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Common Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Exercise Price in effect immediately prior to the time of such issue or sale, then and in each such case the then existing Exercise Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time after the date hereof and prior to the Expiry Time there is a capital reorganization of the Corporation or a reclassification or other change in the Common Shares (other than an Common Share Reorganization) or a consolidation or merger or amalgamation of the Corporation with or into any other corporation or other entity (other than a consolidation, merger or amalgamation which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of all or substantially all of the Corporation's undertaking and assets to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital

Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of Common Shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder has been the registered holder of the number of Common Shares to which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Warrantholder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant Certificate.

(g) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in sections 4.1(b), (c), (d), (e) or (f) herein shall occur and the occurrence of such event results in an adjustment of the Exercise Price pursuant to the provisions of this section 4.1, then the number of Common Shares purchasable pursuant to this Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Common Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(h) If the Corporation takes any action affecting its Common Shares to which the foregoing provisions of this section 4.1, in the opinion of the board of directors of the Corporation, acting in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Warrantholder against dilution in accordance with the intent and purposes hereof, or would otherwise materially affect the rights of the Warrantholder hereunder, then the Corporation shall, subject to the approval of the Exchange, execute and deliver to the Warrantholder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such manner as the board of directors of the Corporation may determine to be equitable in the circumstances, acting in good faith. The failure of the taking of action by the board of directors of the Corporation to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

4.2 Rules and Procedures

The following rules and procedures shall be applicable to the adjustments made pursuant to section 4.1 herein:

(a) any Common Shares owned or held by or for the account of the Corporation shall be deemed not be to outstanding except that, for the purposes of section 4.1 herein, any Common Shares owned by a pension plan or profit sharing plan for employees of the Corporation or any of its subsidiaries shall not be considered to be owned or held by or for the account of the Corporation;

(b) no adjustment in the Exercise Price or the number of Common Shares purchasable pursuant to this Warrant shall be required unless a change of at least 1% of the prevailing Exercise Price or the number of Common Shares purchasable pursuant to this Warrant would result, provided, however, that any adjustment which, except for the provisions of this section 4.2(b), would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;

(c) the adjustments provided for in section 4.1 herein are cumulative and shall apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such item;

(d) in the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in section 4.1(b)(iii) herein, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected;

(e) if the Corporation sets a record date to take any action and thereafter and before the taking of such action abandons its plan to take such action, then no adjustment to the Exercise Price will be required by reason of the setting of such record date;

(f) as a condition precedent to the taking of any action which would require any adjustment to the Warrants evidenced hereby, including the Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation shall have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all of the shares or other securities which the Warrantholder is entitled to receive on the full exercise thereof in accordance with the provisions hereof;

(g) forthwith, but no later than five (5) days, after any adjustment to the Exercise Price or the number of Common Shares purchasable pursuant to the Warrants, the Corporation shall provide to the Warrantholder a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, describing the event requiring and the manner of computing or determining such adjustment;

(h) any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustment pursuant to section 4.1 herein shall be conclusively determined by a firm of independent chartered accountants (who may be the Corporation's Auditors) and shall be binding upon the Corporation and the Warrantholder;

(i) no adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 4.1 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event;

(j) any adjustment to the Exercise Price under the terms of this Warrant Certificate shall be subject to the prior approval of the Exchange; and

(k) in case the Corporation, after the date of issue of this Warrant Certificate, takes any action affecting the Common Shares, other than an action described in section 4.1 herein, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval, including approval of the Exchange. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Common Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

(l) On the happening of each and every such event set out in section 4.1 herein, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall, *ipso facto*, be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

(m) The Corporation shall not be required to deliver certificates for Common Shares while the share transfer books of the Corporation are properly closed, having regard to the provisions of sections 4.1 and 4.2 herein, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Common Shares called for thereby during any such period, delivery of certificates for Common Shares may be postponed for not more than five (5) business days after the date of the re-opening of said share transfer books; provided, however, that any such postponement of delivery of certificates shall be without prejudice to the right of the Warrantholder so surrendering the same and making payment during such period to receive after the share transfer books shall have been re-opened such certificates for the Common Shares called for, as the same may be adjusted pursuant to sections 4.1 and 4.2 herein as a result of the completion of the event in respect of which the transfer books were closed.

(n) Notwithstanding any other provision of Section 4.1 or 4.2, no adjustment shall be made which would result in any increase in the Exercise Price (except upon a consolidation, reduction or combination of outstanding Common Shares).

ARTICLE 5
COVENANTS BY THE CORPORATION

5.1 Reservation of Common Shares

The Corporation covenants and agrees that until the Expiry Time, while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Article 4 herein. The Corporation further covenants and agrees that while any of the Warrants shall be outstanding, the Corporation shall (a) comply with the securities legislation applicable to it in order that the Corporation not be in default of any requirements of such legislation; (b) use its commercially reasonable best efforts to do or cause to be done all things necessary to preserve and maintain its corporate existence; and (c) at its own expense expeditiously use its commercially reasonable best efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Corporation's Common Shares may be listed from time to time. All Common Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Common Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Corporation or its creditors in respect thereof.

ARTICLE 6
MERGER AND SUCCESSORS

6.1 Corporation May Consolidate, etc. on Certain Terms

Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety to any corporation lawfully entitled to acquire and operate same, provided, however, that the corporation formed by such consolidation, amalgamation or

merger or which acquires by conveyance or transfer all or substantially all the properties and assets of the Corporation as an entirety shall, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.

6.2 Successor Corporation Substituted

In case the Corporation, pursuant to section 6.1, shall consolidate, amalgamate or merge with or into any other corporation or corporations or shall convey or transfer all or substantially all of its properties and assets as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation shall have been consolidated, amalgamated or merged or which shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Corporation hereunder and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate and herein as may be appropriate in view of such amalgamation, merger or transfer.

ARTICLE 7
AMENDMENTS

7.1 Amendment

This Warrant Certificate may be amended only by a written instrument signed by the parties hereto. Any such amendment shall be subject to receipt by the Corporation of all required approvals (if any) from the Exchange, any other stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities.

ARTICLE 8
MISCELLANEOUS

8.1 Time

Time is of the essence of this Warrant Certificate.

8.2 Notice

The Corporation will maintain a register of holders of Warrants at its principal office. The Corporation may deem and treat the registered holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Warrantholder of the Common Shares purchasable pursuant to such Warrant shall be a good discharge to the Corporation for the same and the Corporation shall not be bound to inquire into the title of any such Warrantholder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

The Corporation shall notify the Warrantholder forthwith of any change of the Corporation’s address.

All notices to be sent hereunder shall be deemed to be validly given to the registered holders of the Warrants if delivered personally or if sent by registered letter through the post addressed to such holders at their post office addresses appearing in the register of Warrant holders caused to be maintained by the Corporation,

and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by post on the fifth business day next following the post thereof.

8.3 Transfer of Warrants

Subject to applicable securities legislation and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the Exchange (or any other stock exchange on which the Common Shares are listed), the Warrants evidenced hereby (or any portion thereof) may be assigned or transferred by the Warrantholder by duly completing and executing the transfer form annexed hereto as **Appendix C**. The rights and obligations of the parties hereunder shall be binding upon and enure to the benefit of their successors and permitted assigns. After such transfer, the term "Warrantholder" shall mean and include any transferee or assignee of the current or any future Warrantholder. If only part of the Warrants evidenced hereby is transferred, the Corporation will deliver to the Warrantholder and the transferee replacement Warrant Certificates substantially in the form of this Warrant Certificate.

8.4 Enforcement

Subject as hereinafter provided, all or any of the rights conferred upon the Warrantholder by the terms hereof may be enforced by the Warrantholder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein shall be had against any shareholder or officer of the Corporation either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders or officers of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrants.

8.5 Priority

All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

8.6 Assignment

This Warrant Certificate shall enure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors and assigns.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by the signature of its duly authorized officer this 13 day of July, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
J. Obie Strickler
President and Chief Executive Officer

[Signature page to Warrant (2023)]

APPENDIX A

EXERCISE FORM

TO: GROWN ROGUE INTERNATIONAL INC.

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Warrant Certificate held by the undersigned and issued by Grown Rogue International Inc. (the "**Corporation**").

The undersigned hereby exercises the right to acquire _____ Common Shares of the Corporation in accordance with and subject to the provisions of such Warrant Certificate and herewith makes payment of the purchase price in full for the said number of Common Shares.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of exercise of the Warrants (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Warrants on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Exercise Form in the United States.

☐ B. The undersigned holder at the time of exercise of the Warrants (i) is the original holder who acquired the Warrants in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Warrants; (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of exercise of these Warrants and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the exercise of the Warrants should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

The Common Shares are to be issued as follows:

Name: _____

Address in full: _____

_____

Social Insurance Number: _____

Note: If further nominees are intended, please attach (and initial) a schedule giving these particulars.

DATED this _____ day of _____, 202____.

_____

(Signature of Warrantholder)

_____

Print full name

_____

Print full address

Instructions:

1. The registered Warrantholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised to the Corporation.

2. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

APPENDIX B

WARRANT EXERCISE GRID

Common Shares Issued	Common Shares Available	Initials of Authorized Officer

APPENDIX C

TRANSFER FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of assignee)

_____ Warrant(s) represented by the within certificate, and do(es) hereby irrevocably constitute and appoint

the attorney of the undersigned to transfer the said Warrants maintained by the transfer agent of the Corporation with full power of substitution hereunder.

DATED this _____ day of _____ 202____.

Signature of Warrantholder

Signature Guarantee

Name of Warrantholder (please print)

The signature of the Warrantholder to this assignment must correspond exactly with the name of the Warrantholder as set forth on the face of this Warrant certificate in every particular, without alteration or enlargement or any change whatsoever and the signature must be guaranteed by a Canadian chartered bank or by a Canadian trust company or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.

TRANSFEREE ACKNOWLEDGMENT

In connection with this transfer (check one):

☐ The undersigned Transferee hereby certifies that (i) it was not offered the Warrants while in the United States and did not execute this certificate while within the United States; (ii) it is not acquiring any of the Warrants represented by this Warrant Certificate by or on behalf of any person within the United States; and (iii) it has in all other respects complied with the terms of Regulation S of United States Securities Act of 1933, as amended (the "**1933 Act**"), or any successor rule or regulation of the United States Securities and Exchange Commission as presently in effect.

☐ The undersigned Transferee is delivering a written opinion of U.S. Counsel or other evidence acceptable to the Company to the effect that this transfer of Warrants has been registered under the 1933 Act or is exempt from registration thereunder.

_____
(Signature of Transferee)

_____ _____
Date Name of Transferee (please print)

The Warrants and the common shares issuable upon exercise of the Warrants shall only be transferable in accordance with applicable laws. The Warrants may only be exercised in the manner required by the certificate representing the Warrants and the Warrant Exercise Form attached thereto. Any common shares acquired pursuant to this Warrant shall be subject to applicable hold periods and any certificate representing such common shares will bear restrictive legends.

THE SECURITIES TO WHICH THIS PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE, AND WILL BE ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

GROWN ROGUE INTERNATIONAL INC.
(the "**Issuer**")

CONVERTIBLE DEBENTURE

SUBSCRIPTION AGREEMENT

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for a convertible debenture of the Issuer (the "**Debenture**") having an aggregate principal amount set forth on page 3 (the "**Original Principal Amount**") and bearing interest at 9% quarterly per calendar year, maturing 48 months from the day of Closing (as defined herein). The entire amount of principal owing under the Debenture is convertible at any time while any principal amount remains outstanding into common shares of the Issuer (each, a "**Share**") at a price equal to C$0.24 per Share (as may be adjusted in accordance with the terms of the Debenture), all upon and subject to the terms and conditions set forth in Schedule A attached hereto. The Subscriber shall receive one half of one warrant (each whole warrant, a "**Warrant**", and together with the Debenture, the "**Purchased Securities**") for each C$0.24 of the Original Principal Amount purchased with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.28 per Share (as may be adjusted in accordance with the terms of the Warrant). The Warrants are exercisable for a period of three years from the date of Closing, subject to the terms and conditions set forth in Schedule A, provided that if, at any time following Closing the common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Canadian Securities Exchange (the "**Exchange**"), the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided. The number of Warrants shall be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada.

The offering of the Purchased Securities (the "**Offering**") shall further have, and the Offering shall further be conducted on, the terms and conditions specified in Schedules A and B hereto. The Purchased Securities will be offered in Canada, in the United States and in such other jurisdictions outside of Canada and the United States as the Issuer may determine, pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. Unless otherwise indicated, all monetary references are in Canadian Dollars.

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION PRIOR TO DELIVERY TO THE ISSUER

1. The subscriber (the "**Subscriber**") must complete the information required on page 3 with respect to subscription amounts, subscriber details and registration and delivery particulars. Subscribers who are not purchasing as principal (or deemed under applicable securities laws to be purchasing as principal) must disclose the identity of the Disclosed Principal (as hereafter defined) on page 3.

2. The Subscriber must complete, for itself and any Disclosed Principal, the personal information required on page 4. The Subscriber acknowledges and agrees that this information may be provided to the Exchange and the applicable securities regulatory authorities, as applicable.

3. The Subscriber, for itself and any Disclosed Principal, must complete the applicable forms (the "**Forms**") at the end of Schedule B:

   (a) All Subscribers resident in Canada must complete **Form 1** – "**Certificate for Exemption**", and:

      (i) if an individual and in Form 1 have indicated they are an "accredited investor" pursuant to section (j), (k) or (l) of the definition of "accredited investor" in National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"), the Subscriber must also complete **Form 1A** – "***Form 45-106F9: Form for Individual Accredited Investors***"

      (ii) if resident in Saskatchewan and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1B** – "***Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates***"

(iii) if resident in Ontario and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1C** – "***Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors***"

(b) All Subscribers who are U.S. Purchasers (as defined in Schedule A, section 1.1) must complete **Form 2** – **"Certificate of U.S. Accredited Investor Status"**.

(c) All Subscribers who are neither residents of Canada nor a U.S. Purchaser must complete **Form 3 – "Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers)"**.

4. Return this subscription, together with all applicable Forms, to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

TO: GROWN ROGUE INTERNATIONAL INC.

1. The Subscriber irrevocably subscribes for and agrees to purchase from the Issuer

   (a) a Debenture with an Original Principal Amount of: US$75,000, and

   (b) 211,219 Warrants (to be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada)

2. The Subscriber and the Issuer agree that the Purchased Securities shall have, and the Offering thereof shall be conducted on, the terms and conditions specified in Schedules A and B hereto. The Subscriber hereby makes the representations, warranties, acknowledgments and agreements set out in Schedules A and B hereto and in all applicable Forms, and acknowledges and agrees that the Issuer and its counsel, will and can rely on such representations, warranties, acknowledgments and agreements should this subscription be accepted by the Issuer.

3. Identity of and execution by Subscriber:

BOX A: SUBSCRIBER INFORMATION AND EXECUTION

Mindset Value Wellness Fund
(name of subscriber)

30 West Mission St., #8, Santa Barbara, CA, 93101, USA
(address – include city, province and postal code)

805-284-2090 aaron@mindsetcapital.com
(telephone number) (email address)

X DocuSigned by: Aaron Edelheit
(signature of subscriber/authorized signatory)

Aaron Edelheit, CEO
(if applicable, print name of signatory and office)

Execution hereof by the Subscriber shall constitute an offer and agreement to subscribe for the Purchased Securities for such total subscription price as set out in Item 1 above pursuant to the provisions of Item 2 above, and acceptance by the Issuer shall effect a legal, valid and binding agreement between the Issuer and the Subscriber. This subscription may be executed and delivered in counterparts and by facsimile, and shall be deemed to bear the date of acceptance below.

4. If the Purchased Securities are to be registered other than as set out in Box A, the Subscriber directs the Issuer to register and deliver the Purchased as follows:

BOX B: ALTERNATE REGISTRATION INSTRUCTIONS

(name of registered holder)

(address of registered holder – include city, province and postal code)

(registered holder: contact name, contact telephone number and contact email address)

5. If the Purchased Securities are to be delivered other than as set out in Box A (or if completed, Box B), the Subscriber directs the Issuer to deliver the Purchased Securities as follows:

BOX C: ALTERNATE DELIVERY INSTRUCTIONS

(name of recipient)

(address of recipient – include city, province and postal code)

(recipient: contact name, contact telephone number and contact email address)

6. If the Subscriber is purchasing as agent for a principal, and is not a trust company or trust corporation purchasing as trustee or agent for accounts fully managed by it or is not a person acting on behalf of an account fully managed by it (and in each such case satisfying the criteria set forth in NI 45-106), complete Box D below and provide as a separate attachment the personal information required on page 4 and all applicable Forms on behalf of such principal (a **"Disclosed Principal"**):

BOX D: IDENTIFICATION OF PRINCIPAL
_____ (name of Disclosed Principal)
_____ (address of Disclosed Principal – include city, province and postal code)
_____ (Disclosed Principal: contact name, contact telephone number and contact email address)

ACCEPTANCE

The Issuer hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

This subscription is accepted and agreed to by the Issuer as of the 17 day of August, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: DocuSigned by: J. Obie Strickler
Authorized Signatory

PERSONAL INFORMATION

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercise control or direction over (provide additional details as applicable):

   ☒ _____ common shares of the Issuer and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Issuer:

   USD $700,000 convertible debenture and 2,350,775 common share purchase warrants

   ☐ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status.** The Subscriber either:

   ☐ Is an "Insider" of the Issuer as defined in the *Securities Act* (Ontario), by virtue of being:

   (a) a director or an officer of the Issuer;

   (b) a director or an officer of a person that is an Insider or subsidiary of the Issuer;

   (c) a person that has

   (i) beneficial ownership of, or control or direction over, directly or indirectly, or

   (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

   securities of the Issuer carrying more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

   ☒ Is not an Insider of the Issuer.

3. **Registrant Status.** The Subscriber either:

   ☐ Is a "Registrant" by virtue of being a person registered or required to be registered under the *Securities Act* (Ontario) or other applicable securities laws; or

   ☒ Is not a Registrant.

"**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to the applicable securities laws, or a person (as that term is defined herein) registered or otherwise required to be registered under applicable securities laws.

SCHEDULE A

1. Interpretation

1.1 Unless the context otherwise requires, reference in this subscription to:

(a) "**Agreement**" means this subscription agreement, including all schedules, forms and other attachments attached thereto;

(b) **"Applicable Securities Laws"** means the securities legislation and regulations of, and the instruments, policies, rules, orders and notices of, the applicable securities regulatory authority or authorities of the applicable jurisdiction or jurisdictions as the case may be;

(c) "**Business Day**" means a day which is not a Saturday, Sunday, or civic or statutory holiday on which Canadian chartered banks are open for the transaction of regular business in the city of Toronto, Ontario;

(d) "**Closing**" refers to the completion of the purchase and sale of the Purchased Securities, and if the purchase and sale occurs in two or more tranches, the respective completion of the purchase and sale of Purchased Securities shall be the "Closing" in respect of those Purchased Securities;

(e) "**Closing Time**" means the time of Closing;

(f) "**Debenture**" has the meaning set out in the cover page to this Agreement;

(g) "**Exchange**" means the Canadian Securities Exchange;

(h) "**Exemptions**" has the meaning set out in section 3.1 of this Schedule A;

(i) "**Forms**" has the meaning set out in the cover page to this Agreement;

(j) "**NI 45-102**" and **"NI 45-106"** refer to National Instrument 45-102 *Resale of Securities* and National Instrument 45-106 *Prospectus Exemptions*, respectively, of the Canadian Securities Administrators;

(k) "**Offering**" has the meaning set out in the cover page to this Agreement;

(l) "**Original Principal Amount**" has the meaning set out in the cover page to this Agreement;

(m) "**Public Record**" refers to all public information which has been filed by the Issuer pursuant to Applicable Securities Laws;

(n) "**Purchased Securities**" has the meaning set out in the cover page to this Agreement;

(o) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(p) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(q) "**Selling Jurisdictions**" means Canada, the United States and such other jurisdictions outside of Canada and the United States where the Issuer may conduct the Offering;

(r) "**Share**" has the meaning set out in the cover page to this Agreement;

(s) "**Subscriber**" has the meaning set out in the cover page to this Agreement;

(t) "**subscription**" or "**subscription agreement**" means this subscription agreement and includes all schedules hereto and the Forms;

(u) "**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S; and for greater certainty, "U.S. Person" includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose

of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person;

(v) "**U.S. Purchaser**" means a Subscriber that (i) has been offered the Purchased Securities in the United States, (ii) executed this subscription agreement or otherwise placed its purchase order for the Purchased Securities in the United States, or (iii) is, or is acting on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.

(w) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

(x) "**Warrant**" has the meaning set out in the cover page to this Agreement; and

(y) "**Warrant Share**" has the meaning set out in section 2.1 of this Schedule A.

1.1 In the subscription, the terms **"designated offshore securities market"**, **"directed selling efforts"**, **"foreign issuer"** and **"United States"** have the meanings prescribed in Regulation S.

1.2 Unless otherwise stated, all dollar figures herein expressed are in Canadian Dollars.

1.3 References imputing the singular shall include the plural and vice versa; references imputing individuals shall include corporations, partnerships, societies, associations, trusts and other artificial constructs and vice versa; and references imputing gender shall include the opposite gender.

1.4 **For greater certainty, the parties hereby acknowledge and agree that, if the Subscriber is acting as agent or trustee on behalf of a Disclosed Principal, the words "Subscriber", "it" and "its" mean the Subscriber and the Disclosed Principal, unless the context otherwise requires.**

2. Description of Offering and Purchased Securities

2.1 Subject to any approval and consent (the "**Approval**") that may be required by the Exchange, the Subscriber hereby irrevocably subscribes for and agrees to purchase from the Issuer, subject to the terms and conditions set forth herein, a Debenture in the Original Principal Amount set out above (the "**Subscription Price**") which is tendered herewith. Subject to the terms hereof, this Agreement will be effective when executed by all the parties to it. Subject to the approval of the Issuer and satisfaction of all conditions, the Subscriber agrees to complete the Closing within ten days from the date of this Agreement. This subscription is part of an offering by the Issuer of Debentures with principal amounts, totalling in the aggregate, of up to US$5,000,000, subject to adjustment in accordance with the terms of this Agreement.

2.2 The Subscriber (and any Disclosed Principal) and the Issuer acknowledge and agree that the Debenture will be duly and validly created and issued pursuant to a definitive certificate (the "**Debenture Certificate**") governing the terms of issue of the Debenture and the conversion of the same, which Debenture Certificate shall include the following terms:

(a) Repayment of the outstanding Original Principal Amount, together with interest accrued but unpaid, will be made on or prior to 5:00 p.m. (Toronto time) on the date that is 48 months from the Issue Date (the "**Maturity Date**").

(b) The Debenture will bear interest from the date of issue (the "**Issue Date**") at 9% per calendar year, and payable quarterly in cash.

(c) The Original Principal Amount of the Debenture is convertible by the Debenture holder into Shares at any time while any Original Principal Amount is outstanding, at a conversion price equal to C$0.24 per Share, subject to any adjustment as set out in the Debenture certificate (the "**Conversion Price**").

2.3 The Subscriber shall receive one half of one Warrant for each C$0.24 Original Principal Amount with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.28 per Share. The Warrants are exercisable for a period of three years from the date of Closing, provided that if, at any time following Closing the

common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange, the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided.

2.4 The Issuer is offering the Purchased Securities in the Selling Jurisdictions. The Issuer may, in its discretion, increase the size of the Offering and/or offer or sell additional securities concurrently with the Offering and/or the Issuer may, in the future in its sole discretion and without notice to the Subscriber, offer or sell additional securities. The Offering is not subject to any minimum aggregate offering and there can be no assurances that the Issuer will raise sufficient funds, through the Offering or otherwise, to meet its objectives.

3. Eligibility and Subscription Matters

3.1 The Offering is being made pursuant to exemptions (the "**Exemptions**") from the registration and prospectus requirements of the Applicable Securities Laws. The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, acknowledgments and agreements of the Subscriber contained in this Agreement both at the date hereof and at the time of Closing and otherwise provided by the Subscriber to the Issuer to determine the availability of Exemptions should this subscription be accepted.

3.2 The Offering is not, and under no circumstances is to be construed as, a public offering of the Purchased Securities. The Offering is not being made, and this subscription does not constitute, an offer to sell or the solicitation of an offer to buy the Purchased Securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

3.3 Subscribers must duly complete and execute this subscription together with all applicable Forms hereto (**please see the Instructions listed on the face page hereof**) and return them to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

3.4 Subscriptions are irrevocable subject to the right of the Issuer to terminate the Offering.

3.5 A subscription will only be effective upon its acceptance by the Issuer. Subscriptions will only be accepted if the Issuer is satisfied that, and will be subject to a condition for the benefit of the Issuer that, the Offering can lawfully be made in the jurisdiction of residence of the Subscriber pursuant to an available Exemption and that all other Applicable Securities Laws have been and will be complied with in connection with the proposed distribution. The Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional upon, among other things, the sale of the Purchased Securities to the Subscriber being exempt from any prospectus requirements of Applicable Securities Laws. This Agreement shall be deemed to be accepted only when signed by a duly authorized representative of the Issuer.

3.6 If this subscription is rejected in whole by the Issuer, any certified cheque, money order, bank draft or other form of payment delivered by the Subscriber on account of the aggregate subscription price for the Purchased Securities subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this subscription is accepted only in part by the Issuer, payment representing the amount by which the payment delivered by the Subscriber to the Issuer exceeds the subscription price of the Purchased Securities sold to the Subscriber pursuant to a partial acceptance of this subscription will be promptly delivered to the Subscriber without any interest paid on such amount.

3.7 No offering memorandum or other disclosure document has been prepared or will be delivered to the Subscriber in connection with the Offering, and the Subscriber hereby expressly acknowledges and confirms that it has not received, and has no need for, an offering memorandum or other disclosure document in connection with the Offering.

4. Closing Procedure

4.1 The Offering will be completed in one or more Closings at such time or times, on such date or dates, and at such place or places, as the Issuer may determine. At each Closing, the Issuer will deliver certificates representing the Purchased

Securities to those Subscribers whose subscriptions have been accepted, against the duly completed and executed subscriptions and applicable subscription price in respect thereof.

5. Reporting and Consent

5.1 The Subscriber expressly consents and agrees to:

(a) the Issuer collecting personal information regarding the Subscriber for the purpose of completing the transactions contemplated by this Agreement; and

(b) the Issuer releasing personal information regarding the Subscriber and this subscription, including the Subscriber's name, residential address, telephone number, email address and registration and delivery instructions, the number of Purchased Securities purchased, the number of securities of the Issuer held by the Subscriber, the status of the Subscriber as an insider or registrant, or as otherwise represented herein, and, if applicable, information regarding the beneficial ownership of the principals of the Subscriber, to securities regulatory authorities in compliance with Applicable Securities Laws, to other authorities as required by law and to the registrar and transfer agent of the Issuer for the purpose of arranging for the preparation of the certificates representing the Purchased Securities in connection with the Offering.

The purpose of the collection of the information is to ensure the Issuer and its advisers will be able to issue Purchased Securities to the Subscriber in accordance with the instructions of the Subscriber and in compliance with applicable Canadian corporate and securities laws and Canadian Securities Exchange policies, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Securities Laws and with other authorities as required by law. The Subscriber further expressly consents and agrees to the collection, use and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including the provision of all such personal information to third party service providers from time to time.

The contact information for the officer of the Issuer who can answer questions about the collection of information by the Issuer is as follows:

Name & Title:	J. Obie Strickler, President & CEO
Issuer Name:	**Grown Rogue International Inc.**
Address:	550 Airport Road, Medford, Oregon, 97504, United States
Email:	obie@grownrogue.com

5.2 The Subscriber expressly acknowledges and agrees that:

(a) the Issuer may be required to provide applicable securities regulators, or otherwise under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* of Canada, a list setting forth the identities of the purchasers of the Purchased Securities and any personal information provided by the Subscriber, and the Subscriber hereby represents and warrants that to the best of the Subscriber's knowledge, none of the funds representing the subscription proceeds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; the Subscriber hereby further covenants that it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Issuer with appropriate information in connection therewith;

(b) the Subscriber is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism ("**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations ("**UNAQTR**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea ("**UNRDPRK**"), the Regulations Implementing the United Nations Resolution on Iran ("**RIUNRI**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**") or any other similar statute;

(c) the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder pursuant to the PCMLA, the Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRI, the Zimbabwe Regulations, the Burma Regulations or any other similar statute; and

(d) it shall complete, sign and return such additional documentation as may be required from time to time under Applicable Securities Laws or any other applicable laws in connection with the Offering and this subscription.

5.3 The Subscriber authorizes the indirect collection of Personal Information (as hereinafter defined) by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 *Definitions*) and confirms that the Subscriber has been notified by the Issuer:

(a) that the Issuer will be delivering Personal Information to the securities regulatory authority or regulator;

(b) that the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it in Applicable Securities Laws;

(c) that such Personal Information is being collected for the purpose of the administration and enforcement of Applicable Securities Laws; and

(d) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as follows:

(i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: inquiries@bcsc.bc.ca;

(ii) Alberta Securities Commission, Suite 600, 250 – 5th Street, SW Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;

(iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5879, Facsimile: (306) 787-5899;

(iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;

(v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca, Public official contact regarding indirect collection of information: Inquiries Officer;

(vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Facsimile: (514) 864-6381 (For privacy requests only), Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers);

(vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street,, Suite 300 Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;

(viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;

(ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283; and

(x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187.

"**Personal Information**" means any personal information as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time and without limiting the foregoing, but for greater clarity in this Agreement, means information about an identifiable individual, including but not limited to any information about the Subscriber and, if applicable, any Disclosed Principal, and includes information provided by the Subscriber in this Agreement.

6. Resale Restrictions and Legending of Purchased Securities

6.1 The Subscriber hereby acknowledges and agrees that the Offering is being made pursuant to Exemptions and, as a result, the Purchased Securities will be subject to a number of statutory restrictions on resale and trading. Until these restrictions expire, the Subscriber will not be able to sell or trade the Purchased Securities unless the Subscriber complies with an Exemption from the prospectus and registration requirements under Applicable Securities Laws. In general, unless permitted under securities legislation, the Subscriber cannot trade the Purchased Securities in Canada before the date that is four months and a day after the date of the Closing. **See also section 6.3 below**.

6.2 The Subscriber acknowledges and agrees that:

(a) the Purchased Securities have not been and will not be registered under the U.S. Securities Act , or any State securities laws, and may not be offered and sold, directly or indirectly, to a U.S. Purchaser without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available;

(b) the Issuer has no present intention and is not obligated under any circumstances to register the Purchased Securities, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Purchaser, and in particular, the Subscriber and the Issuer further acknowledge and agree that the Issuer is hereby required to refuse to register any transfer of the Purchased Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration; and

(c) any Warrants may not be exercised in the United States or by or on behalf of any U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available.

6.3 **The foregoing discussion on hold periods and resale restrictions is a general summary only and is not intended to be comprehensive or exhaustive, or to apply in all circumstances.** Subscribers are advised to consult with their own advisers concerning their particular circumstances and the particular nature of the restrictions on transfer, the extent of the applicable hold period and the possibilities of utilizing any further Exemptions or the obtaining of a discretionary order to transfer any Purchased Securities. Subscribers are further advised against attempting to resell or transfer any Purchased Securities until they have determined that any such resale or transfer is in compliance with the requirements of all Applicable Securities Laws, including but not limited to compliance with restrictions on certain pre-trade activities and the filing with the appropriate regulatory authority of reports required upon any resale of the Purchased Securities.

6.4 In the event that any of the Purchased Securities are subject to a hold period or any other restrictions on resale and transferability, the Issuer will place a legend on the certificates representing the Purchased Securities as are required under Applicable Securities Laws, by the Exchange or as the Issuer may otherwise deem necessary or advisable.

7. Representations and Warranties of the Issuer

7.1 the Issuer is a corporation incorporated and existing under the laws of the jurisdiction in which it is incorporated;

7.2 the execution and delivery of, and performance by the Issuer of this Subscription Agreement has been authorized by all necessary corporate action on the part of the Issuer;

7.3 this Subscription Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding agreement of the Issuer enforceable against it in accordance with its terms;

7.4 the Issuer is a "reporting issuer" in the Provinces of Alberta, Nova Scotia, Ontario and British Columbia and is in compliance with its obligations under the Applicable Securities Laws in all material respects;

7.5 the Issuer has the power and authority to create, issue and deliver the Purchased Securities and perform its obligations under the Purchased Securities;

7.6 the Issuer has complied, or will comply, with all Applicable Securities Laws in connection with the issuance of the Purchased Securities;

7.7 no approval, authorization, consent or other order of, and no filing, registration or recording with, any governmental authority is required by the Issuer in connection with the execution and delivery or with the performance by the Issuer of this Subscription Agreement except in compliance with the Applicable Securities Laws and the requirements of the Exchange; and

7.8 Neither the Issuer, nor any partner, director, or officer or any person directly or indirectly controlling, controlled by or under common control with the Issuer is subject to any "disqualifying event" set forth in Rule 506(d) of Regulation D or any similar disqualification provision.

8. Miscellaneous

8.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber, including any fees and disbursements of any special counsel retained by the Subscriber, relating to the purchase, resale or transfer of the Purchased Securities, shall be borne by the Subscriber.

8.2 Except as expressly provided for in this subscription and in any agreements, instruments and other documents contemplated or provided for herein, this subscription contains the entire agreement between the parties with respect to the sale of the Purchased Securities and there are no other terms, conditions, representations, warranties, acknowledgments and agreements, whether expressed or implied, whether written or oral, and whether made by the parties hereto or anyone else. This subscription may only be amended by instrument in writing signed by the parties hereto. Notwithstanding the foregoing, the Subscriber is not waiving any remedies or protections available by statute or common law in connection with this Agreement or the transactions contemplated hereby.

8.3 Each party to this subscription covenants that it will, from time to time both before and after the Closing, at the request and expense of the requesting party, promptly execute and deliver all such other notices, certificates, undertakings, escrow agreements and other instruments and documents, and shall do all such other acts and other things, as may be necessary or desirable for purposes of carry out the provisions of this subscription.

8.4 The invalidity, illegality or unenforceability of any particular provision of this subscription shall not affect or limit the validity, legality or enforceability of the remaining provisions of this subscription.

8.5 This subscription, including without limitation the terms, conditions, representations, warranties, acknowledgments and agreements contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber and the Issuer notwithstanding the completion of the purchase and sale of the Purchased Securities, the conversion or exercise of any Purchased Securities and any subsequent disposition thereof by the Subscriber.

8.6 This subscription is not transferable or assignable. This subscription shall enure to the benefit of and be binding upon the parties hereto and its respective successors and permitted assigns.

8.7 This subscription is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in his personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

8.8 The Issuer shall be entitled to rely on delivery of a facsimile or portable document format ("**pdf**") copy of the executed subscription, and acceptance by the Issuer of such facsimile or pdf subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this subscription is delivered to the Issuer at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions, unaltered, of the pages not delivered at Closing.

8.9 This subscription may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

8.10 The parties hereto acknowledge and confirm that they have requested that this subscription as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

8.11 Time shall be of the essence hereof.

SCHEDULE B

1. Representations, Warranties, Covenants, Acknowledgments and Agreements of the Subscriber

1.1 The Subscriber hereby represents, warrants, covenants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) the Subscriber is resident in the jurisdiction set out on page 3 above, and if such address is not located in Ontario, the Subscriber expressly certifies that it is not resident in Ontario;

(b) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchased Securities, and in particular no governmental agency or authority, stock exchange or other regulatory body or any other entity has made any finding or determination as to the merit for investment of, nor have any such agencies, authorities, exchanges, bodies or other entities made any recommendation or endorsement with respect to, the Purchased Securities;

(c) there is no government or other insurance covering the Purchased Securities;

(d) there are risks associated with the purchase of the Purchased Securities, which are speculative investments that involve a substantial degree of risk, and the Subscriber may lose his, her or its entire investment. The Subscriber has carefully reviewed and is aware of all of the risk factors related to the purchase of Purchased Securities;

(e) other than as disclosed to the Issuer in writing, there is no person acting or purporting to act on behalf of the Subscriber (including any beneficial Subscriber), in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchased Securities, the Subscriber covenants to indemnify and hold harmless the Issuer with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(f) there are restrictions on the Subscriber's ability to resell the Purchased Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Purchased Securities;

(g) the Issuer has advised the Subscriber that it is relying on one or more exemptions from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Applicable Securities Laws, and as a consequence of acquiring the Purchased Securities pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it;

(h) the Subscriber has been further advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Purchased Securities under Applicable Securities Laws (i) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Issuer is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Subscriber is restricted from using certain of the civil remedies available under such legislation;

(i) the Subscriber has had access to all information regarding the Issuer and the Purchased Securities that the Subscriber has considered necessary in connection with its investment decision, and, in particular, the Subscriber's decision to execute this Agreement and purchase the Purchased Securities has been based entirely upon its review of the Public Record, including the Issuer's financial statements, and has not been based upon any written or oral representation or warranty as to fact or otherwise made by or on behalf of the Issuer;

(j) no person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Purchased Securities, (ii) that any person will refund the purchase price for the Purchased Securities, or (iii) as to the future price or value of the Purchased Securities;

(k) the Subscriber is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Purchased Securities, and is and will be able to bear the economic loss of its entire investment in any of the

Purchased Securities and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment;

(l) the Subscriber has been advised to consult its own investment, legal and tax advisers with respect to the merits and risks of an investment in the Purchased Securities and Applicable Securities Laws and resale restrictions, and in all cases the Subscriber has not relied upon the Issuer or its counsel or advisers for investment, legal or tax advice, always having, if desired, in all cases sought the advice of the Subscriber's own personal investment adviser, legal counsel and tax advisers, and in particular, the Subscriber has been advised and understands that it is solely responsible, and none of the Issuer, its counsel or its advisers are in any way responsible, for the Subscriber's compliance with Applicable Securities Laws and resale restrictions regarding the holding and disposition of the Purchased Securities;

(m) the Subscriber has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Agreement, restrictions with respect to trading in the Purchased Securities imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation has been made to it by or on behalf of the Issuer with respect thereto, acknowledges that it is aware of the characteristics of the Purchased Securities, the risks relating to an investment therein and of the fact that it may not be able to resell the Purchased Securities except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with the other requirements of applicable law;

(n) to the knowledge of the Subscriber, the Offering was not advertised or solicited in any manner in contravention of Applicable Securities Laws, and has not been made through or as a result of any general solicitation or general advertising or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Purchased Securities;

(o) the Subscriber has no knowledge of a "material fact" or "material change", as those terms are defined in the Applicable Securities Laws applicable in its jurisdiction of residence, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

(p) the Subscriber is not a "control person" as defined in the policies of the Exchange, will not become a "control person" by virtue of purchasing the Purchased Securities as contemplated herein, or any further acquisition of any Purchased Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;

(q) the Subscriber has the legal capacity and competence to enter into and execute this subscription and to take all actions required pursuant hereto, and if the Subscriber is not an individual, it is also duly formed and validly subsisting under the laws of its jurisdiction of formation and all necessary approvals by its directors, shareholders, partners and others have been obtained to authorize the entering into and execution of this subscription and the taking of all actions required hereto on behalf of the Subscriber. If the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which the Agreement is executed and is legally competent to execute this Agreement and take all action pursuant hereto; the Subscriber, or any Disclosed Principal, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or, each principal/beneficial purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment. The Subscriber is familiar with the aims and objectives of the Issuer and is informed of the nature of its activities;

(r) none of the funds the Subscriber is using to purchase the Purchased Securities are, to the best knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(s) upon acceptance by the Issuer of this Agreement and the satisfaction of any closing conditions, the aggregate subscription price for the Purchased Securities is immediately releasable to the Issuer to be used for the ongoing business of the Issuer;

(t) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Agreement and the transactions contemplated herein can be consummated by the Subscriber;

(u) the Subscriber has duly and validly entered into, executed and delivered this Agreement and it constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

(v) if the Subscriber is acting as agent or trustee (including, for greater certainty, a portfolio manager or comparable adviser) for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Agreement and all other necessary documents in connection with such subscription on behalf of such principal, each of whom is subscribing as principal for its own account and not for the benefit of any other person, and this subscription has been duly and validly authorized, executed and delivered by or on behalf of such principal, and when accepted by the Issuer, will constitute a legal, valid and binding obligation enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies, against such principal;

(w) the entering into of this subscription and the transactions contemplated hereby does not and will not, conflict with, result in a violation or breach of, or constitute a default under, any of the terms and provisions of any law, regulation, order or ruling applicable to the Subscriber, or of any agreement, contract or indenture, written or oral, to which it is or may be a party or by which it is or may be bound, and, if the Subscriber is a corporation, its constating documents or any resolutions of its directors or shareholders;

(x) you acknowledge that legal counsel retained by the Issuer are acting as counsel to the Issuer and not as counsel to you and you may not rely upon such counsel in any respect;

(y) the Subscriber is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered under National Instrument 31-103 – *Registration Requirements and Exemptions* (or, in Québec, Regulation 31-103 *respecting Registration Requirements and Exemptions*);

(z) with respect to compliance with the U.S. Securities Act:

(i) none of the Purchased Securities have been registered under the U.S. Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(ii) the Subscriber is neither an underwriter of, or dealer in, the common shares of the Issuer, nor participating, pursuant to a contractual agreement or otherwise, in the distribution of the Purchased Securities;

(iii) the Subscriber is acquiring the Purchased Securities for investment only and not with a view to resale or distribution and, in particular, has no intention to distribute, directly or indirectly, all or any of the Purchased Securities to U.S. Purchasers, and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or person in the United States respecting (A) the transfer or assignment of any rights or interests in any of the Purchased Securities; (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this subscription or the Purchased Securities; or (C) the voting of any securities offered hereby or underlying any securities offered hereby;

(iv) the Subscriber does not intend to and will not engage in hedging transactions with regard to the Purchased Securities unless in compliance with the U.S. Securities Act; and

(v) the current structure of this transaction and all transactions and activities contemplated hereunder, and the Subscriber's participation therein, is not a scheme to avoid the registration requirements of the U.S. Securities Act;

(aa) unless the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber is not a U.S. Purchaser; and

(ii) the Subscriber is not purchasing the Purchased Securities as the result of any "directed selling efforts";

(bb) if the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber, by completing Form 2 – Certificate of U.S. Accredited Investor Status, is representing and warranting to the Issuer that the Subscriber is an "accredited investor" as the term is defined in Regulation D, and that all information contained in the Subscriber's completed Form 2 – Certificate of U.S. Accredited Investor Status is complete and accurate in all respects and may be relied upon by the Issuer;

(ii) the Subscriber will not acquire the Purchased Securities as a result of, and will not itself engage in, any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(iii) the Subscriber and their adviser(s) have had a reasonable opportunity to ask questions of and receive answers from the Issuer in connection with the distribution of the Purchased Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(iv) the Subscriber hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under Applicable Securities Laws, the certificates representing any of the Purchased Securities will bear legends in substantially the form set forth on Form 2 hereto;

(v) the Issuer will refuse to register any transfer of the Purchased Securities not made pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available Exemption from the registration requirements of the U.S. Securities Act or pursuant to Regulation S; and

(vi) the statutory and regulatory basis for the Exemption claimed for the offer of the Purchased Securities would not be available if the Offering is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act;

(cc) the Issuer may complete additional financings in the future to develop the business of the Issuer and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

(dd) the Subscriber has not received, nor does it expect to receive, any financial assistance from the Issuer, directly or indirectly, in respect of the Subscriber's purchase of the Purchased Securities; and

(ee) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Purchased Securities subscribed for hereunder following the Closing.

1.2 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that it is:

(a) purchasing the Purchased Securities as principal for investment purposes only, for its own account and not for the benefit of any other person and not with a view to, or for resale in connection with, any distribution thereof in violation of any Applicable Securities Laws; or

(b) deemed to be purchasing as principal pursuant to NI 45-106 by virtue of the Subscriber being an "accredited investor" as such term is defined in paragraph (p) or (q) of the definition of "accredited investor" in NI 45-106 (reproduced in Form 1 attached hereto) and provided, however, that the Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada, and that the Subscriber has concurrently executed and delivered Form 1 and under the heading of Category 1: Accredited Investor therein checked off paragraphs (n) or (s); or

(c) acting as agent for a Disclosed Principal (whose name and residential address are disclosed on page 4 of this subscription) who is purchasing the Purchased Securities as principal for investment purposes only, that the Subscriber is duly authorized and empowered to enter into this subscription, make all requisite representations, warranties, covenants, acknowledgments and agreements and execute all documentation in connection therewith on behalf of the Disclosed Principal, and that the Subscriber has concurrently completed, executed and delivered Forms 1 and 2, as applicable, on behalf of such Disclosed Principal in compliance with this Agreement.

1.3 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) **if it is resident in or otherwise subject to the securities laws of a Province or Territory of Canada other than Ontario**, it is:

(i) a person described in section 2.3 of NI 45-106 by virtue of being an "accredited investor" as defined in NI 45-106, and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in section 2.5 of NI 45-106 by virtue of being (A) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (B) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (C) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (D) a close personal friend or close business associate of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (E) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the Issuer; (F) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Issuer; (G) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F); or (H) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F);

(iii) a person, other than an individual, described in section 2.10 of NI 45-106 by virtue of the Purchased Securities having an acquisition cost to the purchaser of not less than $150,000 paid in cash, and provided that it is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106, and further provided that if it is resident in or otherwise subject to the securities laws of Alberta, no document purporting to describe the business and affairs of the Issuer, which has been prepared for review by prospective purchasers to assist such prospective purchasers in making an investment decision in respect of the Purchased Securities, has been delivered to or summarized for or seen by or requested by the Subscriber in connection with the Offering; or

(iv) a person described in section 2.24 of NI 45-106 by virtue of being an employee, "executive officer", "director" or "consultant" of the Issuer or of a "related entity" of the Issuer or by virtue of being a "permitted assign" of the foregoing persons, as those terms are defined in sections 1.1 or 2.22 of NI 45-106, and its participation in the Offering is voluntary,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, Schedules 1 and 2, thereof); **and**

(b) **if it is resident in or otherwise subject to the securities laws of Ontario**, it is:

(i) a person described in section 73.3 of the *Securities Act* (Ontario) by virtue of being an "accredited investor" as defined in the *Securities Act* (Ontario), and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in subsection 1.3(a)(ii), (iii) or (iv) of this Schedule B; or

(iii) a person described in section 2.7 of NI 45-106 by virtue of being (A) a founder of the Issuer; (B) an affiliate of a founder of the Issuer; (C) a spouse, parent, grandparent, brother, sister, child or grandchild of an executive officer, director or founder of the Issuer; or (D) a person that is a control person of the Issuer,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, all appendices thereof); **and**

(c) **if it is resident outside of Canada or the United States**:

(i) it is knowledgeable of, or has been independently advised as to, the Applicable Securities Laws of the securities regulatory authorities (the "**International Authorities**") having application to the Offering and the Issuer in the jurisdiction (the "**International Jurisdiction**") in which the Subscriber is resident;

(ii) it is purchasing Purchased Securities pursuant to an applicable Exemption from any prospectus, registration or similar requirements under the Applicable Securities Laws of the International Jurisdiction, or the Subscriber is permitted to purchase the Purchased Securities under the Applicable Securities Laws of the International Jurisdiction without the need to rely on such Exemptions;

(iii) the Applicable Securities Laws of the International Jurisdiction do not require the Issuer to make any filings or seek any approvals of any nature whatsoever with or from any of the International Authorities in connection with the Offering or the Purchased Securities, including any resale thereof;

(iv) the Offering and the completion of the offer and sale of the Purchased Securities to the Subscriber as contemplated herein complies in all respects with the Applicable Securities Laws of the International Jurisdiction, and does not trigger:

(A) any obligation to prepare and file a prospectus or similar or other offering document, or any other report with respect to such purchase in the International Jurisdiction; or

(B) any continuous disclosure reporting obligation of the Issuer in the International Jurisdiction;

(v) it will, if requested by the Issuer, deliver to the Issuer a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in subparagraphs (ii), (iii) and (iv) above to the satisfaction of the Issuer, acting reasonably; and

(vi) the Subscriber, by completing Form 3 – Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers), is representing and warranting to the Issuer that the Subscriber is a resident of an International Jurisdiction, and that all information contained in the Subscriber's completed Form 3 – Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers) is complete and accurate in all respects and may be relied upon by the Issuer.

2. Reliance, Notification, Indemnity and Survival

2.1 The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, certifications, acknowledgments and agreements of the Subscriber contained in this subscription and otherwise provided by the Subscriber to and with the Issuer to determine the availability of Exemptions should this subscription be accepted, and otherwise in completing the offering, issue and sale of the Purchased Securities to the Subscriber in accordance with applicable laws. The Subscriber covenants and agrees to provide to the Issuer evidence of the Subscriber's qualifications for the Exemption indicated on Form 1, Form 2 or Form 3, as applicable, immediately upon request by the Issuer.

2.2 The Subscriber undertakes to notify the Issuer immediately of any change in any representation, warranty or other information pertaining to the Subscriber herein or otherwise provided in connection with this subscription which takes place prior to Closing.

2.3 The Subscriber acknowledges that the Issuer and its counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder) to purchase the Purchased Securities under the Offering, and hereby agrees to indemnify the Issuer and its directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including its legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. To the extent that any person entitled to be indemnified hereunder is not a party to this subscription, the Issuer shall obtain and hold the rights and benefits of this subscription in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this subscription.

2.4 The representations, warranties, acknowledgements and agreements made by the Subscriber in this subscription and otherwise provided by the Subscriber and the Issuer shall be true and correct as of the date of execution of this subscription and as of Closing as if repeated thereat, and shall survive the Closing.

FORM 1

CERTIFICATE FOR EXEMPTION

In addition to the representations, warranties acknowledgments and agreements contained in the subscription to which this Form 1 – Certificate for Exemption is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, it is resident in the jurisdiction set out on the Acceptance Page of the subscription and: **[check all appropriate boxes]**

Category 1: Accredited Investor

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

☐ (b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer;

☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

☐ (f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds Cdn$1,000,000
(Provide details of financial assets:_____);

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities exceeds $5,000,000;
(Provide details of financial assets:_____);

☐ (k) an individual whose net income before taxes exceeded Cdn$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year
(Provide details of net income:_____);

☐ (l) an individual who, either alone or with a spouse, has net assets of at least Cdn$5,000,000;
(Provide details of net income:_____);

☐ (m) a person, other than an individual or investment fund, that has net assets of at least Cdn$5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution;

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owner of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

AND/OR if the Subscriber is a resident of, or otherwise subject to the securities laws of, Ontario, the Subscriber is **[check any applicable box]**:

☐ (aa) a bank listed in Schedule I, II or III to the *Bank Act* (Canada);

☐ (bb) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;

☐ (cc) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (dd) the Business Development Bank of Canada;

☐ (ee) a subsidiary of any person or company referred to in clause (aa), (bb), (cc) or (dd), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (ff) a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations;

☐ (gg) the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada;

☐ (hh) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Quebec;

☐ (ii) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (jj) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada;

☐ (kk) a person or company that is recognized or designated by the Ontario Securities Commission as an accredited investor; or

☐ (ll) such other persons or companies as may be prescribed by the regulations under the *Securities Act* (Ontario).

Additional Instruction: If the Subscriber is an individual and qualifies under Category 1 pursuant to paragraphs (j), (k) or (l), it must also complete and sign FORM 1A attached hereto entitled "*Form 45-106F9: Form for Individual Accredited Investors*" and Appendix A.

Definitions:

"Canadian financial institution" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"EVCC" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

"financial assets" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"investment fund" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"person" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"related liabilities" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"spouse" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; or

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

"VCC" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429, whose business objective is making multiple investments.

Category 2: Family, Friends and Business Associates

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (b) a spouse, parent, grandparent, brother, sister, grandchild or child of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (c) a parent, grandparent, brother, sister, grandchild or child of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (d) a close personal friend* of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (e) a close business associate** of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (f) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, grandchild, child, close personal friend or close business associate of a founder of the Issuer;

☐ (g) a parent, grandparent, brother, sister, grandchild or child of a spouse of a founder of the Issuer,

☐ (h) a person of which **a majority** of the voting securities are beneficially owned by persons described in paragraphs (a) to (g);

☐ (i) a person of which **a majority** of the directors are persons described in paragraphs (a) to (g);

☐ (j) a trust or estate of which **all** of the beneficiaries are persons described in paragraphs (a) to (g); or

☐ (k) a trust or estate of which **a majority** of the trustees or executors are persons described in paragraphs (a) to (g),

of which the relevant director, executive officer, control person or founder of the Issuer or affiliate thereof referred to in paragraphs (b) to (k) above is:

State name: _____

State the length of your relationship with this person: _____

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Saskatchewan, it must also complete and sign FORM 1B attached hereto entitled "*Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates*"

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Ontario, it must also complete and sign Schedule 1C attached hereto entitled "*Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors*".

Notes:

* **"close personal friend"** means an individual who has known the named director, executive officer, control person or founder well enough and for a sufficient period of time to be in a position to assess the capabilities and trustworthiness of that person. The term "close personal friend" can include a family member who is not already specifically identified in paragraphs (b), (c), (f) or (g) if the family member otherwise meets the criteria described above. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close personal friend" solely because that individual is a relative, a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

** **"close business associate"** means an individual who has had sufficient prior business dealings with the named director, executive officer, control person or founder to be in a position to assess the capabilities and trustworthiness of that person. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close business associate" solely because that individual is a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

Category 3: $150,000 Purchaser

☐ The Subscriber is not an individual and has an acquisition cost for the Purchased Securities of not less than $150,000 paid in cash, and is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106.

Category 4: Employees, Officers, Directors and Consultants

The Subscriber is **[check appropriate box]**:

☐ (a) an employee of the Issuer or of a "related entity" of the Issuer;

☐ (b) an executive officer of the Issuer or of a "related entity" of the Issuer;

☐ (c) a director of the Issuer or of a "related entity" of the Issuer;

☐ (d) a consultant of the Issuer or of a "related entity" of the Issuer; or

☐ (e) a "permitted assign" of a person described in paragraphs (a) to (d),

and its participation in the Offering is voluntary.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 20___.

If a corporation, partnership or other entity:

_____
Print Name of Subscriber

_____
Signature of Authorized Signatory

_____
Name and Position of Authorized Signatory

_____
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

APPENDIX "A" TO FORM 1
INDIVIDUAL ACCREDITED INVESTOR QUESTIONNAIRE

THIS APPENDIX "A" IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS SUBSCRIBING UNDER CATEGORIES (J), (K) OR (L) IN CATEGORY 1 OF FORM 1 TO WHICH THIS APPENDIX "A" IS ATTACHED.

Unless otherwise defined, all capitalized terms not otherwise defined in this Appendix "A" shall have the meaning ascribed to such terms in the Subscription Agreement to which this Appendix is attached.

I understand that in order to be accepted as an "accredited investor" under categories (j), (k) OR (l) of the definition of accredited investor in NI 45-106, I must satisfy certain of the following criteria. The undersigned hereby represents and warrants to the Issuer as follows:

1. Personal Data.

Name:_____

Telephone:_____

Residence
Address:_____

2. Definitions. Please review the following definitions prior to completing the information below:

a) "**financial assets**" means cash, securities or a contract of insurance, a deposit or evidence of deposit that is not a security for the purposes of securities legislation. These financial assets are generally liquid or relatively easy to liquidate. The value of a purchaser's personal residence would not be included in a calculation of financial assets.

b) "**related liabilities**" means: (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or (ii) liabilities that are secured by financial assets.

c) "**net assets**" means all of the purchaser's total assets minus all of the purchaser's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a purchaser's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the purchaser's personal residence. To calculate a purchaser's net assets, subtract the purchaser's total liabilities from the purchaser's total assets (including real estate). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the security.

3. Net income test. Please answer the following questions concerning your **net income** by marking the appropriate box.

3.1 My annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.2 My spouse's annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My spouse's annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My spouse's annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My spouse's annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			

GREATER THAN $500,000			

3.3 The annual **net income** before taxes (all sources) for my spouse and me during the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	**A.** **The annual net income before taxes (all sources) for the most recent calendar year of my spouse and me is:** *(tick the appropriate box below)*	**B.** **The annual net income before taxes (all sources) for the prior calendar year of my spouse and me is:** *(tick the appropriate box below)*	**C.** **The annual net income before taxes (all sources) that my spouse and I reasonably expect to earn in the current calendar year is:** *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

4. Financial Assets Test. Please answer the following questions concerning your "**financial assets**" (see definition above) by marking the appropriate box.

4.1 I and/or my spouse beneficially own **financial assets** having an aggregate realizable value that, before taxes, net of any **related liabilities** are as set out below. Please tick the appropriate **financial asset** range excluding taxes from all sources in each of A, B and C below.

Financial asset ranges	**A.** **My financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**B.** **My spouse's financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**C.** **The financial assets of my spouse and I have an aggregate realizable value that, before taxes, and net of any related liabilities are:** *(tick the appropriate box below)*
Less than $249,999			

$250,000-$499,999			
$500,000-$999,999			
Greater than $1,000,000			

4.2 For the purposes of this Section 4:

(a) do you and/or your spouse have:

(i) physical or constructive possession or evidence of ownership of your **financial assets**?

☐ Yes ☐ No

(ii) any entitlement to the receipt of any income generated by the **financial assets**?

☐ Yes ☐ No

(iii) any risk of loss of the value of the **financial assets**?

☐ Yes ☐ No

(iv) the ability to dispose of the **financial assets** or otherwise deal with the **financial assets** as you and/or your spouse sees fit?

☐ Yes ☐ No

(b) did you exclude the value of any real estate owned by you and/or your spouse in the calculation of **financial assets**, such as your principal residence and/or cottage?

☐ Yes ☐ No

(c) did you exclude any **related liabilities** in connection with the (i) cash, (ii) securities or a (iii) contract of insurance (*i.e.*, the cash surrender value only), deposit or an evidence of deposit that is not a security under the Applicable Securities Laws?

☐ Yes ☐ No

5. $5,000,000 Net Asset Test. I and/or my spouse have **net assets** as set out below. Please tick the appropriate net asset range in each of A, B and C below.

Net asset ranges	**A.** **My total net assets are:** *(tick the appropriate box below)*	**B.** **My spouses' net assets are:** *(tick the appropriate box below)*	**C.** **The aggregate net assets of my spouse and I are:** *(tick the appropriate box below)*
Less than $499,999			
$500,000-$999,999			
$1,000,000-$2,999,999			

$3,000,000-$4,999,999			
Greater than $5,000,000			

Based on the above information, I hereby represent and warrant that:

(a) my **net income** before taxes was more than $200,000 in each of the 2 most recent calendar years, and I expect it to be more than $200,000 in the current calendar year;

(b) my **net income** before taxes combined with that of my spouse was more than $300,000 in each of the 2 most recent calendar years, and I expect that our combined **net income** before taxes to be more than $300,000 in the current calendar year;

(c) I either alone or with my spouse, beneficially own **financial assets** having an aggregate realizable value that, before taxes but net of any related liabilities, is more than $1,000,000; or

(d) I either alone or with my spouse, have **net assets** of at least $5,000,000.

My commitment to investments which are not readily marketable is reasonable in relation to my net worth. I meet at least one of the criteria for an "accredited investor" under NI 45-106.

The foregoing representations and warranties and all other information which I have provided to the Issuer concerning myself and my financial condition are true and accurate as of the date hereof. If in any respect, such representations, warranties, or information shall not be true and accurate, I will give written notice of such fact to the Issuer immediately prior to Closing specifying which representations, warranties or information are not true and accurate, and the reasons therefor.

I understand that the information contained herein is being furnished by me in order for the Issuer to determine my suitability as an **accredited investor**, may be accepted by the Issuer in light of the requirements of NI 45-106 and that the Issuer will rely on the information contained herein for purposes of such determination.

Purchaser's Signature

Dated: _____, 2023 Signed:_____

_____ _____
Witness Print the name of Purchaser

_____
Print Name of Witness

Spouse's Signature (if applicable)

Dated: _____, 2023 Signed:_____

_____ _____
Witness Print the name of spouse of Purchaser

_____
Print Name of Witness

- FORM 1A -

Form 45-106F9
Form for Individual Accredited Investors

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*
Purchased from: *the Issuer*	

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
If you are relying on a prospectus exemption contained in any of sections (j), (k), or (l) of Category 1 "Accredited Investor" in Form 1, you must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention:* *J. Obie Strickler* *e-mail:* *obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*

- FORM 1B -

FORM 45-106F5
Risk Acknowledgement - Saskatchewan Close Personal Friends and Close Business Associates

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing $ _____ [*total consideration*] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [*state name*], who is a _____ [*state title - founder, director, executive officer or control person*] of _____ [*state name of issuer or its affiliate – if an affiliate state "an affiliate of the issuer" and give the issuer's name*].

I acknowledge that I am purchasing based on my close relationship with _____ [*state name of founder, director, executive officer or control person*] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____ _____
Date Signature of Purchaser

_____
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice.

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at http://www.sfsc.gov.sk.ca.

INSTRUCTION: THE PURCHASER MUST SIGN 2 COPIES OF THIS FORM. THE PURCHASER AND THE ISSUER MUST EACH RECEIVE A SIGNED COPY.

- FORM 1C -

Form 45-106F12
Risk Acknowledgement Form for Family, Friend and Business Associate Investors

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "issuer")*

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. [*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
3. Family, friend or business associate status	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	**Your initials**
A) You are: *1) [check all applicable boxes]* ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR *2) [check all applicable boxes]* ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
B) You are a family member of _____ *[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____ of that person or that person's spouse. *[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]*	

C) You are a close personal friend of _____ *[Instruction: Insert the name of your close personal friend]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
D) You are a close business associate of _____ *[Instruction: Insert the name of your close business associate]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.

First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE

5. Contact person of the issuer or an affiliate of the issuer

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: *[check the box that applies]*

- ☐ family relationship as set out in section 3B of this form
- ☐ close personal friendship as set out in section 3C of this form
- ☐ close business associate relationship as set out in section 3D of this form

First and last name of contact person (please print):	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:

SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention:* *J. Obie Strickler* *e-mail:* *obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	
Signature of executive officer of the issuer (other than the purchaser):	Date:

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*
4. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

FORM 2

CERTIFICATE OF U.S. ACCREDITED INVESTOR STATUS

In addition to the representations, warranties, acknowledgments and agreements contained in the subscription agreement (the "**subscription**") to which this Form 2 – Certificate of U.S. Accredited Investor Status is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, that the Subscriber is a resident of the jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of the subscription, and:

1. The Subscriber hereby represents, warrants, acknowledges and agrees to and with the Issuer that the Subscriber:

   (a) is a U.S. Purchaser;

   (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the subscription and it is able to bear the economic risk of loss arising from such transactions;

   (c) is acquiring the Purchased Securities for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Purchased Securities in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Purchased Securities in the United States or to U.S. Persons; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof pursuant to the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and any applicable State securities laws or if an exemption from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;

   (d) is not acquiring the Purchased Securities as a result of any form of general solicitation or general advertising, as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the Internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

   (e) understands the Purchased Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the sale contemplated hereby is being made in reliance on an Exemption from such registration requirements provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D promulgated thereunder.

   (f) satisfies one or more of the categories indicated below (**check appropriate box**):

_____	Category 1. [Rule 501(a)(1)]	A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
_____	Category 2. [Rule 501(a)(1)]	A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
_____	Category 3. [Rule 501(a)(1)]	A broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended; or
_____	Category 4. [Rule 501(a)(1)]	An investment adviser registered pursuant to Section 203 of the U.S. Investment Advisers Act of 1940, as amended, or registered pursuant to the laws of a state; or
_____	Category 5. [Rule 501(a)(1)]	An investment adviser relying on the exemption from registering with the Commission under Section 203(l) or (m) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 6. [Rule 501(a)(1)]	An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

_____	Category 7. [Rule 501(a)(1)]	An investment company registered under the U.S. Investment Company Act of 1940, as amended; or
_____	Category 8. [Rule 501(a)(1)]	A business development company as defined in Section 2(a)(48) of the U.S. Investment Company Act of 1940, as amended; or
_____	Category 9. [Rule 501(a)(1)]	A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended; or
_____	Category 10. [Rule 501(a)(1)]	A Rural Business Investment Company as defined in Section 384A of the U.S. Consolidated Farm and Rural Development Act of 1972, as amended; or
_____	Category 11. [Rule 501(a)(1)]	A plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with assets in excess of U.S. $5,000,000; or
_____	Category 12. [Rule 501(a)(1)]	An employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company or registered investment advisor, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self-directed plan, the investment decisions are made solely by persons who are accredited investors; or
_____	Category 13. [Rule 501(a)(2)]	A private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 14. [Rule 501(a)(3)]	An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. $5,000,000; or
_____	Category 15. [Rule 501(a)(4)]	A director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or
_____	Category 16. [Rule 501(a)(5)]	A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds U.S. $1,000,000; or

(**Note**: For the purposes of calculating "net worth"

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the Offering, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the closing of the Offering exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.)

(**Note**: For the purposes of calculating "joint net worth", joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.)

(**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

_____	Category 17. [Rule 501(a)(6)]	A natural person who had an individual income in excess of U.S. $200,000 in each year of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or (**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)
_____	Category 18. [Rule 501(a)(7)]	A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under Regulation D under the U.S. Securities Act; or
X	Category 19. [Rule 501(a)(8)]	An entity in which each of the equity owners are accredited investors; or (**Note:** It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this category. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this category may be available.)
_____	Category 20. [Rule 501(a)(9)]	An entity, of a type not listed in Categories 1 through 14, 18 or 19 above, not formed for the specific purpose of acquiring the securities offered, owning "investments" (as defined in Rule 2a51-1(b) under the U.S. Investment Company Act of 1940, as amended) in excess of U.S. $5,000,000; or
_____	Category 21. [Rule 501(a)(10)]	A natural person holding in good standing one or more of the following professional licenses: (i) General Securities Representative license (Series 7); (ii) Private Securities Offerings Representative license (Series 82), and (iii) Investment Adviser Representative license (Series 65); or
_____	Category 22. [Rule 501(a)(11)]	A natural person who is a "knowledgeable employee" (as defined in Rule 3c-5(a)(4) under the U.S. Investment Company Act of 1940, as amended) of the issuer of the securities being offered or sold where the issuer would be an "investment company" (as defined in Section 3 of U.S. Investment Company Act of 1940, as amended), but for the exclusion provided by either Section 3(c)(1) or section 3(c)(7) of U.S. Investment Company Act of 1940, as amended; or
_____	Category 23. [Rule 501(a)(12)]	A "family office" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended): (i) with assets under management in excess of U.S. $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
_____	Category 24. [Rule 501(a)(13)]	A "family client" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended) of a family office meeting the requirements in Category 23 above and whose prospective investment in the issuer is directed by such family office pursuant to clause (iii) of Category 23.

(g) if an individual, is a resident of the state or other jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of its subscription; or if not an individual, has received and accepted the offer to acquire the Purchased Securities at the office of the Subscriber at the disclosed address set out in the Subscriber's information on page 3, of its subscription.

2. The Subscriber acknowledges and agrees that:

(a) the Subscriber has not acquired the Purchased Securities as a result of, and will not itself engage in any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration of any of the Purchased Securities pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;

(b) if the Subscriber decides to offer, sell or otherwise transfer any of the Purchased Securities, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

(i) the sale is to the Issuer;

(ii) the sale is made outside of the United States pursuant to the requirements of Rule 904 of Regulation S;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder if available and in accordance with any applicable state securities or "Blue Sky" laws; or

(iv) the Purchased Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state laws and regulations governing the offer and sale of securities,

and, in the case of paragraphs (iii) and (iv), the Subscriber has prior to such sale furnished to the Issuer an opinion of counsel of recognized standing or other evidence in form and substance satisfactory to the Issuer;

(c) upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. State laws and regulations, the certificates representing any of the Purchased Securities (and any underlying Shares) will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

and provided that if any of the Purchased Securities are being sold by the Subscriber in an off-shore transaction and in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing a declaration to the Issuer and its transfer agent in the form attached as Schedule I to Form 2 hereof or such other evidence as the Issuer or its transfer agent may from time to time prescribe (which may include an opinion of counsel satisfactory to the Issuer and its transfer agent), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S;

and provided further, that if any of the Purchased Securities are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be

removed by delivery to the Issuer's transfer agent of an opinion or other evidence satisfactory to the Issuer and its transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(d) any Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless registered under the U.S. Securities Act and any applicable state securities laws unless an exemption from such registration requirements is available and upon the original issuance of the Warrants, and until such time as it is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, all certificates representing the Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

> "THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(e) the Issuer may make a notation on its records or instruct the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein and the subscription;

(f) the Subscriber understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Rule 902 of Regulation S, (ii) may not, at the time the Purchased Securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer;

(g) the Subscriber understands and agrees that the financial statements of the Issuer have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(h) the Subscriber understands that (i) the Issuer may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash or cash equivalents (a "**Shell Corporation**"), (ii) if the Issuer is deemed to be, or to have been at any time previously, a Shell Corporation, Rule 144 under the U.S. Securities Act may not be available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants), and (iii) the Issuer is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants);

(i) the Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Issuer is organized under the laws of Ontario, Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Issuer and such persons may be located outside the United States;

(j) the Subscriber understands that the Purchased Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the Securities and Exchange Commission (the "**SEC**") provide in substance that the Subscriber may dispose of the Purchased Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Purchased Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Purchased Securities indefinitely or to transfer the Purchased Securities in the United States or to U.S. Persons in "private placements" which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Purchased Securities for an indefinite period of time.

(k) the Subscriber understands and agrees that there may be material tax consequences to the Subscriber of an acquisition, disposition or exercise of any of the Purchased Securities, and the Issuer gives no opinion

and makes no representation with respect to the tax consequences to the Subscriber under United States, state, local or foreign tax law of the Subscriber's acquisition or disposition of such Purchased Securities, and in particular, no determination has been made whether the Issuer will be a "passive foreign investment company" ("**PFIC**") within the meaning of Section 1291 of the United States Internal Revenue Code (the "**Code**"), provided, however, the Issuer agrees that it shall provide to the Subscriber, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Issuer as a "qualified electing fund" for the purposes of the Code, should the Issuer or the Subscriber determine that the Issuer is a PFIC in any calendar year following the Subscriber's purchase of the Purchased Securities; and

(I) the funds representing the subscription price which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to the subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and that no portion of the subscription price to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Subscriber, and it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the subscription to which this Certificate is attached.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the 17 day of August, 2023.

If a corporation, partnership or other entity:

Mindset Value Wellness Fund

Print Name of Subscriber

DocuSigned by:
Aaron Edelheit

Signature of Authorized Signatory

Aaron Edelheit, CEO

Name and Position of Authorized Signatory

California, USA

Jurisdiction of Residence of Subscriber

If an individual:

Print Name of Subscriber

Signature

Jurisdiction of Residence of Subscriber

SCHEDULE I TO FORM 2
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: **GROWN ROGUE INTERNATIONAL INC.**

AND TO: The [registrar and transfer agent/warrant agent] for the securities of Grown Rogue International Inc.

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the **"U.S. Securities Act"**) and (B) certifies that (1) the undersigned is not an "affiliate" of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a "distributor" or an affiliate of "distributor", (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing-off" the resale restrictions imposed because the securities are "restricted securities" as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at _____ this _____ day of _____, 20__

By: x_____
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (B)2(b) above)

We have read the foregoing representations of our customer, _____ (the "**Seller**") dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of _____ or other designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

_____
Name of Firm
By: x _____
Authorized officer

Date:_____

FORM 3

CERTIFICATE OF NON-CANADIAN SUBSCRIBERS
(OTHER THAN U.S. SUBSCRIBERS)

TO: GROWN ROGUE INTERNATIONAL INC. (the "Issuer")

The undersigned Subscriber, on its own behalf and (if applicable) on behalf of others for whom it is contracting hereunder, represents, warrants and covenants to the Issuer (and acknowledges that the Issuer is relying thereon) that:

(i) the undersigned is, and (if applicable) any beneficial purchaser for whom the undersigned is contracting hereunder is, a resident of, or otherwise subject to, the securities legislation of a jurisdiction other than Canada or the United States;

(ii) (A) the undersigned is a purchaser that is recognized by the securities regulatory authority in the jurisdiction in which it is, and (if applicable) any other purchaser for whom it is contracting hereunder is, resident or otherwise subject to the securities laws of such jurisdiction, as an exempt purchaser and is purchasing the Purchased Securities as principal for its, or (if applicable) each such other purchaser's, own account, and not for the benefit of any other person; or (B) a purchaser which is purchasing Purchased Securities pursuant to an exemption from any prospectus or securities registration requirements available to the Issuer, the Subscriber and any such other purchaser under applicable securities laws of their jurisdiction of residence or to which the Subscriber and any such other purchaser are otherwise subject to;

(iii) the purchase of the Purchased Securities by the Subscriber, and (if applicable) each such other purchaser, does not contravene any of the applicable securities laws in such jurisdiction and does not trigger: (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise; or (ii) any registration or other obligation on the part of the Issuer;

(iv) the Subscriber, and (if applicable) any other purchaser for whom it is contracting hereunder, will not sell or otherwise dispose of any Purchased Securities, except in accordance with applicable securities laws in Canada and the United States, and if the Subscriber, or (if applicable) such beneficial purchaser sells or otherwise disposes of any Purchased Securities to a person other than a resident of Canada or the United States, as the case may be, the Subscriber, and (if applicable) such beneficial purchaser, will obtain from such purchaser representations, warranties and covenants in the same form as provided in this Form 3 and shall comply with such other requirements as the Issuer may reasonably require; and

(v) the Subscriber hereby confirms that the Issuer is exempt from registration in the foreign jurisdiction and materially complies with all applicable securities regulatory requirements of the foreign jurisdiction in connection with the distribution.

Upon execution of this Certificate by the Subscriber, this Certificate shall be incorporated into and form a part of the subscription agreement (the **"Subscription Agreement"**) to which this Certificate is attached. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Subscription Agreement.

DATED _____, 2023.

_____
Name of Subscriber

By: _____
Signature

_____
Title

Exhibit 4.34

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY (OR THE COMMON SHARES ISSUABLE ON CONVERSION THEREOF) BEFORE DECEMBER 18, 2023.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

UNSECURED CONVERTIBLE DEBENTURE CERTIFICATE
Grown Rogue International Inc.

(Existing under the laws of the Province of Ontario)

DEBENTURE CERTIFICATE NO. **2023-08-17-02** **PRINCIPAL AMOUNT US$ 240,000**

GROWN ROGUE INTERNATIONAL INC. (the "**Company**"), for value received, hereby acknowledges itself indebted and promises to pay to Mindset Value Fund of 30 West Mission Street #8, Santa Barbara, CA, 93101, USA (hereinafter referred to as the "**holder**" or the "**Debentureholder**") in United States currency at any time following August 17, 2023 (the "**Issue Date**") but on or prior to August 17, 2027 (the "**Maturity Date**"), at such place as the Debentureholder may reasonably designate by notice in writing to the Company, the outstanding Principal Amount in the manner hereinafter provided, and to pay interest on the Principal Amount outstanding from time to time and owing hereunder to the date of payment as hereinafter provided, both before and after maturity or demand, default and judgement.

The Debentureholder has the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, to convert all or any portion of the outstanding Principal Amount and any accrued and unpaid interest, into common shares of the Company (each, a "**Common Share**"), at a price of C$0.24 per Common Share subject to adjustment as herein provided. The Principal Amount of the Debenture and accrued but unpaid interest thereon, may be prepaid prior to Maturity Date upon providing 30 days' notice to the Debentureholder. In the event that only part of the Principal Amount of the Debenture is converted into Shares, any accrued and unpaid interest will remain payable.

Conversion of all or any part of the Debenture may only be completed at the offices of the Company or such other office as the Company may advise the holder in writing. This Debenture is issued subject to the terms and conditions appended hereto as Schedule "A".

Unless otherwise indicated, a reference to currency means Canadian currency.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Company has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 17 day of August, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: 

Authorized Signatory

(*See terms and conditions attached hereto as Schedule "A"*)

SCHEDULE "A"

TERMS AND CONDITIONS FOR DEBENTURE

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings set out below.

(a) "**Applicable Securities Laws**" means the securities laws, regulations, policies, notices, rulings and orders in the Province of Ontario;

(b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

(c) "**Company**" means Grown Rogue International Inc. and its successors and assigns;

(d) "**Common Shares**" means fully-paid and non-assessable common shares in the capital of the Company as constituted on the date hereof which the Debentureholder is entitled to receive upon the conversion of the Debenture pursuant to Article 4;

(e) "**Conversion Date**" or "**Date of Conversion**" means the date on which a written notice of conversion is received by the Company pursuant to §4.2(a);

(f) "**Conversion Price**" means, subject to §4.3, C$0.24 per Common Share;

(g) "**Conversion Rights**" means the rights of the Debentureholder to convert the Debenture into Common Shares pursuant to Article 4;

(h) "**Debenture**" means this secured convertible debenture as supplemented, amended or otherwise modified, renewed or replaced from time to time;

(i) "**Eastern Time**" means the local time in Toronto, Ontario, Canada;

(j) "**Events of Default**" shall have the meaning set forth in § 5.1;

(k) "**Exchange**" means the Canadian Securities Exchange, or such other stock exchange on which the Common Shares principally trade;

(l) "**Interest**" means any accrued but unpaid interest with respect to the Principal Amount;

(m) "**Issue Date**" means August 17, 2023;

(n) "**Law**" includes any law (including common law and equity), statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

(o) "**Maturity Date**" means August 17, 2027;

(p) "**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal or arbitrator, whether foreign or domestic;

(q) "**Other Debentures**" means each of the other convertible debentures issued by the Company as part of the Offering (as defined in the Subscription Agreement);

(r) "**Person**" means an individual, partnership, corporation, trust, unincorporated association, joint venture or government or any agent, instrument or political subdivision thereof;

(s) "**Principal Amount**" means the principal amount outstanding under this Debenture from time to time; and

(t) "**Subscription Agreement**" means the subscription agreement of even date between the Company and the Debentureholder providing for the issuance of this Debenture;

(u) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of any outstanding convertible securities including, without limitation, this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(v) "**USA**", "**United States**", or "**U.S.**" means the United States of America, its territories and possessions and any state of the United States, and the District of Columbia.

1.2 Interpretation

For the purposes of this Debenture, except as otherwise expressly provided herein:

(a) the words "**herein**", "**hereof**", and "**hereunder**" and other words of similar import refer to this Agreement as a whole and not to any particular Article, clause, subclause or other subdivision or Schedule;

(b) a reference to an Article means an Article of this Debenture and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Debenture so designated;

(c) the headings are for convenience only, do not form a part of this Debenture and are not intended to interpret, define or limit the scope, extent or intent of this Debenture or any of its provisions;

(d) the word "including", when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as "without limitation" or "but not limited to" or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;

(e) unless otherwise indicated, a reference to currency means Canadian currency; and

(f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
DEBENTURE

2.1 Principal Amount

The Company agrees to repay to the Debentureholder in United States currency the Principal Amount of the Debenture, together with interest thereon, by 5:00 p.m. (Eastern Time) on the Maturity Date, subject to the early redemption or conversion of the Debenture, as applicable, pursuant to the terms set forth in §2.4 and Article 4 respectively.

2.2 Interest on Debenture

The Debenture will bear interest at 9% per annum on the Principal Amount from the date of issue (the "**Issue Date**"). Interest is to be calculated from the date noted above and payable quarterly in cash in United States currency in arrears on the last Business Day of March, June, September and December of each year. The first Interest payment will be made on September 30, 2023 and will consist of Interest accrued from and including the Issue Date to but excluding September 30, 2023.

2.3 Payment of Principal Amount and Interest on Debenture

Any Principal Amount together with any Interest thereon as of the Maturity Date will be paid in full in United States currency by the Company as at such date.

2.4 Early Redemption of Debenture

The Principal Amount together with any Interest thereon may be prepaid in United States currency by the Company prior to Maturity Date upon providing 30 days' notice to the Debentureholder.

2.5 Use of Proceeds

The proceeds of the Debenture shall be used for the ongoing development of the Company's business model and for general working capital purposes.

2.6 Outstanding Balance

Notwithstanding the stated Principal Amount of this Debenture, the actual outstanding balance of the Debenture from time to time shall be the aggregate outstanding Principal Amount of the Debenture, together with any accrued and unpaid Interest thereon payable by the Company to the Debentureholder pursuant to this Debenture.

2.7 Debenture to Rank *Pari Passu*

This Debenture shall rank *pari-passu* with the Other Debentures as if this Debenture and the Other Debentures had been issued and negotiated simultaneously.

ARTICLE 3
COVENANTS

3.1 Covenants of the Company

The Company covenants and agrees with the Debentureholder that, unless otherwise consented to in writing by the Debentureholder:

(a) **Reservation of Common Shares.** The Company shall at all times have reserved for issuance out of its authorized capital a sufficient number of Common Shares to satisfy its obligations to issue and deliver Common Shares upon the due conversion of the Debenture;

(b) **Approvals and Filings.** The Company shall, in connection with the execution and delivery of this Debenture and the possible conversion of the Debenture into Common Shares, obtain any and all statutory and regulatory approvals required to effect and complete the same and shall file all notices, reports and other documents required to be filed by or on behalf of the Company pursuant to Applicable Securities Laws in respect thereof, including the rules and regulations of the Exchange;

(c) **Resale Restrictions.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof from time to time will be subject to resale restrictions imposed under Applicable Securities Laws and applicable federal and "blue sky" securities laws of the United States and the rules of regulatory bodies having jurisdiction including, without limiting the generality of the foregoing, that the Common Shares so issued shall not be traded for a period of four months from the date of the execution of this Debenture except as permitted by Applicable Securities Laws and, if applicable, with the consent of the Exchange;

(d) **Restrictions in U.S.** This Debenture and the securities deliverable upon conversion hereof 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. This Debenture may not be converted in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Common Shares are registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available, and (iii) the holder has complied with the requirements set forth in the Conversion Form attached hereto as Schedule "B"**.** For the purposes of this §3.1(d), "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

(e) **Certificate Legend.** A legend will be placed on the certificates representing the Common Shares issued on conversion of the Debenture denoting the restrictions on transfer imposed by Applicable Securities Laws and the policies of the Exchange, if applicable:

(f) **Canadian Securities Laws.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof shall be made pursuant to an exemption from the prospectus requirements available to the Debentureholder or the Company in respect of the transactions contemplated herein under Applicable Securities Laws.

ARTICLE 4
CONVERSION OF DEBENTURE

4.1 Conversion Privilege and Conversion Price

The Debentureholder shall have the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, subject to early redemption, to convert to Common Shares, all or any part of the outstanding Principal Amount together with any accrued and unpaid Interest on the Conversion Date, at the Conversion Price.

4.2 Manner of Exercise of Right to Convert

(a) The Debentureholder may, at any time following the Issue Date and at any time while any portion of the Principal Amount is outstanding under this Debenture, convert the Principal Amount together with any accrued and unpaid Interest on the Conversion Date, in whole or in part, into Common Shares at the Conversion Price, by delivering to the Company the conversion form attached hereto as Schedule "B" executed by the Debentureholder or the Debentureholder's attorney duly appointed by an instrument in writing, exercising the Debentureholder's right to convert the Debenture in accordance with the provisions of this Article 4. Thereupon, the Debentureholder, subject to payment of all applicable stamp or security transfer taxes or other governmental charges, shall be entitled to be entered in the books of the Company as at the Conversion Date (or such later date as is specified in §4.2(b)) as the holder of the number of Common Shares into which the Debenture is convertible in accordance with the conversion form then received by the Company and the provisions of this Article 4 and, as soon as practicable thereafter, the Company shall deliver

to the Debentureholder and/or, subject as aforesaid, the Debentureholder's nominee(s) or assignee(s), a certificate or certificates for such Common Shares affixed with all required legends.

(b) For the purposes of this Article 4, the Debenture shall be deemed to be converted on the Conversion Date on which the conversion form under §4.2(a) is actually received by the Company, provided that if such conversion form or notice is received on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened;

(c) Any part of the Principal Amount together with any accrued and unpaid Interest may be converted as provided in §4.2(a); and

(d) The Debentureholder shall be entitled in respect of Common Shares issued upon conversion of the Debenture to dividends declared in favour of shareholders of record of the Company on and after the Conversion Date or such later date as the Debentureholder shall become the holder of record of such Common Shares pursuant to §4.2(b), from which applicable date any Common Shares so issued to the Debentureholder shall for all purposes be and be deemed to be outstanding as fully paid and non-assessable.

4.3 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

(a) If and whenever at any time while any portion of the Principal Amount is outstanding under this Debenture (referred to in this §4.3 as the "**Time of Expiry**"), the Company shall:

(i) subdivide, redivide or change its Common Shares into a greater number of shares,

(ii) consolidate, reduce or combine its Common Shares into a lesser number of shares, or

(iii) issue Common Shares to all or substantially all of the holders of its Common Shares by way of a stock dividend or other distribution on such Common Shares payable in Common Shares (other than dividends paid in the ordinary course);

(any such event being hereinafter referred to as a "**Capital Reorganization**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in effect on the effective date of such event referred to in §4.3(a)(i) or §4.3(a)(ii) or on the record date of such stock dividend referred to in §4.3(a)(iii), as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding before giving effect to such Capital Reorganization and the denominator of which shall be the number of Common Shares outstanding after giving effect to such Capital Reorganization. Such adjustment shall be made successively whenever any Capital Reorganization shall occur and any such issue of Common Shares by way of a stock dividend or other such distribution shall be deemed to have been made on the record date thereof for the purpose of calculating the number of outstanding Common Shares under §4.3(a)(i) and §4.3(a)(ii);

(b) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share (or having a conversion or exchange price per share) of less than the Current Market Price (as defined below) per Common Share on such record date (any such event being hereinafter referred to as a "**Rights Offering**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number equal to the number determined by dividing the aggregate purchase price of the additional Common Shares offered for subscription or purchase by such Current Market Price per Common Share, and of which the denominator shall be the total number of Common

Shares outstanding on such record date plus the number of the additional Common Shares offered for subscription or purchase. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment, if having received prior Exchange approval, shall be made successively whenever such a record date is fixed. To the extent that such Rights Offering is not made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(c) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the distribution to all or substantially all the holders of its Common Shares of:

(i) shares of any class whether of the Company or any other corporation (excluding dividends paid in the ordinary course);

(i) rights, options or warrants;

(ii) evidences of indebtedness; or

(iii) other assets or property (excluding dividends paid in the ordinary course);

and if such distribution does not constitute a Capital Reorganization or a Rights Offering or does not consist of rights, options or warrants entitling the holders, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share or having a conversion or exchange price per share of at least the Current Market Price per Common Share on such record date (any such non-excluded event being hereinafter referred to as a "**Special Distribution**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share determined on such record date, less the excess of the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of such Special Distribution over the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of the consideration therefor, if any, received by the Company and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purposes of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. The extent that such Special Distribution is not so made or to the extent any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(d) For the purpose of any computation under §4.3(b) or §4.3(c), the **"Current Market Price"** of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then and in each such case the

then-existing Conversion Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time prior to the Time of Expiry, there is a reclassification or change of Common Shares into other shares or there is a consolidation, merger, reorganization or amalgamation of the Company with or into another corporation or entity that results in any reclassification of Common Shares or a change of Common Shares into other shares or there is a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being hereinafter referred to as a "**Reclassification of Common Shares**"), the Debentureholder shall be entitled to receive and shall accept, upon the exercise of the Debentureholder's right of conversion at any time after the effective date thereof, in lieu of the number of Common Shares of the Company to which the Debentureholder was theretofore entitled on conversion, the kind and amount of shares or other securities or money or other property that the Debentureholder would have been entitled to receive as a result of such Reclassification of Common Shares, if, on the effective date thereof, the Debentureholder had been the registered holder of the number of such Common Shares to which the Debentureholder was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this §4.3.

(g) In any case in which this §4.3 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing or transferring to the Debentureholder who converts on a Conversion Date after such record date or agreement date and before the occurrence of such event the additional Common Shares issuable upon conversion by reason of the adjustment of the Conversion Price required by such event before giving effect to such adjustment; provided, however, that the Company shall deliver to the Debentureholder an appropriate instrument evidencing the Debentureholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares on and after the Date of Conversion or such later date as the Debentureholder would, but for the provisions of this §4.3(g), have become the holder of record of such additional Common Shares pursuant to §4.3(c);

(h) The adjustments provided for in this §4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this §4.3, provided that, notwithstanding any other provision of this §4.3, no adjustment shall be made which would result in any increase in the Conversion Price (except upon a consolidation, reduction or combination of outstanding Common Shares) and no adjustment of the Conversion Price shall be required unless such adjustment would require a decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment;

(i) In the event of any dispute arising with respect to the adjustments provided in this §4.3, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company (who may be auditors of the Company) and acceptable to the Debentureholder, acting reasonably. Such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the Debentureholder; and

(j) Notwithstanding any other provision herein contained, no adjustment to the Conversion Price shall be made in respect of any event described in this §4.3 (other than the events referred to in paragraphs (i) and (ii) of subsection (a)), if the Debentureholder is entitled, without converting the Debenture, to participate in such event on the same terms mutatis mutandis as if the Debentureholder had converted the Debenture into Common Shares prior to or on the effective date or record date of such event.

4.4 No Requirement to Issue Fractional Shares

The Company shall not be required to issue fractional Common Shares upon the conversion of the Debenture pursuant to this Article 4.

4.5 Certificate as to Adjustment

The Company shall from time to time forthwith after the occurrence of any event which requires adjustment or readjustment as provided in §4.3, deliver to the Debentureholder at the Debentureholder's address set forth on the final page hereof, an officer's certificate specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation are based.

4.6 Redemption of Debenture

Notwithstanding anything to the contrary contained herein, this Debenture will be redeemable at the option of the Company prior to 5:00 p.m. (Eastern Time) on the Maturity Date, pursuant to the terms set forth in §2.4.

ARTICLE 5
EVENTS OF DEFAULT

5.1 General

The occurrence of any one or more of the following events ("**Events of Default**") will constitute a default hereunder (whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court of any order, rule or regulation of any administrative or governmental body):

(a) **Non-Compliance:** (A) the Company fails to observe or perform one or more material covenants, agreements, conditions or obligations in favour of the Debentureholder, including a failure to pay any or all of the Principal Amount, interest and other monies due under the Debenture when due, or (B) the Company defaults pursuant to, or fails to observe or perform one or more material covenants, agreements, conditions or obligations under the Other Debentures or any other ancillary document or instrument entered into in connection with the transaction in which this Debenture was issued; and in each case, if such failure continues unremedied for a period of 30 days after the Debentureholder gives notice thereof to the Company;

(b) **Cross Default:** an event of default occurs under any, note, credit agreement or similar agreement or arrangement (including any ancillary document or instrument entered into in connection therewith) pursuant to which the Company has borrowed at least $1,000,000 in aggregate principal amount;

(c) **Bankruptcy or Insolvency:** the Company becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against the Company, or the Company commits or threatens to commit an act of bankruptcy;

(d) **Receivership:** a receiver or receiver manager of the Company is appointed under any statute or pursuant to any document issued by the Company;

(e) **Compromise or Arrangement:** any proceeding with respect to the Company is commenced under the compromise or arrangement provisions of the corporations statute pursuant to which the Company is governed, or the Company enters into an arrangement or compromise with any or all of its creditors pursuant to such provisions or otherwise;

(f) **Companies' Creditors Arrangement Act:** any proceeding with respect to the Company is commenced in any jurisdiction under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation; and

(g) **Liquidation:** an order is made, a resolution is passed, or a petition is filed, for the liquidation, dissolution or winding-up of the Company.

ARTICLE 6
RIGHTS, REMEDIES AND POWERS

6.1 Upon Default

Upon the occurrence of an Event of Default and at any time thereafter, so long as such Event of Default is continuing, the Debentureholder may exercise any or all of the rights, remedies and powers of the Debentureholder under any applicable legislation or otherwise existing, whether under this Debenture or any other agreement or at law or in equity, and in addition will have the right and power (but will not be obligated) to declare any or all of the Debenture to be immediately due and payable. Notwithstanding the above, if an Event of Default set out in Sections 5.1(b) to (f) occurs then the full amount owing under this Debenture shall become immediately due and payable.

6.2 Waiver

The Debentureholder in its absolute discretion may at any time and from time to time by written notice waive any breach by the Company of any of its covenants or agreements herein. No failure or delay on the part of the Debentureholder to exercise any right, remedy or power given herein or by any other existing or future agreement or now or hereafter existing by statute, at law or in equity will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy or power preclude any other exercise thereof or the exercise of any other such right, remedy or power, nor will any waiver by the Debentureholder be deemed to be a waiver of any subsequent, similar or other event.

ARTICLE 7
OTHER AGREEMENTS

7.1 Withholding Taxes

If the Company is obliged to withhold any payment hereunder on account of present or future taxes, duties, assessments or other governmental charges required by Law, the Company shall make such withholding or deduction and pay the balance owing to the Debentureholder.

7.2 Amendment and Waiver

Neither this Debenture nor any provision hereof may be amended, waived, discharged or terminated except by a document in writing executed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

7.3 Notices and Other Instruments

Any notice, demand or other communication required or permitted to be given to any party hereunder shall be in writing and shall be:

(a) personally delivered to such party; or

(b) except during a period of strike, lock-out or other postal disruption, sent by double registered mail, postage prepaid to the address of such party set forth on page one; or

(c) sent by email to the address of such party set forth on page one, or as otherwise designated by such party in a written notice to the other party;

and shall be deemed to have been received by such party on the earliest of the date of delivery under subsection (a), the actual date of receipt when mailed under subsection (b) and the Business Day following the date of communication under subsection (c). Any party may give written notice to the other parties of a change of address to some other address, in which event any communication shall thereafter be given to such

party as hereinbefore provided, at the last such changed address of which the party communication has received written notice.

7.4 Maximum Rate

Notwithstanding any other provisions of this Debenture or any other agreement, the maximum amount (including interest and any other consideration) payable to the Debentureholder in connection with the indebtedness evidenced by the Debenture, including the Principal Amount thereof and any Interest thereon, and all other obligations and liability of the Company to the Debentureholder pursuant to this Debenture and each part thereof shall not exceed the maximum allowable return permitted under the laws of Ontario and the laws of Canada applicable therein, and the provisions of this Debenture and all other existing and future agreements are hereby modified to the extent necessary to effect the foregoing.

7.5 Successors and Assigns

This Debenture shall be binding upon the Company and its successors.

7.6 Headings, etc.

The division of this Debenture into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

7.7 Severability

The provisions of this Debenture are intended to be severable. If any provision of this Debenture shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

7.8 Modification

From time to time the Company may modify the terms and conditions hereof for any purpose not inconsistent the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

7.9 Governing Law

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.10 Business Combination

(a) Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Company with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any corporation lawfully entitled to acquire and operate same (such event to be referred to in this §7.10 as a "**Business Combination**"), provided, however, that the corporation formed by such Business Combination, simultaneously with such amalgamation, merger, conveyance or transfer, assumes the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company in this Debenture.

(b) In case the Company, pursuant to §7.10(a), shall complete a Business Combination with or into any other corporation or corporations, the successor corporation formed by such Business Combination shall succeed to and be substituted for the Company hereunder and such changes in phraseology and form (but not in substance) may be made herein as may be appropriate in view of such amalgamation, merger or transfer.

SCHEDULE "B"

NOTICE OF CONVERSION FORM

To: Grown Rogue International Inc.

The undersigned registered holder of the enclosed certificate representing (US)$_____ in principal amount of the Convertible Debenture (the "**Debenture**"), issued by Grown Rogue International Inc. (the "**Corporation**"), does hereby exercise the right to convert (US)$_____ in the principal amount and interest, if applicable, owing under the Debenture into fully paid and non-assessable common shares ("**Common Shares**") of the Borrower pursuant to the terms of the Debenture, and does hereby irrevocably tender the Debenture to the Borrower for such purpose.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of conversion of the Debenture (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Debenture on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Conversion Form in the United States.

☐ B. The undersigned holder at the time of conversion of the Debenture (i) is the original holder who acquired the Debenture in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Debenture; (ii) is converting the Debenture for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of conversion of this Debenture and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of conversion of this Debenture.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the conversion of the Debenture should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

DATED the _____ day of _____, 20____.

)

_____)

Signature of Witness)

_____

Signature of registered holder or authorized signatory thereof

)

If applicable, print name and office of signatory

)

)

Print Name of registered holder as on certificate

)

Street Address

)

)

City, Province/State and Postal Code/ZIP Code

Instructions:

1. The registered Debentureholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the original Debenture Certificate representing the Debenture being exercised to the Corporation.

2. If the Conversion Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

Exhibit 4.35

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE DECEMBER 18, 2023.

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE 5:00 P.M. (TORONTO TIME) ON AUGUST 17, 2026.

WARRANT CERTIFICATE

GROWN ROGUE INTERNATIONAL INC.
(Existing under the *Business Corporations Act* (Ontario))

WARRANT CERTIFICATE NO. 2023- 08-17-02

675,900 WARRANTS entitling the holder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby, and

THIS IS TO CERTIFY THAT Mindset Value Fund (hereinafter referred to as the "**Warrantholder**") is entitled to acquire for each Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. (Toronto time) on August 17, 2026 (the "**Expiry Time**"), one fully paid and non-assessable Common Share at a price of C$0.28 per Common Share (as may be adjusted pursuant to the terms herein, the "**Exercise Price**"), provided that the Corporation has the right to accelerate the Expiry Time to be ninety (90) days following written notice to

the Warrantholder if during the term the Common Shares close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange.

This Warrant may be exercised only at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1. This Warrant is issued subject to the following terms and conditions:

TERMS AND CONDITIONS FOR WARRANT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) **"Common Shares"** means the common shares without par value in the capital of the Corporation as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Article 4 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, "**Common Shares**" shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.;

(b) **"Corporation"** means Grown Rogue International Inc. unless and until a successor corporation shall have become such in the manner prescribed in Article 6, and thereafter "**Corporation**" shall mean such successor corporation;

(c) **"Corporation's Auditors"** means an independent firm of accountants duly appointed as auditors of the Corporation;

(d) **"Exchange"** means the Canadian Securities Exchange or such other stock exchange on which the Corporation's Common Shares are listed and posted for trading;

(e) **"herein"**, **"hereby"** and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression "article" and "section" followed by a number refer to the specified article or section of these Terms and Conditions;

(f) **"person"** means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(g) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of any outstanding convertible securities including, without limitation, this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the

Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(h) **"Warrant"** means the warrants to acquire Common Shares evidenced by the Warrant Certificate; and

(i) **"Warrant Certificate"** means the certificate to which these Terms and Conditions are annexed.

1.2 Interpretation Not Affected by Headings

(a) The division of these Terms and Conditions into articles and sections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

(b) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

The terms hereof and of the Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE 2
ISSUE OF WARRANT

2.1 Issue of Warrants

That number of Warrants set out on the Warrant Certificate are hereby created and authorized to be issued.

2.2 Additional Securities

Subject to any other written agreement between the Corporation and Warrantholder, the Corporation may at any time and from time to time undertake further equity or debt financings and may issue additional Common Shares, warrants or grant options or similar rights to purchase Common Shares to any person.

2.3 Issue in Substitution for Lost Warrants

If the Warrant Certificate becomes mutilated, lost, destroyed or stolen:

(a) the Corporation shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate; and

(b) the Warrantholder shall bear the reasonable cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction or theft of the Warrant Certificate, shall furnish to the

Corporation such evidence of loss, destruction or theft as shall be satisfactory to the Corporation in its reasonable discretion and the Corporation may also require the Warrantholder to furnish indemnity in an amount and form satisfactory to the Corporation in its discretion, and shall pay the reasonable charges of the Corporation in connection therewith.

2.4 Warrantholder Not a Shareholder

The Warrant shall not constitute the Warrantholder a shareholder of the Corporation, nor entitle it to any right or interest in respect thereof except as may be expressly provided in the Warrant.

ARTICLE 3
EXERCISE OF THE WARRANT

3.1 Method of Exercise of the Warrant

The right to purchase Common Shares conferred by the Warrant Certificate may be exercised at or prior to the Expiry Time by:

(a) duly completing and executing a subscription substantially in the form annexed hereto as Appendix A (the "**Subscription Form**"), in the manner therein indicated; and

(b) surrendering this Warrant Certificate and the duly completed and executed Subscription Form to the Corporation prior to the Expiry Time at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1, together with payment of the purchase price for the Common Shares subscribed for in the form of cash, wire transfer or a certified cheque payable to the Corporation in an amount equal to the then applicable Exercise Price multiplied by the number of Common Shares subscribed for in lawful money of Canada.

3.2 Effect of Exercise of the Warrant

(a) Upon delivery and payment as set forth in section 3.1 herein, the Corporation shall cause to be issued to the Warrantholder the number of Common Shares subscribed for by the Warrantholder and the Warrantholder shall become a shareholder of the Corporation in respect of such Common Shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares. The Corporation shall cause such certificate or certificates to be mailed to the Warrantholder at the address or addresses specified in the Subscription Form within five (5) business days of such delivery and payment as set forth in section 3.1 herein or, if so instructed by the Warrantholder, held for pick-up by the Warrantholder at the principal office of the Corporation.

(b) Notwithstanding any adjustment provided for in Article 4 herein, the Corporation shall not be required to issue fractional Common Shares upon the exercise of the Warrants evidenced hereby. If any fractional interest would be deliverable upon the exercise of the Warrants evidenced hereby, the Company shall, in lieu of delivering any certificate for such fractional interest, round such fractional interest up to the nearest whole Common Share if the fractional interest is above 0.5, and round such fractional interest down to the nearest whole Common Share if the fractional interest is below 0.5. The holding of a Warrant shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as herein expressly provided.

3.3 Subscription for Less than Entitlement

The Warrantholder may subscribe for and purchase a number of Common Shares less than the number which it is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Common Shares less than the number which can be purchased pursuant to the Warrant Certificate, the Warrantholder shall be entitled to the return of the Warrant Certificate with a notation on the Grid annexed hereto as **Appendix B** showing the balance of the Common Shares which the Warrantholder is entitled to purchase pursuant to the Warrant Certificate which were not then purchased.

3.4 Expiration of the Warrant

After the Expiry Time, all rights hereunder shall wholly cease and terminate and the Warrant shall be void and of no effect.

3.5 Hold Periods and Legending of Share Certificate

If any of the Warrants are exercised prior to December 18, 2023, the certificates representing the Common Shares to be issued pursuant to such exercise shall bear the following legends:

"**Unless permitted under securities legislation, the holder of this security must not trade the security before December 18, 2023."**

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") nor under the laws of any state of the United States. Subject to certain limited exceptions, (i) Warrants may not be exercised within the United States and (ii) no Common Shares issuable upon exercise of Warrants will be delivered to any address in the United States. The Warrantholder acknowledges that a legend to that effect may be placed on any certificates representing the Common Shares issued on exercise of the rights represented by this Warrant Certificate. Terms used in this paragraph have the meanings given to them in Regulation S under the 1933 Act.

ARTICLE 4
ADJUSTMENTS

4.1 Adjustments

(a) For the purpose of this Article 4, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 4.1(a):

"Current Market Price" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation;

"director" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and

"trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(b) If and whenever at any time after the date hereof and prior to the Expiry Time the Corporation shall (i) subdivide or redivide its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares or (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of a stock dividend or other distribution (any of such events herein called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted effective immediately after the effective date of any such event in (i) or (ii) above or the record date at which the holders of Common Shares are determined for the purpose of any such dividend or distribution in (iii) above, as the case may be, by multiplying the Exercise Price in effect on such effective date or record date, as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would be outstanding if such securities were exchanged for or converted into Common Shares.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.1(b) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time after the date hereof and prior to the Expiry Time the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares, of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of less than the Current Market Price of the Common Shares on such record date (any of such events being herein called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

(A) the number of Common Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing

(I) either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(II) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this section 4.1(c), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this section 4.1(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time after the date hereof and prior to the Expiry Time, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the Common Shares of:

(i) shares of the Corporation of any class other than Common Shares;

(ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of at least the Current Market Price of the Common Shares on such record date);

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation (including cash, but excluding cash dividends paid in the ordinary course);

and if such issue or distribution does not constitute an Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

(I) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and

(II) the fair value, as determined by the directors of the Corporation, to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(d) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this section 4.1(d), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Common Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Exercise Price in effect immediately prior to the time of such issue or sale, then and in each such case the then existing Exercise Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time after the date hereof and prior to the Expiry Time there is a capital reorganization of the Corporation or a reclassification or other change in the Common Shares (other than an Common Share Reorganization) or a consolidation or merger or amalgamation of the Corporation with or into any other corporation or other entity (other than a consolidation, merger or amalgamation which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of all or substantially all of the Corporation's undertaking and assets to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital

Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of Common Shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder has been the registered holder of the number of Common Shares to which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Warrantholder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant Certificate.

(g) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in sections 4.1(b), (c), (d), (e) or (f) herein shall occur and the occurrence of such event results in an adjustment of the Exercise Price pursuant to the provisions of this section 4.1, then the number of Common Shares purchasable pursuant to this Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Common Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(h) If the Corporation takes any action affecting its Common Shares to which the foregoing provisions of this section 4.1, in the opinion of the board of directors of the Corporation, acting in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Warrantholder against dilution in accordance with the intent and purposes hereof, or would otherwise materially affect the rights of the Warrantholder hereunder, then the Corporation shall, subject to the approval of the Exchange, execute and deliver to the Warrantholder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such manner as the board of directors of the Corporation may determine to be equitable in the circumstances, acting in good faith. The failure of the taking of action by the board of directors of the Corporation to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

4.2 Rules and Procedures

The following rules and procedures shall be applicable to the adjustments made pursuant to section 4.1 herein:

(a) any Common Shares owned or held by or for the account of the Corporation shall be deemed not be to outstanding except that, for the purposes of section 4.1 herein, any Common Shares owned by a pension plan or profit sharing plan for employees of the Corporation or any of its subsidiaries shall not be considered to be owned or held by or for the account of the Corporation;

(b) no adjustment in the Exercise Price or the number of Common Shares purchasable pursuant to this Warrant shall be required unless a change of at least 1% of the prevailing Exercise Price or the number of Common Shares purchasable pursuant to this Warrant would result, provided, however, that any adjustment which, except for the provisions of this section 4.2(b), would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;

(c) the adjustments provided for in section 4.1 herein are cumulative and shall apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such item;

(d) in the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in section 4.1(b)(iii) herein, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected;

(e) if the Corporation sets a record date to take any action and thereafter and before the taking of such action abandons its plan to take such action, then no adjustment to the Exercise Price will be required by reason of the setting of such record date;

(f) as a condition precedent to the taking of any action which would require any adjustment to the Warrants evidenced hereby, including the Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation shall have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all of the shares or other securities which the Warrantholder is entitled to receive on the full exercise thereof in accordance with the provisions hereof;

(g) forthwith, but no later than five (5) days, after any adjustment to the Exercise Price or the number of Common Shares purchasable pursuant to the Warrants, the Corporation shall provide to the Warrantholder a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, describing the event requiring and the manner of computing or determining such adjustment;

(h) any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustment pursuant to section 4.1 herein shall be conclusively determined by a firm of independent chartered accountants (who may be the Corporation's Auditors) and shall be binding upon the Corporation and the Warrantholder;

(i) no adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 4.1 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event;

(j) any adjustment to the Exercise Price under the terms of this Warrant Certificate shall be subject to the prior approval of the Exchange; and

(k) in case the Corporation, after the date of issue of this Warrant Certificate, takes any action affecting the Common Shares, other than an action described in section 4.1 herein, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval, including approval of the Exchange. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Common Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

(l) On the happening of each and every such event set out in section 4.1 herein, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall, *ipso facto*, be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

(m) The Corporation shall not be required to deliver certificates for Common Shares while the share transfer books of the Corporation are properly closed, having regard to the provisions of sections 4.1 and 4.2 herein, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Common Shares called for thereby during any such period, delivery of certificates for Common Shares may be postponed for not more than five (5) business days after the date of the re-opening of said share transfer books; provided, however, that any such postponement of delivery of certificates shall be without prejudice to the right of the Warrantholder so surrendering the same and making payment during such period to receive after the share transfer books shall have been re-opened such certificates for the Common Shares called for, as the same may be adjusted pursuant to sections 4.1 and 4.2 herein as a result of the completion of the event in respect of which the transfer books were closed.

(n) Notwithstanding any other provision of Section 4.1 or 4.2, no adjustment shall be made which would result in any increase in the Exercise Price (except upon a consolidation, reduction or combination of outstanding Common Shares).

ARTICLE 5
COVENANTS BY THE CORPORATION

5.1 Reservation of Common Shares

The Corporation covenants and agrees that until the Expiry Time, while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Article 4 herein. The Corporation further covenants and agrees that while any of the Warrants shall be outstanding, the Corporation shall (a) comply with the securities legislation applicable to it in order that the Corporation not be in default of any requirements of such legislation; (b) use its commercially reasonable best efforts to do or cause to be done all things necessary to preserve and maintain its corporate existence; and (c) at its own expense expeditiously use its commercially reasonable best efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Corporation's Common Shares may be listed from time to time. All Common Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Common Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Corporation or its creditors in respect thereof.

ARTICLE 6
MERGER AND SUCCESSORS

6.1 Corporation May Consolidate, etc. on Certain Terms

Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety to any corporation lawfully entitled to acquire and operate same, provided, however, that the corporation formed by such consolidation, amalgamation or

merger or which acquires by conveyance or transfer all or substantially all the properties and assets of the Corporation as an entirety shall, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.

6.2 Successor Corporation Substituted

In case the Corporation, pursuant to section 6.1, shall consolidate, amalgamate or merge with or into any other corporation or corporations or shall convey or transfer all or substantially all of its properties and assets as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation shall have been consolidated, amalgamated or merged or which shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Corporation hereunder and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate and herein as may be appropriate in view of such amalgamation, merger or transfer.

ARTICLE 7
AMENDMENTS

7.1 Amendment

This Warrant Certificate may be amended only by a written instrument signed by the parties hereto. Any such amendment shall be subject to receipt by the Corporation of all required approvals (if any) from the Exchange, any other stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities.

ARTICLE 8
MISCELLANEOUS

8.1 Time

Time is of the essence of this Warrant Certificate.

8.2 Notice

The Corporation will maintain a register of holders of Warrants at its principal office. The Corporation may deem and treat the registered holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Warrantholder of the Common Shares purchasable pursuant to such Warrant shall be a good discharge to the Corporation for the same and the Corporation shall not be bound to inquire into the title of any such Warrantholder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

The Corporation shall notify the Warrantholder forthwith of any change of the Corporation’s address.

All notices to be sent hereunder shall be deemed to be validly given to the registered holders of the Warrants if delivered personally or if sent by registered letter through the post addressed to such holders at their post office addresses appearing in the register of Warrant holders caused to be maintained by the Corporation,

and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by post on the fifth business day next following the post thereof.

8.3 Transfer of Warrants

Subject to applicable securities legislation and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the Exchange (or any other stock exchange on which the Common Shares are listed), the Warrants evidenced hereby (or any portion thereof) may be assigned or transferred by the Warrantholder by duly completing and executing the transfer form annexed hereto as **Appendix C**. The rights and obligations of the parties hereunder shall be binding upon and enure to the benefit of their successors and permitted assigns. After such transfer, the term "Warrantholder" shall mean and include any transferee or assignee of the current or any future Warrantholder. If only part of the Warrants evidenced hereby is transferred, the Corporation will deliver to the Warrantholder and the transferee replacement Warrant Certificates substantially in the form of this Warrant Certificate.

8.4 Enforcement

Subject as hereinafter provided, all or any of the rights conferred upon the Warrantholder by the terms hereof may be enforced by the Warrantholder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein shall be had against any shareholder or officer of the Corporation either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders or officers of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrants.

8.5 Priority

All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

8.6 Assignment

This Warrant Certificate shall enure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors and assigns.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by the signature of its duly authorized officer this 17 day of August, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
J. Obie Strickler
President and Chief Executive Officer

[Signature page to Warrant (2023)]

APPENDIX A

EXERCISE FORM

TO: GROWN ROGUE INTERNATIONAL INC.

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Warrant Certificate held by the undersigned and issued by Grown Rogue International Inc. (the "**Corporation**").

The undersigned hereby exercises the right to acquire _____ Common Shares of the Corporation in accordance with and subject to the provisions of such Warrant Certificate and herewith makes payment of the purchase price in full for the said number of Common Shares.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of exercise of the Warrants (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Warrants on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Exercise Form in the United States.

☐ B. The undersigned holder at the time of exercise of the Warrants (i) is the original holder who acquired the Warrants in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Warrants; (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of exercise of these Warrants and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the exercise of the Warrants should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

The Common Shares are to be issued as follows:

Name: _____

Address in full: _____

_____

Social Insurance Number: _____

Note: If further nominees are intended, please attach (and initial) a schedule giving these particulars.

DATED this _____ day of _____, 202____.

_____

(Signature of Warrantholder)

_____

Print full name

_____

Print full address

Instructions:

1. The registered Warrantholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised to the Corporation.

2. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

APPENDIX B

WARRANT EXERCISE GRID

Common Shares Issued	Common Shares Available	Initials of Authorized Officer

APPENDIX C

TRANSFER FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of assignee)

_____ Warrant(s) represented by the within certificate, and do(es) hereby irrevocably constitute and appoint

the attorney of the undersigned to transfer the said Warrants maintained by the transfer agent of the Corporation with full power of substitution hereunder.

DATED this _____ day of _____ 202____.

Signature of Warrantholder

Signature Guarantee

Name of Warrantholder (please print)

The signature of the Warrantholder to this assignment must correspond exactly with the name of the Warrantholder as set forth on the face of this Warrant certificate in every particular, without alteration or enlargement or any change whatsoever and the signature must be guaranteed by a Canadian chartered bank or by a Canadian trust company or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.

TRANSFEREE ACKNOWLEDGMENT

In connection with this transfer (check one):

☐ The undersigned Transferee hereby certifies that (i) it was not offered the Warrants while in the United States and did not execute this certificate while within the United States; (ii) it is not acquiring any of the Warrants represented by this Warrant Certificate by or on behalf of any person within the United States; and (iii) it has in all other respects complied with the terms of Regulation S of United States Securities Act of 1933, as amended (the "**1933 Act**"), or any successor rule or regulation of the United States Securities and Exchange Commission as presently in effect.

☐ The undersigned Transferee is delivering a written opinion of U.S. Counsel or other evidence acceptable to the Company to the effect that this transfer of Warrants has been registered under the 1933 Act or is exempt from registration thereunder.

_____

(Signature of Transferee)

_____ _____

Date Name of Transferee (please print)

The Warrants and the common shares issuable upon exercise of the Warrants shall only be transferable in accordance with applicable laws. The Warrants may only be exercised in the manner required by the certificate representing the Warrants and the Warrant Exercise Form attached thereto. Any common shares acquired pursuant to this Warrant shall be subject to applicable hold periods and any certificate representing such common shares will bear restrictive legends.

THE SECURITIES TO WHICH THIS PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT RELATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE, AND WILL BE ISSUED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

GROWN ROGUE INTERNATIONAL INC.
(the "**Issuer**")

CONVERTIBLE DEBENTURE

SUBSCRIPTION AGREEMENT

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for a convertible debenture of the Issuer (the "**Debenture**") having an aggregate principal amount set forth on page 3 (the "**Original Principal Amount**") and bearing interest at 9% quarterly per calendar year, maturing 48 months from the day of Closing (as defined herein). The entire amount of principal owing under the Debenture is convertible at any time while any principal amount remains outstanding into common shares of the Issuer (each, a "**Share**") at a price equal to C$0.24 per Share (as may be adjusted in accordance with the terms of the Debenture), all upon and subject to the terms and conditions set forth in Schedule A attached hereto. The Subscriber shall receive one half of one warrant (each whole warrant, a "**Warrant**", and together with the Debenture, the "**Purchased Securities**") for each C$0.24 of the Original Principal Amount purchased with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.28 per Share (as may be adjusted in accordance with the terms of the Warrant). The Warrants are exercisable for a period of three years from the date of Closing, subject to the terms and conditions set forth in Schedule A, provided that if, at any time following Closing the common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Canadian Securities Exchange (the "**Exchange**"), the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided. The number of Warrants shall be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada.

The offering of the Purchased Securities (the "**Offering**") shall further have, and the Offering shall further be conducted on, the terms and conditions specified in Schedules A and B hereto. The Purchased Securities will be offered in Canada, in the United States and in such other jurisdictions outside of Canada and the United States as the Issuer may determine, pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. Unless otherwise indicated, all monetary references are in Canadian Dollars.

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION PRIOR TO DELIVERY TO THE ISSUER

1. The subscriber (the "**Subscriber**") must complete the information required on page 3 with respect to subscription amounts, subscriber details and registration and delivery particulars. Subscribers who are not purchasing as principal (or deemed under applicable securities laws to be purchasing as principal) must disclose the identity of the Disclosed Principal (as hereafter defined) on page 3.

2. The Subscriber must complete, for itself and any Disclosed Principal, the personal information required on page 4. The Subscriber acknowledges and agrees that this information may be provided to the Exchange and the applicable securities regulatory authorities, as applicable.

3. The Subscriber, for itself and any Disclosed Principal, must complete the applicable forms (the "**Forms**") at the end of Schedule B:

   (a) All Subscribers resident in Canada must complete **Form 1** – "**Certificate for Exemption**", and:

      (i) if an individual and in Form 1 have indicated they are an "accredited investor" pursuant to section (j), (k) or (l) of the definition of "accredited investor" in National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"), the Subscriber must also complete **Form 1A** – "***Form 45-106F9: Form for Individual Accredited Investors***"

      (ii) if resident in Saskatchewan and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1B** – "***Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates***"

(iii) if resident in Ontario and in Form 1 have indicated they are subscribing pursuant to the "Family, Friends and Business Associates" exemption in NI 45-106, the Subscriber must also complete **Form 1C** – "***Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors***"

(b) All Subscribers who are U.S. Purchasers (as defined in Schedule A, section 1.1) must complete **Form 2** – **"Certificate of U.S. Accredited Investor Status"**.

(c) All Subscribers who are neither residents of Canada nor a U.S. Purchaser must complete **Form 3 – "Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers)"**.

4. Return this subscription, together with all applicable Forms, to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

TO: GROWN ROGUE INTERNATIONAL INC.

1. The Subscriber irrevocably subscribes for and agrees to purchase from the Issuer

   (a) a Debenture with an Original Principal Amount of: US$75,000, and

   (b) 211,219 Warrants (to be calculated the day prior to Closing based on the most current exchange rate published by the Bank of Canada)

2. The Subscriber and the Issuer agree that the Purchased Securities shall have, and the Offering thereof shall be conducted on, the terms and conditions specified in Schedules A and B hereto. The Subscriber hereby makes the representations, warranties, acknowledgments and agreements set out in Schedules A and B hereto and in all applicable Forms, and acknowledges and agrees that the Issuer and its counsel, will and can rely on such representations, warranties, acknowledgments and agreements should this subscription be accepted by the Issuer.

3. Identity of and execution by Subscriber:

BOX A: SUBSCRIBER INFORMATION AND EXECUTION

Mindset Value Wellness Fund
(name of subscriber)

30 West Mission St., #8, Santa Barbara, CA, 93101, USA
(address – include city, province and postal code)

805-284-2090 aaron@mindsetcapital.com
(telephone number) (email address)

X Aaron Edelheit
(signature of subscriber/authorized signatory)

Aaron Edelheit, CEO
(if applicable, print name of signatory and office)

Execution hereof by the Subscriber shall constitute an offer and agreement to subscribe for the Purchased Securities for such total subscription price as set out in Item 1 above pursuant to the provisions of Item 2 above, and acceptance by the Issuer shall effect a legal, valid and binding agreement between the Issuer and the Subscriber. This subscription may be executed and delivered in counterparts and by facsimile, and shall be deemed to bear the date of acceptance below.

4. If the Purchased Securities are to be registered other than as set out in Box A, the Subscriber directs the Issuer to register and deliver the Purchased as follows:

BOX B: ALTERNATE REGISTRATION INSTRUCTIONS

(name of registered holder)

(address of registered holder – include city, province and postal code)

(registered holder: contact name, contact telephone number and contact email address)

5. If the Purchased Securities are to be delivered other than as set out in Box A (or if completed, Box B), the Subscriber directs the Issuer to deliver the Purchased Securities as follows:

BOX C: ALTERNATE DELIVERY INSTRUCTIONS

(name of recipient)

(address of recipient – include city, province and postal code)

(recipient: contact name, contact telephone number and contact email address)

6. If the Subscriber is purchasing as agent for a principal, and is not a trust company or trust corporation purchasing as trustee or agent for accounts fully managed by it or is not a person acting on behalf of an account fully managed by it (and in each such case satisfying the criteria set forth in NI 45-106), complete Box D below and provide as a separate attachment the personal information required on page 4 and all applicable Forms on behalf of such principal (a "**Disclosed Principal**"):

BOX D: IDENTIFICATION OF PRINCIPAL
_____ (name of Disclosed Principal)
_____ (address of Disclosed Principal – include city, province and postal code)
_____ (Disclosed Principal: contact name, contact telephone number and contact email address)

ACCEPTANCE

The Issuer hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

This subscription is accepted and agreed to by the Issuer as of the 17 day of August, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: J. Wm. Stridder
Authorized Signatory

PERSONAL INFORMATION

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercise control or direction over (provide additional details as applicable):

   ☒ _____ common shares of the Issuer and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Issuer:

   USD $700,000 convertible debenture and 2,350,775 common share purchase warrants

   _____

   ☐ No shares of the Issuer or securities convertible into shares of the Issuer.

2. **Insider Status.** The Subscriber either:

   ☐ Is an "Insider" of the Issuer as defined in the *Securities Act* (Ontario), by virtue of being:

   (a) a director or an officer of the Issuer;

   (b) a director or an officer of a person that is an Insider or subsidiary of the Issuer;

   (c) a person that has

   (i) beneficial ownership of, or control or direction over, directly or indirectly, or

   (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

   securities of the Issuer carrying more than 10% of the voting rights attached to all of the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

   ☒ Is not an Insider of the Issuer.

3. **Registrant Status.** The Subscriber either:

   ☐ Is a "Registrant" by virtue of being a person registered or required to be registered under the *Securities Act* (Ontario) or other applicable securities laws; or

   ☒ Is not a Registrant.

   "**Registrant**" means a dealer, adviser, investment fund manager, an ultimate designated person or chief compliance officer as those terms are used pursuant to the applicable securities laws, or a person (as that term is defined herein) registered or otherwise required to be registered under applicable securities laws.

SCHEDULE A

1. **Interpretation**

1.1 Unless the context otherwise requires, reference in this subscription to:

(a) "**Agreement**" means this subscription agreement, including all schedules, forms and other attachments attached thereto;

(b) "**Applicable Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders and notices of, the applicable securities regulatory authority or authorities of the applicable jurisdiction or jurisdictions as the case may be;

(c) "**Business Day**" means a day which is not a Saturday, Sunday, or civic or statutory holiday on which Canadian chartered banks are open for the transaction of regular business in the city of Toronto, Ontario;

(d) "**Closing**" refers to the completion of the purchase and sale of the Purchased Securities, and if the purchase and sale occurs in two or more tranches, the respective completion of the purchase and sale of Purchased Securities shall be the "Closing" in respect of those Purchased Securities;

(e) "**Closing Time**" means the time of Closing;

(f) "**Debenture**" has the meaning set out in the cover page to this Agreement;

(g) "**Exchange**" means the Canadian Securities Exchange;

(h) "**Exemptions**" has the meaning set out in section 3.1 of this Schedule A;

(i) "**Forms**" has the meaning set out in the cover page to this Agreement;

(j) "**NI 45-102**" and "**NI 45-106**" refer to National Instrument 45-102 *Resale of Securities* and National Instrument 45-106 *Prospectus Exemptions*, respectively, of the Canadian Securities Administrators;

(k) "**Offering**" has the meaning set out in the cover page to this Agreement;

(l) "**Original Principal Amount**" has the meaning set out in the cover page to this Agreement;

(m) "**Public Record**" refers to all public information which has been filed by the Issuer pursuant to Applicable Securities Laws;

(n) "**Purchased Securities**" has the meaning set out in the cover page to this Agreement;

(o) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(p) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(q) "**Selling Jurisdictions**" means Canada, the United States and such other jurisdictions outside of Canada and the United States where the Issuer may conduct the Offering;

(r) "**Share**" has the meaning set out in the cover page to this Agreement;

(s) "**Subscriber**" has the meaning set out in the cover page to this Agreement;

(t) "**subscription**" or "**subscription agreement**" means this subscription agreement and includes all schedules hereto and the Forms;

(u) "**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S; and for greater certainty, "U.S. Person" includes but is not limited to (A) any natural person resident in the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any partnership or corporation organized outside the United States by a U.S. Person principally for the purpose

of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts; and (D) any estate or trust of which any executor or administrator or trustee is a U.S. Person;

(v) **"U.S. Purchaser"** means a Subscriber that (i) has been offered the Purchased Securities in the United States, (ii) executed this subscription agreement or otherwise placed its purchase order for the Purchased Securities in the United States, or (iii) is, or is acting on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States.

(w) **"U.S. Securities Act"** means the United States *Securities Act of 1933*, as amended;

(x) **"Warrant"** has the meaning set out in the cover page to this Agreement; and

(y) **"Warrant Share"** has the meaning set out in section 2.1 of this Schedule A.

1.1 In the subscription, the terms **"designated offshore securities market"**, **"directed selling efforts"**, **"foreign issuer"** and **"United States"** have the meanings prescribed in Regulation S.

1.2 Unless otherwise stated, all dollar figures herein expressed are in Canadian Dollars.

1.3 References imputing the singular shall include the plural and vice versa; references imputing individuals shall include corporations, partnerships, societies, associations, trusts and other artificial constructs and vice versa; and references imputing gender shall include the opposite gender.

1.4 **For greater certainty, the parties hereby acknowledge and agree that, if the Subscriber is acting as agent or trustee on behalf of a Disclosed Principal, the words "Subscriber", "it" and "its" mean the Subscriber and the Disclosed Principal, unless the context otherwise requires.**

2. **Description of Offering and Purchased Securities**

2.1 Subject to any approval and consent (the "**Approval**") that may be required by the Exchange, the Subscriber hereby irrevocably subscribes for and agrees to purchase from the Issuer, subject to the terms and conditions set forth herein, a Debenture in the Original Principal Amount set out above (the "**Subscription Price**") which is tendered herewith. Subject to the terms hereof, this Agreement will be effective when executed by all the parties to it. Subject to the approval of the Issuer and satisfaction of all conditions, the Subscriber agrees to complete the Closing within ten days from the date of this Agreement. This subscription is part of an offering by the Issuer of Debentures with principal amounts, totalling in the aggregate, of up to US$5,000,000, subject to adjustment in accordance with the terms of this Agreement.

2.2 The Subscriber (and any Disclosed Principal) and the Issuer acknowledge and agree that the Debenture will be duly and validly created and issued pursuant to a definitive certificate (the "**Debenture Certificate**") governing the terms of issue of the Debenture and the conversion of the same, which Debenture Certificate shall include the following terms:

(a) Repayment of the outstanding Original Principal Amount, together with interest accrued but unpaid, will be made on or prior to 5:00 p.m. (Toronto time) on the date that is 48 months from the Issue Date (the "**Maturity Date**").

(b) The Debenture will bear interest from the date of issue (the "**Issue Date**") at 9% per calendar year, and payable quarterly in cash.

(c) The Original Principal Amount of the Debenture is convertible by the Debenture holder into Shares at any time while any Original Principal Amount is outstanding, at a conversion price equal to C$0.24 per Share, subject to any adjustment as set out in the Debenture certificate (the "**Conversion Price**").

2.3 The Subscriber shall receive one half of one Warrant for each C$0.24 Original Principal Amount with each Warrant entitling the holder thereof to acquire one Share at an exercise price equal to C$0.28 per Share. The Warrants are exercisable for a period of three years from the date of Closing, provided that if, at any time following Closing the

common shares of the Issuer close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange, the Issuer can deliver a notice and accelerate the expiry date of the Warrants to the date that is 90 days after the date on which such notice of acceleration is provided.

2.4 The Issuer is offering the Purchased Securities in the Selling Jurisdictions. The Issuer may, in its discretion, increase the size of the Offering and/or offer or sell additional securities concurrently with the Offering and/or the Issuer may, in the future in its sole discretion and without notice to the Subscriber, offer or sell additional securities. The Offering is not subject to any minimum aggregate offering and there can be no assurances that the Issuer will raise sufficient funds, through the Offering or otherwise, to meet its objectives.

3. Eligibility and Subscription Matters

3.1 The Offering is being made pursuant to exemptions (the "**Exemptions**") from the registration and prospectus requirements of the Applicable Securities Laws. The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, acknowledgments and agreements of the Subscriber contained in this Agreement both at the date hereof and at the time of Closing and otherwise provided by the Subscriber to the Issuer to determine the availability of Exemptions should this subscription be accepted.

3.2 The Offering is not, and under no circumstances is to be construed as, a public offering of the Purchased Securities. The Offering is not being made, and this subscription does not constitute, an offer to sell or the solicitation of an offer to buy the Purchased Securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

3.3 Subscribers must duly complete and execute this subscription together with all applicable Forms hereto (**please see the Instructions listed on the face page hereof**) and return them to Miller Thomson LLP, Attn: Alexander Lalka, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 or by e-mail to alalka@millerthomson.com with payment for the total subscription price for the subscribed Purchased Securities by way of a certified cheque, wire, money order or bank draft made payable to "Grown Rogue International Inc.". If funds are being wired, please contact the Issuer for wiring instructions.

3.4 Subscriptions are irrevocable subject to the right of the Issuer to terminate the Offering.

3.5 A subscription will only be effective upon its acceptance by the Issuer. Subscriptions will only be accepted if the Issuer is satisfied that, and will be subject to a condition for the benefit of the Issuer that, the Offering can lawfully be made in the jurisdiction of residence of the Subscriber pursuant to an available Exemption and that all other Applicable Securities Laws have been and will be complied with in connection with the proposed distribution. The Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional upon, among other things, the sale of the Purchased Securities to the Subscriber being exempt from any prospectus requirements of Applicable Securities Laws. This Agreement shall be deemed to be accepted only when signed by a duly authorized representative of the Issuer.

3.6 If this subscription is rejected in whole by the Issuer, any certified cheque, money order, bank draft or other form of payment delivered by the Subscriber on account of the aggregate subscription price for the Purchased Securities subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this subscription is accepted only in part by the Issuer, payment representing the amount by which the payment delivered by the Subscriber to the Issuer exceeds the subscription price of the Purchased Securities sold to the Subscriber pursuant to a partial acceptance of this subscription will be promptly delivered to the Subscriber without any interest paid on such amount.

3.7 No offering memorandum or other disclosure document has been prepared or will be delivered to the Subscriber in connection with the Offering, and the Subscriber hereby expressly acknowledges and confirms that it has not received, and has no need for, an offering memorandum or other disclosure document in connection with the Offering.

4. Closing Procedure

4.1 The Offering will be completed in one or more Closings at such time or times, on such date or dates, and at such place or places, as the Issuer may determine. At each Closing, the Issuer will deliver certificates representing the Purchased

Securities to those Subscribers whose subscriptions have been accepted, against the duly completed and executed subscriptions and applicable subscription price in respect thereof.

5. Reporting and Consent

5.1 The Subscriber expressly consents and agrees to:

(a) the Issuer collecting personal information regarding the Subscriber for the purpose of completing the transactions contemplated by this Agreement; and

(b) the Issuer releasing personal information regarding the Subscriber and this subscription, including the Subscriber's name, residential address, telephone number, email address and registration and delivery instructions, the number of Purchased Securities purchased, the number of securities of the Issuer held by the Subscriber, the status of the Subscriber as an insider or registrant, or as otherwise represented herein, and, if applicable, information regarding the beneficial ownership of the principals of the Subscriber, to securities regulatory authorities in compliance with Applicable Securities Laws, to other authorities as required by law and to the registrar and transfer agent of the Issuer for the purpose of arranging for the preparation of the certificates representing the Purchased Securities in connection with the Offering.

The purpose of the collection of the information is to ensure the Issuer and its advisers will be able to issue Purchased Securities to the Subscriber in accordance with the instructions of the Subscriber and in compliance with applicable Canadian corporate and securities laws and Canadian Securities Exchange policies, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Securities Laws and with other authorities as required by law. The Subscriber further expressly consents and agrees to the collection, use and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including the provision of all such personal information to third party service providers from time to time.

The contact information for the officer of the Issuer who can answer questions about the collection of information by the Issuer is as follows:

Name & Title:	J. Obie Strickler, President & CEO
Issuer Name:	**Grown Rogue International Inc.**
Address:	550 Airport Road, Medford, Oregon, 97504, United States
Email:	obie@grownrogue.com

5.2 The Subscriber expressly acknowledges and agrees that:

(a) the Issuer may be required to provide applicable securities regulators, or otherwise under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* of Canada, a list setting forth the identities of the purchasers of the Purchased Securities and any personal information provided by the Subscriber, and the Subscriber hereby represents and warrants that to the best of the Subscriber's knowledge, none of the funds representing the subscription proceeds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; the Subscriber hereby further covenants that it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Issuer with appropriate information in connection therewith;

(b) the Subscriber is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism ("**RIUNRST**"), the United Nations Al-Qaida and Taliban Regulations ("**UNAQTR**"), the Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea ("**UNRDPRK**"), the Regulations Implementing the United Nations Resolution on Iran ("**RIUNRI**"), the Special Economic Measures (Zimbabwe) Regulations (the "**Zimbabwe Regulations**"), the Special Economic Measures (Burma) Regulations (the "**Burma Regulations**") or any other similar statute;

(c) the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder pursuant to the PCMLA, the Criminal Code (Canada), RIUNRST, UNAQTR, UNRDPRK, RIUNRI, the Zimbabwe Regulations, the Burma Regulations or any other similar statute; and

(d) it shall complete, sign and return such additional documentation as may be required from time to time under Applicable Securities Laws or any other applicable laws in connection with the Offering and this subscription.

5.3 The Subscriber authorizes the indirect collection of Personal Information (as hereinafter defined) by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 *Definitions*) and confirms that the Subscriber has been notified by the Issuer:

(a) that the Issuer will be delivering Personal Information to the securities regulatory authority or regulator;

(b) that the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it in Applicable Securities Laws;

(c) that such Personal Information is being collected for the purpose of the administration and enforcement of Applicable Securities Laws; and

(d) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as follows:

(i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Inquiries: (604) 899-6854, Toll free in Canada: 1-800-373-6393, Facsimile: (604) 899-6581, Email: inquiries@bcsc.bc.ca;

(ii) Alberta Securities Commission, Suite 600, 250 – 5th Street, SW Calgary, Alberta T2P 0R4, Telephone: (403) 297-6454, Toll free in Canada: 1-877-355-0585, Facsimile: (403) 297-2082;

(iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Telephone: (306) 787-5879, Facsimile: (306) 787-5899;

(iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Telephone: (204) 945-2548, Toll free in Manitoba 1-800-655-5244, Facsimile: (204) 945-0330;

(v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8, Telephone: (416) 593-8314, Toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122, Email: exemptmarketfilings@osc.gov.on.ca, Public official contact regarding indirect collection of information: Inquiries Officer;

(vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Telephone: (514) 395-0337 or 1-877-525-0337, Facsimile: (514) 873-6155 (For filing purposes only), Facsimile: (514) 864-6381 (For privacy requests only), Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers);

(vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street,, Suite 300 Saint John, New Brunswick E2L 2J2, Telephone: (506) 658-3060, Toll free in Canada: 1-866-933-2222, Facsimile: (506) 658-3059, Email: info@fcnb.ca;

(viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458 Halifax, Nova Scotia B3J 2P8, Telephone: (902) 424-7768, Facsimile: (902) 424-4625;

(ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8, Telephone: (902) 368-4569, Facsimile: (902) 368-5283; and

(x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Telephone: (709) 729-4189, Facsimile: (709) 729-6187.

"Personal Information" means any personal information as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time and without limiting the foregoing, but for greater clarity in this Agreement, means information about an identifiable individual, including but not limited to any information about the Subscriber and, if applicable, any Disclosed Principal, and includes information provided by the Subscriber in this Agreement.

6. Resale Restrictions and Legending of Purchased Securities

6.1 The Subscriber hereby acknowledges and agrees that the Offering is being made pursuant to Exemptions and, as a result, the Purchased Securities will be subject to a number of statutory restrictions on resale and trading. Until these restrictions expire, the Subscriber will not be able to sell or trade the Purchased Securities unless the Subscriber complies with an Exemption from the prospectus and registration requirements under Applicable Securities Laws. In general, unless permitted under securities legislation, the Subscriber cannot trade the Purchased Securities in Canada before the date that is four months and a day after the date of the Closing. **See also section 6.3 below**.

6.2 The Subscriber acknowledges and agrees that:

(a) the Purchased Securities have not been and will not be registered under the U.S. Securities Act , or any State securities laws, and may not be offered and sold, directly or indirectly, to a U.S. Purchaser without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available;

(b) the Issuer has no present intention and is not obligated under any circumstances to register the Purchased Securities, or to take any other actions to facilitate or permit any proposed resale or transfer thereof in the United States or otherwise by or to or for the account or benefit of a U.S. Purchaser, and in particular, the Subscriber and the Issuer further acknowledge and agree that the Issuer is hereby required to refuse to register any transfer of the Purchased Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration; and

(c) any Warrants may not be exercised in the United States or by or on behalf of any U.S. Person without registration under the U.S. Securities Act and any applicable State securities laws, unless an exemption from registration is available.

6.3 **The foregoing discussion on hold periods and resale restrictions is a general summary only and is not intended to be comprehensive or exhaustive, or to apply in all circumstances.** Subscribers are advised to consult with their own advisers concerning their particular circumstances and the particular nature of the restrictions on transfer, the extent of the applicable hold period and the possibilities of utilizing any further Exemptions or the obtaining of a discretionary order to transfer any Purchased Securities. Subscribers are further advised against attempting to resell or transfer any Purchased Securities until they have determined that any such resale or transfer is in compliance with the requirements of all Applicable Securities Laws, including but not limited to compliance with restrictions on certain pre-trade activities and the filing with the appropriate regulatory authority of reports required upon any resale of the Purchased Securities.

6.4 In the event that any of the Purchased Securities are subject to a hold period or any other restrictions on resale and transferability, the Issuer will place a legend on the certificates representing the Purchased Securities as are required under Applicable Securities Laws, by the Exchange or as the Issuer may otherwise deem necessary or advisable.

7. Representations and Warranties of the Issuer

7.1 the Issuer is a corporation incorporated and existing under the laws of the jurisdiction in which it is incorporated;

7.2 the execution and delivery of, and performance by the Issuer of this Subscription Agreement has been authorized by all necessary corporate action on the part of the Issuer;

7.3 this Subscription Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding agreement of the Issuer enforceable against it in accordance with its terms;

7.4 the Issuer is a "reporting issuer" in the Provinces of Alberta, Nova Scotia, Ontario and British Columbia and is in compliance with its obligations under the Applicable Securities Laws in all material respects;

7.5 the Issuer has the power and authority to create, issue and deliver the Purchased Securities and perform its obligations under the Purchased Securities;

7.6 the Issuer has complied, or will comply, with all Applicable Securities Laws in connection with the issuance of the Purchased Securities;

7.7 no approval, authorization, consent or other order of, and no filing, registration or recording with, any governmental authority is required by the Issuer in connection with the execution and delivery or with the performance by the Issuer of this Subscription Agreement except in compliance with the Applicable Securities Laws and the requirements of the Exchange; and

7.8 Neither the Issuer, nor any partner, director, or officer or any person directly or indirectly controlling, controlled by or under common control with the Issuer is subject to any "disqualifying event" set forth in Rule 506(d) of Regulation D or any similar disqualification provision.

8. Miscellaneous

8.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber, including any fees and disbursements of any special counsel retained by the Subscriber, relating to the purchase, resale or transfer of the Purchased Securities, shall be borne by the Subscriber.

8.2 Except as expressly provided for in this subscription and in any agreements, instruments and other documents contemplated or provided for herein, this subscription contains the entire agreement between the parties with respect to the sale of the Purchased Securities and there are no other terms, conditions, representations, warranties, acknowledgments and agreements, whether expressed or implied, whether written or oral, and whether made by the parties hereto or anyone else. This subscription may only be amended by instrument in writing signed by the parties hereto. Notwithstanding the foregoing, the Subscriber is not waiving any remedies or protections available by statute or common law in connection with this Agreement or the transactions contemplated hereby.

8.3 Each party to this subscription covenants that it will, from time to time both before and after the Closing, at the request and expense of the requesting party, promptly execute and deliver all such other notices, certificates, undertakings, escrow agreements and other instruments and documents, and shall do all such other acts and other things, as may be necessary or desirable for purposes of carry out the provisions of this subscription.

8.4 The invalidity, illegality or unenforceability of any particular provision of this subscription shall not affect or limit the validity, legality or enforceability of the remaining provisions of this subscription.

8.5 This subscription, including without limitation the terms, conditions, representations, warranties, acknowledgments and agreements contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber and the Issuer notwithstanding the completion of the purchase and sale of the Purchased Securities, the conversion or exercise of any Purchased Securities and any subsequent disposition thereof by the Subscriber.

8.6 This subscription is not transferable or assignable. This subscription shall enure to the benefit of and be binding upon the parties hereto and its respective successors and permitted assigns.

8.7 This subscription is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber, in his personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

8.8 The Issuer shall be entitled to rely on delivery of a facsimile or portable document format ("**pdf**") copy of the executed subscription, and acceptance by the Issuer of such facsimile or pdf subscription shall be legally effective to create a valid and binding agreement between the Subscriber and the Issuer in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this subscription is delivered to the Issuer at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions, unaltered, of the pages not delivered at Closing.

8.9 This subscription may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

8.10 The parties hereto acknowledge and confirm that they have requested that this subscription as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

8.11 Time shall be of the essence hereof.

SCHEDULE B

1. **Representations, Warranties, Covenants, Acknowledgments and Agreements of the Subscriber**

1.1 The Subscriber hereby represents, warrants, covenants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) the Subscriber is resident in the jurisdiction set out on page 3 above, and if such address is not located in Ontario, the Subscriber expressly certifies that it is not resident in Ontario;

(b) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchased Securities, and in particular no governmental agency or authority, stock exchange or other regulatory body or any other entity has made any finding or determination as to the merit for investment of, nor have any such agencies, authorities, exchanges, bodies or other entities made any recommendation or endorsement with respect to, the Purchased Securities;

(c) there is no government or other insurance covering the Purchased Securities;

(d) there are risks associated with the purchase of the Purchased Securities, which are speculative investments that involve a substantial degree of risk, and the Subscriber may lose his, her or its entire investment. The Subscriber has carefully reviewed and is aware of all of the risk factors related to the purchase of Purchased Securities;

(e) other than as disclosed to the Issuer in writing, there is no person acting or purporting to act on behalf of the Subscriber (including any beneficial Subscriber), in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchased Securities, the Subscriber covenants to indemnify and hold harmless the Issuer with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(f) there are restrictions on the Subscriber's ability to resell the Purchased Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Purchased Securities;

(g) the Issuer has advised the Subscriber that it is relying on one or more exemptions from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Applicable Securities Laws, and as a consequence of acquiring the Purchased Securities pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to it;

(h) the Subscriber has been further advised that due to the fact that no prospectus has been or is required to be filed with respect to any of the Purchased Securities under Applicable Securities Laws (i) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation, (ii) the Issuer is relieved from certain obligations that would otherwise apply under applicable legislation, and (iii) the Subscriber is restricted from using certain of the civil remedies available under such legislation;

(i) the Subscriber has had access to all information regarding the Issuer and the Purchased Securities that the Subscriber has considered necessary in connection with its investment decision, and, in particular, the Subscriber's decision to execute this Agreement and purchase the Purchased Securities has been based entirely upon its review of the Public Record, including the Issuer's financial statements, and has not been based upon any written or oral representation or warranty as to fact or otherwise made by or on behalf of the Issuer;

(j) no person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Purchased Securities, (ii) that any person will refund the purchase price for the Purchased Securities, or (iii) as to the future price or value of the Purchased Securities;

(k) the Subscriber is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Purchased Securities, and is and will be able to bear the economic loss of its entire investment in any of the

Purchased Securities and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment;

(l) the Subscriber has been advised to consult its own investment, legal and tax advisers with respect to the merits and risks of an investment in the Purchased Securities and Applicable Securities Laws and resale restrictions, and in all cases the Subscriber has not relied upon the Issuer or its counsel or advisers for investment, legal or tax advice, always having, if desired, in all cases sought the advice of the Subscriber's own personal investment adviser, legal counsel and tax advisers, and in particular, the Subscriber has been advised and understands that it is solely responsible, and none of the Issuer, its counsel or its advisers are in any way responsible, for the Subscriber's compliance with Applicable Securities Laws and resale restrictions regarding the holding and disposition of the Purchased Securities;

(m) the Subscriber has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Agreement, restrictions with respect to trading in the Purchased Securities imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation has been made to it by or on behalf of the Issuer with respect thereto, acknowledges that it is aware of the characteristics of the Purchased Securities, the risks relating to an investment therein and of the fact that it may not be able to resell the Purchased Securities except in accordance with limited exemptions under applicable securities legislation until expiry of the applicable restricted period and compliance with the other requirements of applicable law;

(n) to the knowledge of the Subscriber, the Offering was not advertised or solicited in any manner in contravention of Applicable Securities Laws, and has not been made through or as a result of any general solicitation or general advertising or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Purchased Securities;

(o) the Subscriber has no knowledge of a "material fact" or "material change", as those terms are defined in the Applicable Securities Laws applicable in its jurisdiction of residence, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

(p) the Subscriber is not a "control person" as defined in the policies of the Exchange, will not become a "control person" by virtue of purchasing the Purchased Securities as contemplated herein, or any further acquisition of any Purchased Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;

(q) the Subscriber has the legal capacity and competence to enter into and execute this subscription and to take all actions required pursuant hereto, and if the Subscriber is not an individual, it is also duly formed and validly subsisting under the laws of its jurisdiction of formation and all necessary approvals by its directors, shareholders, partners and others have been obtained to authorize the entering into and execution of this subscription and the taking of all actions required hereto on behalf of the Subscriber. If the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which the Agreement is executed and is legally competent to execute this Agreement and take all action pursuant hereto; the Subscriber, or any Disclosed Principal, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or, each principal/beneficial purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment. The Subscriber is familiar with the aims and objectives of the Issuer and is informed of the nature of its activities;

(r) none of the funds the Subscriber is using to purchase the Purchased Securities are, to the best knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(s) upon acceptance by the Issuer of this Agreement and the satisfaction of any closing conditions, the aggregate subscription price for the Purchased Securities is immediately releasable to the Issuer to be used for the ongoing business of the Issuer;

(t) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Agreement and the transactions contemplated herein can be consummated by the Subscriber;

(u) the Subscriber has duly and validly entered into, executed and delivered this Agreement and it constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

(v) if the Subscriber is acting as agent or trustee (including, for greater certainty, a portfolio manager or comparable adviser) for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Agreement and all other necessary documents in connection with such subscription on behalf of such principal, each of whom is subscribing as principal for its own account and not for the benefit of any other person, and this subscription has been duly and validly authorized, executed and delivered by or on behalf of such principal, and when accepted by the Issuer, will constitute a legal, valid and binding obligation enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies, against such principal;

(w) the entering into of this subscription and the transactions contemplated hereby does not and will not, conflict with, result in a violation or breach of, or constitute a default under, any of the terms and provisions of any law, regulation, order or ruling applicable to the Subscriber, or of any agreement, contract or indenture, written or oral, to which it is or may be a party or by which it is or may be bound, and, if the Subscriber is a corporation, its constating documents or any resolutions of its directors or shareholders;

(x) you acknowledge that legal counsel retained by the Issuer are acting as counsel to the Issuer and not as counsel to you and you may not rely upon such counsel in any respect;

(y) the Subscriber is not engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered under National Instrument 31-103 – *Registration Requirements and Exemptions* (or, in Québec, Regulation 31-103 *respecting Registration Requirements and Exemptions*);

(z) with respect to compliance with the U.S. Securities Act:

(i) none of the Purchased Securities have been registered under the U.S. Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold except pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(ii) the Subscriber is neither an underwriter of, or dealer in, the common shares of the Issuer, nor participating, pursuant to a contractual agreement or otherwise, in the distribution of the Purchased Securities;

(iii) the Subscriber is acquiring the Purchased Securities for investment only and not with a view to resale or distribution and, in particular, has no intention to distribute, directly or indirectly, all or any of the Purchased Securities to U.S. Purchasers, and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or person in the United States respecting (A) the transfer or assignment of any rights or interests in any of the Purchased Securities; (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this subscription or the Purchased Securities; or (C) the voting of any securities offered hereby or underlying any securities offered hereby;

(iv) the Subscriber does not intend to and will not engage in hedging transactions with regard to the Purchased Securities unless in compliance with the U.S. Securities Act; and

(v) the current structure of this transaction and all transactions and activities contemplated hereunder, and the Subscriber's participation therein, is not a scheme to avoid the registration requirements of the U.S. Securities Act;

(aa) unless the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber is not a U.S. Purchaser; and

(ii) the Subscriber is not purchasing the Purchased Securities as the result of any "directed selling efforts";

(bb) if the Subscriber has completed Form 2 – Certificate of U.S. Accredited Investor Status, attached hereto:

(i) the Subscriber, by completing Form 2 – Certificate of U.S. Accredited Investor Status, is representing and warranting to the Issuer that the Subscriber is an "accredited investor" as the term is defined in Regulation D, and that all information contained in the Subscriber's completed Form 2 – Certificate of U.S. Accredited Investor Status is complete and accurate in all respects and may be relied upon by the Issuer;

(ii) the Subscriber will not acquire the Purchased Securities as a result of, and will not itself engage in, any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof under the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements;

(iii) the Subscriber and their adviser(s) have had a reasonable opportunity to ask questions of and receive answers from the Issuer in connection with the distribution of the Purchased Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Issuer;

(iv) the Subscriber hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under Applicable Securities Laws, the certificates representing any of the Purchased Securities will bear legends in substantially the form set forth on Form 2 hereto;

(v) the Issuer will refuse to register any transfer of the Purchased Securities not made pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an available Exemption from the registration requirements of the U.S. Securities Act or pursuant to Regulation S; and

(vi) the statutory and regulatory basis for the Exemption claimed for the offer of the Purchased Securities would not be available if the Offering is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act;

(cc) the Issuer may complete additional financings in the future to develop the business of the Issuer and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

(dd) the Subscriber has not received, nor does it expect to receive, any financial assistance from the Issuer, directly or indirectly, in respect of the Subscriber's purchase of the Purchased Securities; and

(ee) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Purchased Securities subscribed for hereunder following the Closing.

1.2 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that it is:

(a) purchasing the Purchased Securities as principal for investment purposes only, for its own account and not for the benefit of any other person and not with a view to, or for resale in connection with, any distribution thereof in violation of any Applicable Securities Laws; or

(b) deemed to be purchasing as principal pursuant to NI 45-106 by virtue of the Subscriber being an "accredited investor" as such term is defined in paragraph (p) or (q) of the definition of "accredited investor" in NI 45-106 (reproduced in Form 1 attached hereto) and provided, however, that the Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada, and that the Subscriber has concurrently executed and delivered Form 1 and under the heading of Category 1: Accredited Investor therein checked off paragraphs (n) or (s); or

(c) acting as agent for a Disclosed Principal (whose name and residential address are disclosed on page 4 of this subscription) who is purchasing the Purchased Securities as principal for investment purposes only, that the Subscriber is duly authorized and empowered to enter into this subscription, make all requisite representations, warranties, covenants, acknowledgments and agreements and execute all documentation in connection therewith on behalf of the Disclosed Principal, and that the Subscriber has concurrently completed, executed and delivered Forms 1 and 2, as applicable, on behalf of such Disclosed Principal in compliance with this Agreement.

1.3 The Subscriber hereby represents, warrants, acknowledges and agrees for the benefit of the Issuer and its counsel that:

(a) **if it is resident in or otherwise subject to the securities laws of a Province or Territory of Canada other than Ontario**, it is:

(i) a person described in section 2.3 of NI 45-106 by virtue of being an "accredited investor" as defined in NI 45-106, and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in section 2.5 of NI 45-106 by virtue of being (A) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (B) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (C) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (D) a close personal friend or close business associate of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; (E) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the Issuer; (F) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Issuer; (G) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F); or (H) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs 1.3(a)(ii)(A) to 1.3(a)(ii)(F);

(iii) a person, other than an individual, described in section 2.10 of NI 45-106 by virtue of the Purchased Securities having an acquisition cost to the purchaser of not less than $150,000 paid in cash, and provided that it is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106, and further provided that if it is resident in or otherwise subject to the securities laws of Alberta, no document purporting to describe the business and affairs of the Issuer, which has been prepared for review by prospective purchasers to assist such prospective purchasers in making an investment decision in respect of the Purchased Securities, has been delivered to or summarized for or seen by or requested by the Subscriber in connection with the Offering; or

(iv) a person described in section 2.24 of NI 45-106 by virtue of being an employee, "executive officer", "director" or "consultant" of the Issuer or of a "related entity" of the Issuer or by virtue of being a "permitted assign" of the foregoing persons, as those terms are defined in sections 1.1 or 2.22 of NI 45-106, and its participation in the Offering is voluntary,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, Schedules 1 and 2, thereof); **and**

(b) **if it is resident in or otherwise subject to the securities laws of Ontario**, it is:

(i) a person described in section 73.3 of the *Securities Act* (Ontario) by virtue of being an "accredited investor" as defined in the *Securities Act* (Ontario), and provided that it is not a person that is or has been created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(ii) a person described in subsection 1.3(a)(ii), (iii) or (iv) of this Schedule B; or

(iii) a person described in section 2.7 of NI 45-106 by virtue of being (A) a founder of the Issuer; (B) an affiliate of a founder of the Issuer; (C) a spouse, parent, grandparent, brother, sister, child or grandchild of an executive officer, director or founder of the Issuer; or (D) a person that is a control person of the Issuer,

and the Subscriber has certified same by marking the applicable boxes and signing and returning **Form 1** herein (including, if applicable, all appendices thereof); **and**

(c) **if it is resident outside of Canada or the United States**:

(i) it is knowledgeable of, or has been independently advised as to, the Applicable Securities Laws of the securities regulatory authorities (the "**International Authorities**") having application to the Offering and the Issuer in the jurisdiction (the "**International Jurisdiction**") in which the Subscriber is resident;

(ii) it is purchasing Purchased Securities pursuant to an applicable Exemption from any prospectus, registration or similar requirements under the Applicable Securities Laws of the International Jurisdiction, or the Subscriber is permitted to purchase the Purchased Securities under the Applicable Securities Laws of the International Jurisdiction without the need to rely on such Exemptions;

(iii) the Applicable Securities Laws of the International Jurisdiction do not require the Issuer to make any filings or seek any approvals of any nature whatsoever with or from any of the International Authorities in connection with the Offering or the Purchased Securities, including any resale thereof;

(iv) the Offering and the completion of the offer and sale of the Purchased Securities to the Subscriber as contemplated herein complies in all respects with the Applicable Securities Laws of the International Jurisdiction, and does not trigger:

(A) any obligation to prepare and file a prospectus or similar or other offering document, or any other report with respect to such purchase in the International Jurisdiction; or

(B) any continuous disclosure reporting obligation of the Issuer in the International Jurisdiction;

(v) it will, if requested by the Issuer, deliver to the Issuer a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in subparagraphs (ii), (iii) and (iv) above to the satisfaction of the Issuer, acting reasonably; and

(vi) the Subscriber, by completing Form 3 – Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers), is representing and warranting to the Issuer that the Subscriber is a resident of an International Jurisdiction, and that all information contained in the Subscriber's completed Form 3 – Certificate Of Non-Canadian Subscribers (Other Than U.S. Subscribers) is complete and accurate in all respects and may be relied upon by the Issuer.

2. **Reliance, Notification, Indemnity and Survival**

2.1 The Subscriber acknowledges and agrees that the Issuer and its counsel will and can rely on the representations, warranties, certifications, acknowledgments and agreements of the Subscriber contained in this subscription and otherwise provided by the Subscriber to and with the Issuer to determine the availability of Exemptions should this subscription be accepted, and otherwise in completing the offering, issue and sale of the Purchased Securities to the Subscriber in accordance with applicable laws. The Subscriber covenants and agrees to provide to the Issuer evidence of the Subscriber's qualifications for the Exemption indicated on Form 1, Form 2 or Form 3, as applicable, immediately upon request by the Issuer.

2.2 The Subscriber undertakes to notify the Issuer immediately of any change in any representation, warranty or other information pertaining to the Subscriber herein or otherwise provided in connection with this subscription which takes place prior to Closing.

2.3 The Subscriber acknowledges that the Issuer and its counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder) to purchase the Purchased Securities under the Offering, and hereby agrees to indemnify the Issuer and its directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including its legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. To the extent that any person entitled to be indemnified hereunder is not a party to this subscription, the Issuer shall obtain and hold the rights and benefits of this subscription in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this subscription.

2.4 The representations, warranties, acknowledgements and agreements made by the Subscriber in this subscription and otherwise provided by the Subscriber and the Issuer shall be true and correct as of the date of execution of this subscription and as of Closing as if repeated thereat, and shall survive the Closing.

FORM 1

CERTIFICATE FOR EXEMPTION

In addition to the representations, warranties acknowledgments and agreements contained in the subscription to which this Form 1 – Certificate for Exemption is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, it is resident in the jurisdiction set out on the Acceptance Page of the subscription and: **[check all appropriate boxes]**

Category 1: Accredited Investor

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

☐ (b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer;

☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

☐ (f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds Cdn$1,000,000
(Provide details of financial assets:_____);

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities exceeds $5,000,000;
(Provide details of financial assets:_____);

☐ (k) an individual whose net income before taxes exceeded Cdn$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year
(Provide details of net income:_____);

☐ (l) an individual who, either alone or with a spouse, has net assets of at least Cdn$5,000,000;
(Provide details of net income:_____);

☐ (m) a person, other than an individual or investment fund, that has net assets of at least Cdn$5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution;

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owner of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

AND/OR if the Subscriber is a resident of, or otherwise subject to the securities laws of, Ontario, the Subscriber is **[check any applicable box]**:

☐ (aa) a bank listed in Schedule I, II or III to the *Bank Act* (Canada);

☐ (bb) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;

☐ (cc) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (dd) the Business Development Bank of Canada;

☐ (ee) a subsidiary of any person or company referred to in clause (aa), (bb), (cc) or (dd), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (ff) a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations;

☐ (gg) the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada;

☐ (hh) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Quebec;

☐ (ii) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (jj) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada;

☐ (kk) a person or company that is recognized or designated by the Ontario Securities Commission as an accredited investor; or

☐ (ll) such other persons or companies as may be prescribed by the regulations under the *Securities Act* (Ontario).

Additional Instruction: If the Subscriber is an individual and qualifies under Category 1 pursuant to paragraphs (j), (k) or (l), it must also complete and sign FORM 1A attached hereto entitled "*Form 45-106F9: Form for Individual Accredited Investors*" and Appendix A.

Definitions:

"Canadian financial institution" means

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"EVCC" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

"financial assets" means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"investment fund" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"person" includes

(a) an individual,

(b) a corporation,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"related liabilities" means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

"Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"spouse" means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; or

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or

(c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

"VCC" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429, whose business objective is making multiple investments.

Category 2: Family, Friends and Business Associates

The Subscriber is **[check appropriate box and complete related blanks]**:

☐ (a) a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (b) a spouse, parent, grandparent, brother, sister, grandchild or child of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (c) a parent, grandparent, brother, sister, grandchild or child of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (d) a close personal friend* of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (e) a close business associate** of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer;

☐ (f) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, grandchild, child, close personal friend or close business associate of a founder of the Issuer;

☐ (g) a parent, grandparent, brother, sister, grandchild or child of a spouse of a founder of the Issuer,

☐ (h) a person of which **a majority** of the voting securities are beneficially owned by persons described in paragraphs (a) to (g);

☐ (i) a person of which **a majority** of the directors are persons described in paragraphs (a) to (g);

☐ (j) a trust or estate of which **all** of the beneficiaries are persons described in paragraphs (a) to (g); or

☐ (k) a trust or estate of which **a majority** of the trustees or executors are persons described in paragraphs (a) to (g),

of which the relevant director, executive officer, control person or founder of the Issuer or affiliate thereof referred to in paragraphs (b) to (k) above is:

State name: _____

State the length of your relationship with this person: _____

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Saskatchewan, it must also complete and sign FORM 1B attached hereto entitled "*Form 45-106F5: Risk Acknowledgement – Saskatchewan Close Personal Friends and Close Business Associates*"

Additional Instruction: If the Subscriber qualifies under Category 2 and is a resident of Ontario, it must also complete and sign Schedule 1C attached hereto entitled "*Form 45-106F12: Risk Acknowledgment Form for Family, Friend and Business Associate Investors*".

Notes:

* **"close personal friend"** means an individual who has known the named director, executive officer, control person or founder well enough and for a sufficient period of time to be in a position to assess the capabilities and trustworthiness of that person. The term "close personal friend" can include a family member who is not already specifically identified in paragraphs (b), (c), (f) or (g) if the family member otherwise meets the criteria described above. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close personal friend" solely because that individual is a relative, a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

** **"close business associate"** means an individual who has had sufficient prior business dealings with the named director, executive officer, control person or founder to be in a position to assess the capabilities and trustworthiness of that person. An individual's relationship with the named director, executive officer, control person or founder must be direct. An individual is not a "close business associate" solely because that individual is a member of the same club, organization, association or religious group, a co-worker, colleague or associate at the same workplace, a client, customer, former client or former customer, a mere acquaintance, or connected through some form of social media, such as Facebook, Twitter or LinkedIn.

Category 3: $150,000 Purchaser

☐ The Subscriber is not an individual and has an acquisition cost for the Purchased Securities of not less than $150,000 paid in cash, and is not a person that is or has been created or used solely to purchase or hold securities in reliance on the exemption provided by section 2.10 of NI 45-106.

Category 4: Employees, Officers, Directors and Consultants

The Subscriber is **[check appropriate box]**:

☐ (a) an employee of the Issuer or of a "related entity" of the Issuer;

☐ (b) an executive officer of the Issuer or of a "related entity" of the Issuer;

☐ (c) a director of the Issuer or of a "related entity" of the Issuer;

☐ (d) a consultant of the Issuer or of a "related entity" of the Issuer; or

☐ (e) a "permitted assign" of a person described in paragraphs (a) to (d),

and its participation in the Offering is voluntary.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the _____ day of _____, 20___.

If a corporation, partnership or other entity:

_____
Print Name of Subscriber

_____
Signature of Authorized Signatory

_____
Name and Position of Authorized Signatory

_____
Jurisdiction of Residence of Subscriber

If an individual:

_____
Print Name of Subscriber

_____
Signature

_____
Jurisdiction of Residence of Subscriber

APPENDIX "A" TO FORM 1
INDIVIDUAL ACCREDITED INVESTOR QUESTIONNAIRE

THIS APPENDIX "A" IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS SUBSCRIBING UNDER CATEGORIES (J), (K) OR (L) IN CATEGORY 1 OF FORM 1 TO WHICH THIS APPENDIX "A" IS ATTACHED.

Unless otherwise defined, all capitalized terms not otherwise defined in this Appendix "A" shall have the meaning ascribed to such terms in the Subscription Agreement to which this Appendix is attached.

I understand that in order to be accepted as an "accredited investor" under categories (j), (k) OR (l) of the definition of accredited investor in NI 45-106, I must satisfy certain of the following criteria. The undersigned hereby represents and warrants to the Issuer as follows:

1. Personal Data.

Name:_____

Telephone:_____

Residence
Address:_____

2. Definitions. Please review the following definitions prior to completing the information below:

a) "**financial assets**" means cash, securities or a contract of insurance, a deposit or evidence of deposit that is not a security for the purposes of securities legislation. These financial assets are generally liquid or relatively easy to liquidate. The value of a purchaser's personal residence would not be included in a calculation of financial assets.

b) "**related liabilities**" means: (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or (ii) liabilities that are secured by financial assets.

c) "**net assets**" means all of the purchaser's total assets minus all of the purchaser's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a purchaser's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the purchaser's personal residence. To calculate a purchaser's net assets, subtract the purchaser's total liabilities from the purchaser's total assets (including real estate). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the security.

3. Net income test. Please answer the following questions concerning your **net income** by marking the appropriate box.

3.1 My annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

3.2 My spouse's annual **net income** before taxes (all sources) for the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	A. My spouse's annual net income before taxes (all sources) for the most recent calendar year is: *(tick the appropriate box below)*	B. My spouse's annual net income before taxes (all sources) for the prior calendar year is: *(tick the appropriate box below)*	C. My spouse's annual net income before taxes (all sources) that I reasonably expect to earn in the current calendar year is: *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			

GREATER THAN $500,000			

3.3 The annual **net income** before taxes (all sources) for my spouse and me during the applicable periods of time are set out below. Please tick the appropriate **net income** range excluding taxes from all sources in each of A, B and C below.

Net income ranges	**A.** **The annual net income before taxes (all sources) for the most recent calendar year of my spouse and me is:** *(tick the appropriate box below)*	**B.** **The annual net income before taxes (all sources) for the prior calendar year of my spouse and me is:** *(tick the appropriate box below)*	**C.** **The annual net income before taxes (all sources) that my spouse and I reasonably expect to earn in the current calendar year is:** *(tick the appropriate box below)*
LESS THAN $49,999			
$50,000-$99,999			
$100,000-$149,999			
$150,000-$199,999			
$200,000 -$299,999			
$300,000-$399,999			
$400,000-$499,999			
GREATER THAN $500,000			

4. Financial Assets Test. Please answer the following questions concerning your "**financial assets**" (see definition above) by marking the appropriate box.

4.1 I and/or my spouse beneficially own **financial assets** having an aggregate realizable value that, before taxes, net of any **related liabilities** are as set out below. Please tick the appropriate **financial asset** range excluding taxes from all sources in each of A, B and C below.

Financial asset ranges	**A.** **My financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**B.** **My spouse's financial assets have an aggregate realizable value that, before taxes, net of any related liabilities are:** *(tick the appropriate box below)*	**C.** **The financial assets of my spouse and I have an aggregate realizable value that, before taxes, and net of any related liabilities are:** *(tick the appropriate box below)*
Less than $249,999			

$250,000-$499,999			
$500,000-$999,999			
Greater than $1,000,000			

4.2 For the purposes of this Section 4:

(a) do you and/or your spouse have:

(i) physical or constructive possession or evidence of ownership of your **financial assets**?

☐ Yes ☐ No

(ii) any entitlement to the receipt of any income generated by the **financial assets**?

☐ Yes ☐ No

(iii) any risk of loss of the value of the **financial assets**?

☐ Yes ☐ No

(iv) the ability to dispose of the **financial assets** or otherwise deal with the **financial assets** as you and/or your spouse sees fit?

☐ Yes ☐ No

(b) did you exclude the value of any real estate owned by you and/or your spouse in the calculation of **financial assets**, such as your principal residence and/or cottage?

☐ Yes ☐ No

(c) did you exclude any **related liabilities** in connection with the (i) cash, (ii) securities or a (iii) contract of insurance (*i.e.*, the cash surrender value only), deposit or an evidence of deposit that is not a security under the Applicable Securities Laws?

☐ Yes ☐ No

5. $5,000,000 Net Asset Test. I and/or my spouse have **net assets** as set out below. Please tick the appropriate net asset range in each of A, B and C below.

Net asset ranges	**A.** **My total net assets are:** *(tick the appropriate box below)*	**B.** **My spouses' net assets are:** *(tick the appropriate box below)*	**C.** **The aggregate net assets of my spouse and I are:** *(tick the appropriate box below)*
Less than $499,999			
$500,000-$999,999			
$1,000,000-$2,999,999			

$3,000,000-$4,999,999			
Greater than $5,000,000			

Based on the above information, I hereby represent and warrant that:

(a) my **net income** before taxes was more than $200,000 in each of the 2 most recent calendar years, and I expect it to be more than $200,000 in the current calendar year;

(b) my **net income** before taxes combined with that of my spouse was more than $300,000 in each of the 2 most recent calendar years, and I expect that our combined **net income** before taxes to be more than $300,000 in the current calendar year;

(c) I either alone or with my spouse, beneficially own **financial assets** having an aggregate realizable value that, before taxes but net of any related liabilities, is more than $1,000,000; or

(d) I either alone or with my spouse, have **net assets** of at least $5,000,000.

My commitment to investments which are not readily marketable is reasonable in relation to my net worth. I meet at least one of the criteria for an "accredited investor" under NI 45-106.

The foregoing representations and warranties and all other information which I have provided to the Issuer concerning myself and my financial condition are true and accurate as of the date hereof. If in any respect, such representations, warranties, or information shall not be true and accurate, I will give written notice of such fact to the Issuer immediately prior to Closing specifying which representations, warranties or information are not true and accurate, and the reasons therefor.

I understand that the information contained herein is being furnished by me in order for the Issuer to determine my suitability as an **accredited investor**, may be accepted by the Issuer in light of the requirements of NI 45-106 and that the Issuer will rely on the information contained herein for purposes of such determination.

Purchaser's Signature

Dated: _____, 2023

Signed: _____

_____
Witness

_____
Print the name of Purchaser

_____
Print Name of Witness

Spouse's Signature (if applicable)

Dated: _____, 2023

Signed: _____

_____
Witness

_____
Print the name of spouse of Purchaser

_____
Print Name of Witness

- FORM 1A -

Form 45-106F9
Form for Individual Accredited Investors

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*
Purchased from: *the Issuer*	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. (*Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
If you are relying on a prospectus exemption contained in any of sections (j), (k), or (l) of Category 1 "Accredited Investor" in Form 1, you must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
(Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.)	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention:* *J. Obie Strickler* *e-mail:* *obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*

- FORM 1B -

FORM 45-106F5
Risk Acknowledgement - Saskatchewan Close Personal Friends and Close Business Associates

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing $ _____ [*total consideration*] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [*state name*], who is a _____ [*state title - founder, director, executive officer or control person*] of _____ [*state name of issuer or its affiliate – if an affiliate state "an affiliate of the issuer" and give the issuer's name*].

I acknowledge that I am purchasing based on my close relationship with _____ [*state name of founder, director, executive officer or control person*] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____ _____
Date Signature of Purchaser

_____
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice.

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at http://www.sfsc.gov.sk.ca.

INSTRUCTION: THE PURCHASER MUST SIGN 2 COPIES OF THIS FORM. THE PURCHASER AND THE ISSUER MUST EACH RECEIVE A SIGNED COPY.

- FORM 1C -

Form 45-106F12

Risk Acknowledgement Form for Family, Friend and Business Associate Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: *Debentures and Warrants*	Issuer: *Grown Rogue International Inc. (the "Issuer")*
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of US$_____. *[Instruction: Insert the total dollar amount of the*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
3. Family, friend or business associate status	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	**Your initials**
A) You are: *1) [check all applicable boxes]* ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR *2) [check all applicable boxes]* ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
B) You are a family member of _____ *[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____ of that person or that person's spouse. *[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]*	

C) You are a close personal friend of _____ *[Instruction: Insert the name of your close personal friend]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
D) You are a close business associate of _____ *[Instruction: Insert the name of your close business associate]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.

First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE

5. Contact person of the issuer or an affiliate of the issuer

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: *[check the box that applies]*

- ☐ family relationship as set out in section 3B of this form
- ☐ close personal friendship as set out in section 3C of this form
- ☐ close business associate relationship as set out in section 3D of this form

First and last name of contact person (please print):	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:

SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
Grown Rogue International Inc. *550 Airport Road, Medford, Oregon, 97504,* *United States* *Attention:* *J. Obie Strickler* *e-mail:* *obie@grownrogue.com* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	
Signature of executive officer of the issuer (other than the purchaser):	Date:

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*
4. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

FORM 2

CERTIFICATE OF U.S. ACCREDITED INVESTOR STATUS

In addition to the representations, warranties, acknowledgments and agreements contained in the subscription agreement (the "**subscription**") to which this Form 2 – Certificate of U.S. Accredited Investor Status is attached, the Subscriber hereby represents, warrants and certifies to the Issuer that the Subscriber is purchasing the Purchased Securities set out in the subscription as principal, that the Subscriber is a resident of the jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of the subscription, and:

1. The Subscriber hereby represents, warrants, acknowledges and agrees to and with the Issuer that the Subscriber:

   (a) is a U.S. Purchaser;

   (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions detailed in the subscription and it is able to bear the economic risk of loss arising from such transactions;

   (c) is acquiring the Purchased Securities for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Purchased Securities in violation of the United States securities laws and, in particular, it has no intention to distribute either directly or indirectly any of the Purchased Securities in the United States or to U.S. Persons; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration thereof pursuant to the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and any applicable State securities laws or if an exemption from such registration requirements is available or registration is otherwise not required under this U.S. Securities Act;

   (d) is not acquiring the Purchased Securities as a result of any form of general solicitation or general advertising, as such terms are defined for purposes of Regulation D under the U.S. Securities Act, including without limitation any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio or television or other form of telecommunications, or published or broadcast by means of the Internet or any other form of electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

   (e) understands the Purchased Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the sale contemplated hereby is being made in reliance on an Exemption from such registration requirements provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506 of Regulation D promulgated thereunder.

   (f) satisfies one or more of the categories indicated below (**check appropriate box**):

_____	Category 1. [Rule 501(a)(1)]	A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
_____	Category 2. [Rule 501(a)(1)]	A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
_____	Category 3. [Rule 501(a)(1)]	A broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended; or
_____	Category 4. [Rule 501(a)(1)]	An investment adviser registered pursuant to Section 203 of the U.S. Investment Advisers Act of 1940, as amended, or registered pursuant to the laws of a state; or
_____	Category 5. [Rule 501(a)(1)]	An investment adviser relying on the exemption from registering with the Commission under Section 203(l) or (m) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 6. [Rule 501(a)(1)]	An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

_____	Category 7. [Rule 501(a)(1)]	An investment company registered under the U.S. Investment Company Act of 1940, as amended; or
_____	Category 8. [Rule 501(a)(1)]	A business development company as defined in Section 2(a)(48) of the U.S. Investment Company Act of 1940, as amended; or
_____	Category 9. [Rule 501(a)(1)]	A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended; or
_____	Category 10. [Rule 501(a)(1)]	A Rural Business Investment Company as defined in Section 384A of the U.S. Consolidated Farm and Rural Development Act of 1972, as amended; or
_____	Category 11. [Rule 501(a)(1)]	A plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with assets in excess of U.S. $5,000,000; or
_____	Category 12. [Rule 501(a)(1)]	An employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company or registered investment advisor, or an employee benefit plan with total assets in excess of U.S. $5,000,000 or, if a self-directed plan, the investment decisions are made solely by persons who are accredited investors; or
_____	Category 13. [Rule 501(a)(2)]	A private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended; or
_____	Category 14. [Rule 501(a)(3)]	An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. $5,000,000; or
_____	Category 15. [Rule 501(a)(4)]	A director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or
_____	Category 16. [Rule 501(a)(5)]	A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds U.S. $1,000,000; or

(**Note**: For the purposes of calculating "net worth"

(i) the person's primary residence shall not be included as an asset;

(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the Offering, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the closing of the Offering exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.)

(**Note**: For the purposes of calculating "joint net worth", joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.)

(**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)

_____	Category 17. [Rule 501(a)(6)]	A natural person who had an individual income in excess of U.S. $200,000 in each year of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of U.S. $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or (**Note**: The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.)
_____	Category 18. [Rule 501(a)(7)]	A trust, with total assets in excess of U.S. $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under Regulation D under the U.S. Securities Act; or
X	Category 19. [Rule 501(a)(8)]	An entity in which each of the equity owners are accredited investors; or (**Note:** It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this category. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this category may be available.)
_____	Category 20. [Rule 501(a)(9)]	An entity, of a type not listed in Categories 1 through 14. 18 or 19 above, not formed for the specific purpose of acquiring the securities offered, owning "investments" (as defined in Rule 2a51-1(b) under the U.S. Investment Company Act of 1940, as amended) in excess of U.S. $5,000,000; or
_____	Category 21. [Rule 501(a)(10)]	A natural person holding in good standing one or more of the following professional licenses: (i) General Securities Representative license (Series 7); (ii) Private Securities Offerings Representative license (Series 82), and (iii) Investment Adviser Representative license (Series 65); or
_____	Category 22. [Rule 501(a)(11)]	A natural person who is a "knowledgeable employee" (as defined in Rule 3c-5(a)(4) under the U.S. Investment Company Act of 1940, as amended) of the issuer of the securities being offered or sold where the issuer would be an "investment company" (as defined in Section 3 of U.S. Investment Company Act of 1940, as amended), but for the exclusion provided by either Section 3(c)(1) or section 3(c)(7) of U.S. Investment Company Act of 1940, as amended; or
_____	Category 23. [Rule 501(a)(12)]	A "family office" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended): (i) with assets under management in excess of U.S. $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
_____	Category 24. [Rule 501(a)(13)]	A "family client" (as defined in Rule 202(a)(11)(G)-1 under the U.S. Investment Advisers Act of 1940, as amended) of a family office meeting the requirements in Category 23 above and whose prospective investment in the issuer is directed by such family office pursuant to clause (iii) of Category 23.

(g) if an individual, is a resident of the state or other jurisdiction of its disclosed address set out in the Subscriber's information on page 3 of its subscription; or if not an individual, has received and accepted the offer to acquire the Purchased Securities at the office of the Subscriber at the disclosed address set out in the Subscriber's information on page 3, of its subscription.

2. The Subscriber acknowledges and agrees that:

(a) the Subscriber has not acquired the Purchased Securities as a result of, and will not itself engage in any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Purchased Securities; provided, however, that the Subscriber may sell or otherwise dispose of any of the Purchased Securities pursuant to registration of any of the Purchased Securities pursuant to the U.S. Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;

(b) if the Subscriber decides to offer, sell or otherwise transfer any of the Purchased Securities, it will not offer, sell or otherwise transfer any of such securities, directly or indirectly, unless:

(i) the sale is to the Issuer;

(ii) the sale is made outside of the United States pursuant to the requirements of Rule 904 of Regulation S;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder if available and in accordance with any applicable state securities or "Blue Sky" laws; or

(iv) the Purchased Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable U.S. state laws and regulations governing the offer and sale of securities,

and, in the case of paragraphs (iii) and (iv), the Subscriber has prior to such sale furnished to the Issuer an opinion of counsel of recognized standing or other evidence in form and substance satisfactory to the Issuer;

(c) upon the issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. State laws and regulations, the certificates representing any of the Purchased Securities (and any underlying Shares) will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

and provided that if any of the Purchased Securities are being sold by the Subscriber in an off-shore transaction and in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing a declaration to the Issuer and its transfer agent in the form attached as Schedule I to Form 2 hereof or such other evidence as the Issuer or its transfer agent may from time to time prescribe (which may include an opinion of counsel satisfactory to the Issuer and its transfer agent), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S;

and provided further, that if any of the Purchased Securities are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be

removed by delivery to the Issuer's transfer agent of an opinion or other evidence satisfactory to the Issuer and its transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act and state securities laws;

(d) any Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless registered under the U.S. Securities Act and any applicable state securities laws unless an exemption from such registration requirements is available and upon the original issuance of the Warrants, and until such time as it is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, all certificates representing the Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

> "THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(e) the Issuer may make a notation on its records or instruct the registrar and transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described herein and the subscription;

(f) the Subscriber understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Rule 902 of Regulation S, (ii) may not, at the time the Purchased Securities are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer;

(g) the Subscriber understands and agrees that the financial statements of the Issuer have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(h) the Subscriber understands that (i) the Issuer may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash or cash equivalents (a "**Shell Corporation**"), (ii) if the Issuer is deemed to be, or to have been at any time previously, a Shell Corporation, Rule 144 under the U.S. Securities Act may not be available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants), and (iii) the Issuer is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Purchased Securities (including the Shares issuable on the exercise of the Warrants);

(i) the Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Issuer is organized under the laws of Ontario, Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Issuer and such persons may be located outside the United States;

(j) the Subscriber understands that the Purchased Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the Securities and Exchange Commission (the "**SEC**") provide in substance that the Subscriber may dispose of the Purchased Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Purchased Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Purchased Securities indefinitely or to transfer the Purchased Securities in the United States or to U.S. Persons in "private placements" which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Purchased Securities for an indefinite period of time.

(k) the Subscriber understands and agrees that there may be material tax consequences to the Subscriber of an acquisition, disposition or exercise of any of the Purchased Securities, and the Issuer gives no opinion

and makes no representation with respect to the tax consequences to the Subscriber under United States, state, local or foreign tax law of the Subscriber's acquisition or disposition of such Purchased Securities, and in particular, no determination has been made whether the Issuer will be a "passive foreign investment company" ("**PFIC**") within the meaning of Section 1291 of the United States Internal Revenue Code (the "**Code**"), provided, however, the Issuer agrees that it shall provide to the Subscriber, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Issuer as a "qualified electing fund" for the purposes of the Code, should the Issuer or the Subscriber determine that the Issuer is a PFIC in any calendar year following the Subscriber's purchase of the Purchased Securities; and

(l) the funds representing the subscription price which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to the subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and that no portion of the subscription price to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Subscriber, and it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.

* * * * * * *

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the Subscriber shall give the Issuer immediate written notice thereof.

Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the subscription to which this Certificate is attached.

The Subscriber acknowledges and agrees that the Issuer will and can rely on this Certificate in connection with the Subscriber's subscription.

IN WITNESS, the undersigned has executed this Certificate as of the 17 day of August, 2023.

If a corporation, partnership or other entity:	**If an individual:**
Mindset Value Wellness Fund	
Print Name of Subscriber	*Print Name of Subscriber*
Aaron Edelheit	
Signature of Authorized Signatory	*Signature*
Aaron Edelheit, CEO	
Name and Position of Authorized Signatory	*Jurisdiction of Residence of Subscriber*
California, USA	
Jurisdiction of Residence of Subscriber	

SCHEDULE I TO FORM 2
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: **GROWN ROGUE INTERNATIONAL INC.**

AND TO: The [registrar and transfer agent/warrant agent] for the securities of Grown Rogue International Inc.

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") and (B) certifies that (1) the undersigned is not an "affiliate" of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a "distributor" or an affiliate of "distributor", (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing-off" the resale restrictions imposed because the securities are "restricted securities" as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at _____ this _____ day of _____, 20__

By: x_____
Name:
Title:

Affirmation by Seller's Broker-Dealer
(required for sales under (B)2(b) above)

We have read the foregoing representations of our customer, _____ (the "**Seller**") dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of _____ or other designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

_____
Name of Firm
By: x _____
Authorized officer

Date:_____

FORM 3

CERTIFICATE OF NON-CANADIAN SUBSCRIBERS
(OTHER THAN U.S. SUBSCRIBERS)

TO: **GROWN ROGUE INTERNATIONAL INC.** (the "**Issuer**")

The undersigned Subscriber, on its own behalf and (if applicable) on behalf of others for whom it is contracting hereunder, represents, warrants and covenants to the Issuer (and acknowledges that the Issuer is relying thereon) that:

(i) the undersigned is, and (if applicable) any beneficial purchaser for whom the undersigned is contracting hereunder is, a resident of, or otherwise subject to, the securities legislation of a jurisdiction other than Canada or the United States;

(ii) (A) the undersigned is a purchaser that is recognized by the securities regulatory authority in the jurisdiction in which it is, and (if applicable) any other purchaser for whom it is contracting hereunder is, resident or otherwise subject to the securities laws of such jurisdiction, as an exempt purchaser and is purchasing the Purchased Securities as principal for its, or (if applicable) each such other purchaser's, own account, and not for the benefit of any other person; or (B) a purchaser which is purchasing Purchased Securities pursuant to an exemption from any prospectus or securities registration requirements available to the Issuer, the Subscriber and any such other purchaser under applicable securities laws of their jurisdiction of residence or to which the Subscriber and any such other purchaser are otherwise subject to;

(iii) the purchase of the Purchased Securities by the Subscriber, and (if applicable) each such other purchaser, does not contravene any of the applicable securities laws in such jurisdiction and does not trigger: (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise; or (ii) any registration or other obligation on the part of the Issuer;

(iv) the Subscriber, and (if applicable) any other purchaser for whom it is contracting hereunder, will not sell or otherwise dispose of any Purchased Securities, except in accordance with applicable securities laws in Canada and the United States, and if the Subscriber, or (if applicable) such beneficial purchaser sells or otherwise disposes of any Purchased Securities to a person other than a resident of Canada or the United States, as the case may be, the Subscriber, and (if applicable) such beneficial purchaser, will obtain from such purchaser representations, warranties and covenants in the same form as provided in this Form 3 and shall comply with such other requirements as the Issuer may reasonably require; and

(v) the Subscriber hereby confirms that the Issuer is exempt from registration in the foreign jurisdiction and materially complies with all applicable securities regulatory requirements of the foreign jurisdiction in connection with the distribution.

Upon execution of this Certificate by the Subscriber, this Certificate shall be incorporated into and form a part of the subscription agreement (the "**Subscription Agreement**") to which this Certificate is attached. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Subscription Agreement.

DATED _____, 2023.

_____
Name of Subscriber

By: _____
Signature

_____
Title

Exhibit 4.37

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY (OR THE COMMON SHARES ISSUABLE ON CONVERSION THEREOF) BEFORE DECEMBER 18, 2023.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

UNSECURED CONVERTIBLE DEBENTURE CERTIFICATE
Grown Rogue International Inc.

(Existing under the laws of the Province of Ontario)

DEBENTURE CERTIFICATE NO. **2023-08-17-03** **PRINCIPAL AMOUNT US$ 75,000**

GROWN ROGUE INTERNATIONAL INC. (the "**Company**"), for value received, hereby acknowledges itself indebted and promises to pay to Mindset Value Wellness Fund of 30 West Mission Street #8, Santa Barbara, CA, 93101, USA (hereinafter referred to as the "**holder**" or the "**Debentureholder**") in United States currency at any time following August 17, 2023 (the "**Issue Date**") but on or prior to August 17, 2027 (the "**Maturity Date**"), at such place as the Debentureholder may reasonably designate by notice in writing to the Company, the outstanding Principal Amount in the manner hereinafter provided, and to pay interest on the Principal Amount outstanding from time to time and owing hereunder to the date of payment as hereinafter provided, both before and after maturity or demand, default and judgement.

The Debentureholder has the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, to convert all or any portion of the outstanding Principal Amount and any accrued and unpaid interest, into common shares of the Company (each, a "**Common Share**"), at a price of C$0.24 per Common Share subject to adjustment as herein provided. The Principal Amount of the Debenture and accrued but unpaid interest thereon, may be prepaid prior to Maturity Date upon providing 30 days' notice to the Debentureholder. In the event that only part of the Principal Amount of the Debenture is converted into Shares, any accrued and unpaid interest will remain payable.

Conversion of all or any part of the Debenture may only be completed at the offices of the Company or such other office as the Company may advise the holder in writing. This Debenture is issued subject to the terms and conditions appended hereto as Schedule "A".

Unless otherwise indicated, a reference to currency means Canadian currency.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Company has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 17 day of August, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: 

Authorized Signatory

(*See terms and conditions attached hereto as Schedule "A"*)

SCHEDULE "A"

TERMS AND CONDITIONS FOR DEBENTURE

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings set out below.

(a) "**Applicable Securities Laws**" means the securities laws, regulations, policies, notices, rulings and orders in the Province of Ontario;

(b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

(c) "**Company**" means Grown Rogue International Inc. and its successors and assigns;

(d) "**Common Shares**" means fully-paid and non-assessable common shares in the capital of the Company as constituted on the date hereof which the Debentureholder is entitled to receive upon the conversion of the Debenture pursuant to Article 4;

(e) "**Conversion Date**" or "**Date of Conversion**" means the date on which a written notice of conversion is received by the Company pursuant to §4.2(a);

(f) "**Conversion Price**" means, subject to §4.3, C$0.24 per Common Share;

(g) "**Conversion Rights**" means the rights of the Debentureholder to convert the Debenture into Common Shares pursuant to Article 4;

(h) "**Debenture**" means this secured convertible debenture as supplemented, amended or otherwise modified, renewed or replaced from time to time;

(i) "**Eastern Time**" means the local time in Toronto, Ontario, Canada;

(j) "**Events of Default**" shall have the meaning set forth in § 5.1;

(k) "**Exchange**" means the Canadian Securities Exchange, or such other stock exchange on which the Common Shares principally trade;

(l) "**Interest**" means any accrued but unpaid interest with respect to the Principal Amount;

(m) "**Issue Date**" means August 17, 2023;

(n) "**Law**" includes any law (including common law and equity), statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

(o) "**Maturity Date**" means August 17, 2027;

(p) "**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal or arbitrator, whether foreign or domestic;

(q) "**Other Debentures**" means each of the other convertible debentures issued by the Company as part of the Offering (as defined in the Subscription Agreement);

(r) "**Person**" means an individual, partnership, corporation, trust, unincorporated association, joint venture or government or any agent, instrument or political subdivision thereof;

(s) "**Principal Amount**" means the principal amount outstanding under this Debenture from time to time; and

(t) "**Subscription Agreement**" means the subscription agreement of even date between the Company and the Debentureholder providing for the issuance of this Debenture;

(u) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of any outstanding convertible securities including, without limitation, this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(v) "**USA**", "**United States**", or "**U.S.**" means the United States of America, its territories and possessions and any state of the United States, and the District of Columbia.

1.2 Interpretation

For the purposes of this Debenture, except as otherwise expressly provided herein:

(a) the words "**herein**", "**hereof**", and "**hereunder**" and other words of similar import refer to this Agreement as a whole and not to any particular Article, clause, subclause or other subdivision or Schedule;

(b) a reference to an Article means an Article of this Debenture and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Debenture so designated;

(c) the headings are for convenience only, do not form a part of this Debenture and are not intended to interpret, define or limit the scope, extent or intent of this Debenture or any of its provisions;

(d) the word "including", when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as "without limitation" or "but not limited to" or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;

(e) unless otherwise indicated, a reference to currency means Canadian currency; and

(f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
DEBENTURE

2.1 Principal Amount

The Company agrees to repay to the Debentureholder in United States currency the Principal Amount of the Debenture, together with interest thereon, by 5:00 p.m. (Eastern Time) on the Maturity Date, subject to the early redemption or conversion of the Debenture, as applicable, pursuant to the terms set forth in §2.4 and Article 4 respectively.

2.2 Interest on Debenture

The Debenture will bear interest at 9% per annum on the Principal Amount from the date of issue (the "**Issue Date**"). Interest is to be calculated from the date noted above and payable quarterly in cash in United States currency in arrears on the last Business Day of March, June, September and December of each year. The first Interest payment will be made on September 30, 2023 and will consist of Interest accrued from and including the Issue Date to but excluding September 30, 2023.

2.3 Payment of Principal Amount and Interest on Debenture

Any Principal Amount together with any Interest thereon as of the Maturity Date will be paid in full in United States currency by the Company as at such date.

2.4 Early Redemption of Debenture

The Principal Amount together with any Interest thereon may be prepaid in United States currency by the Company prior to Maturity Date upon providing 30 days' notice to the Debentureholder.

2.5 Use of Proceeds

The proceeds of the Debenture shall be used for the ongoing development of the Company's business model and for general working capital purposes.

2.6 Outstanding Balance

Notwithstanding the stated Principal Amount of this Debenture, the actual outstanding balance of the Debenture from time to time shall be the aggregate outstanding Principal Amount of the Debenture, together with any accrued and unpaid Interest thereon payable by the Company to the Debentureholder pursuant to this Debenture.

2.7 Debenture to Rank *Pari Passu*

This Debenture shall rank *pari-passu* with the Other Debentures as if this Debenture and the Other Debentures had been issued and negotiated simultaneously.

ARTICLE 3
COVENANTS

3.1 Covenants of the Company

The Company covenants and agrees with the Debentureholder that, unless otherwise consented to in writing by the Debentureholder:

(a) **Reservation of Common Shares.** The Company shall at all times have reserved for issuance out of its authorized capital a sufficient number of Common Shares to satisfy its obligations to issue and deliver Common Shares upon the due conversion of the Debenture;

(b) **Approvals and Filings.** The Company shall, in connection with the execution and delivery of this Debenture and the possible conversion of the Debenture into Common Shares, obtain any and all statutory and regulatory approvals required to effect and complete the same and shall file all notices, reports and other documents required to be filed by or on behalf of the Company pursuant to Applicable Securities Laws in respect thereof, including the rules and regulations of the Exchange;

(c) **Resale Restrictions.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof from time to time will be subject to resale restrictions imposed under Applicable Securities Laws and applicable federal and "blue sky" securities laws of the United States and the rules of regulatory bodies having jurisdiction including, without limiting the generality of the foregoing, that the Common Shares so issued shall not be traded for a period of four months from the date of the execution of this Debenture except as permitted by Applicable Securities Laws and, if applicable, with the consent of the Exchange;

(d) **Restrictions in U.S.** This Debenture and the securities deliverable upon conversion hereof 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. This Debenture may not be converted in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Common Shares are registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available, and (iii) the holder has complied with the requirements set forth in the Conversion Form attached hereto as Schedule "B"**.** For the purposes of this §3.1(d), "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

(e) **Certificate Legend.** A legend will be placed on the certificates representing the Common Shares issued on conversion of the Debenture denoting the restrictions on transfer imposed by Applicable Securities Laws and the policies of the Exchange, if applicable:

(f) **Canadian Securities Laws.** All Common Shares issued to the Debentureholder upon conversion of the Debenture or any part thereof shall be made pursuant to an exemption from the prospectus requirements available to the Debentureholder or the Company in respect of the transactions contemplated herein under Applicable Securities Laws.

ARTICLE 4
CONVERSION OF DEBENTURE

4.1 Conversion Privilege and Conversion Price

The Debentureholder shall have the right, from time to time and at any time while any portion of the Principal Amount is outstanding under this Debenture, subject to early redemption, to convert to Common Shares, all or any part of the outstanding Principal Amount together with any accrued and unpaid Interest on the Conversion Date, at the Conversion Price.

4.2 Manner of Exercise of Right to Convert

(a) The Debentureholder may, at any time following the Issue Date and at any time while any portion of the Principal Amount is outstanding under this Debenture, convert the Principal Amount together with any accrued and unpaid Interest on the Conversion Date, in whole or in part, into Common Shares at the Conversion Price, by delivering to the Company the conversion form attached hereto as Schedule "B" executed by the Debentureholder or the Debentureholder's attorney duly appointed by an instrument in writing, exercising the Debentureholder's right to convert the Debenture in accordance with the provisions of this Article 4. Thereupon, the Debentureholder, subject to payment of all applicable stamp or security transfer taxes or other governmental charges, shall be entitled to be entered in the books of the Company as at the Conversion Date (or such later date as is specified in §4.2(b)) as the holder of the number of Common Shares into which the Debenture is convertible in accordance with the conversion form then received by the Company and the provisions of this Article 4 and, as soon as practicable thereafter, the Company shall deliver

to the Debentureholder and/or, subject as aforesaid, the Debentureholder's nominee(s) or assignee(s), a certificate or certificates for such Common Shares affixed with all required legends.

(b) For the purposes of this Article 4, the Debenture shall be deemed to be converted on the Conversion Date on which the conversion form under §4.2(a) is actually received by the Company, provided that if such conversion form or notice is received on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened;

(c) Any part of the Principal Amount together with any accrued and unpaid Interest may be converted as provided in §4.2(a); and

(d) The Debentureholder shall be entitled in respect of Common Shares issued upon conversion of the Debenture to dividends declared in favour of shareholders of record of the Company on and after the Conversion Date or such later date as the Debentureholder shall become the holder of record of such Common Shares pursuant to §4.2(b), from which applicable date any Common Shares so issued to the Debentureholder shall for all purposes be and be deemed to be outstanding as fully paid and non-assessable.

4.3 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

(a) If and whenever at any time while any portion of the Principal Amount is outstanding under this Debenture (referred to in this §4.3 as the "**Time of Expiry**"), the Company shall:

(i) subdivide, redivide or change its Common Shares into a greater number of shares,

(ii) consolidate, reduce or combine its Common Shares into a lesser number of shares, or

(iii) issue Common Shares to all or substantially all of the holders of its Common Shares by way of a stock dividend or other distribution on such Common Shares payable in Common Shares (other than dividends paid in the ordinary course);

(any such event being hereinafter referred to as a "**Capital Reorganization**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in effect on the effective date of such event referred to in §4.3(a)(i) or §4.3(a)(ii) or on the record date of such stock dividend referred to in §4.3(a)(iii), as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding before giving effect to such Capital Reorganization and the denominator of which shall be the number of Common Shares outstanding after giving effect to such Capital Reorganization. Such adjustment shall be made successively whenever any Capital Reorganization shall occur and any such issue of Common Shares by way of a stock dividend or other such distribution shall be deemed to have been made on the record date thereof for the purpose of calculating the number of outstanding Common Shares under §4.3(a)(i) and §4.3(a)(ii);

(b) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share (or having a conversion or exchange price per share) of less than the Current Market Price (as defined below) per Common Share on such record date (any such event being hereinafter referred to as a "**Rights Offering**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number equal to the number determined by dividing the aggregate purchase price of the additional Common Shares offered for subscription or purchase by such Current Market Price per Common Share, and of which the denominator shall be the total number of Common

Shares outstanding on such record date plus the number of the additional Common Shares offered for subscription or purchase. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment, if having received prior Exchange approval, shall be made successively whenever such a record date is fixed. To the extent that such Rights Offering is not made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(c) If and whenever at any time prior to the Time of Expiry, the Company shall fix a record date for the distribution to all or substantially all the holders of its Common Shares of:

(i) shares of any class whether of the Company or any other corporation (excluding dividends paid in the ordinary course);

(i) rights, options or warrants;

(ii) evidences of indebtedness; or

(iii) other assets or property (excluding dividends paid in the ordinary course);

and if such distribution does not constitute a Capital Reorganization or a Rights Offering or does not consist of rights, options or warrants entitling the holders, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares at a price per share or having a conversion or exchange price per share of at least the Current Market Price per Common Share on such record date (any such non-excluded event being hereinafter referred to as a "**Special Distribution**"), the Conversion Price, subject to prior approval of the Exchange, shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share determined on such record date, less the excess of the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of such Special Distribution over the fair market value (as determined by the board of directors of the Company, which determination shall be conclusive) of the consideration therefor, if any, received by the Company and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share. Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purposes of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. The extent that such Special Distribution is not so made or to the extent any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall then be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued;

(d) For the purpose of any computation under §4.3(b) or §4.3(c), the **"Current Market Price"** of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then and in each such case the

then-existing Conversion Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time prior to the Time of Expiry, there is a reclassification or change of Common Shares into other shares or there is a consolidation, merger, reorganization or amalgamation of the Company with or into another corporation or entity that results in any reclassification of Common Shares or a change of Common Shares into other shares or there is a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being hereinafter referred to as a "**Reclassification of Common Shares**"), the Debentureholder shall be entitled to receive and shall accept, upon the exercise of the Debentureholder's right of conversion at any time after the effective date thereof, in lieu of the number of Common Shares of the Company to which the Debentureholder was theretofore entitled on conversion, the kind and amount of shares or other securities or money or other property that the Debentureholder would have been entitled to receive as a result of such Reclassification of Common Shares, if, on the effective date thereof, the Debentureholder had been the registered holder of the number of such Common Shares to which the Debentureholder was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this §4.3.

(g) In any case in which this §4.3 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing or transferring to the Debentureholder who converts on a Conversion Date after such record date or agreement date and before the occurrence of such event the additional Common Shares issuable upon conversion by reason of the adjustment of the Conversion Price required by such event before giving effect to such adjustment; provided, however, that the Company shall deliver to the Debentureholder an appropriate instrument evidencing the Debentureholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares on and after the Date of Conversion or such later date as the Debentureholder would, but for the provisions of this §4.3(g), have become the holder of record of such additional Common Shares pursuant to §4.3(c);

(h) The adjustments provided for in this §4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this §4.3, provided that, notwithstanding any other provision of this §4.3, no adjustment shall be made which would result in any increase in the Conversion Price (except upon a consolidation, reduction or combination of outstanding Common Shares) and no adjustment of the Conversion Price shall be required unless such adjustment would require a decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment;

(i) In the event of any dispute arising with respect to the adjustments provided in this §4.3, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company (who may be auditors of the Company) and acceptable to the Debentureholder, acting reasonably. Such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the Debentureholder; and

(j) Notwithstanding any other provision herein contained, no adjustment to the Conversion Price shall be made in respect of any event described in this §4.3 (other than the events referred to in paragraphs (i) and (ii) of subsection (a)), if the Debentureholder is entitled, without converting the Debenture, to participate in such event on the same terms mutatis mutandis as if the Debentureholder had converted the Debenture into Common Shares prior to or on the effective date or record date of such event.

4.4 No Requirement to Issue Fractional Shares

The Company shall not be required to issue fractional Common Shares upon the conversion of the Debenture pursuant to this Article 4.

4.5 Certificate as to Adjustment

The Company shall from time to time forthwith after the occurrence of any event which requires adjustment or readjustment as provided in §4.3, deliver to the Debentureholder at the Debentureholder's address set forth on the final page hereof, an officer's certificate specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation are based.

4.6 Redemption of Debenture

Notwithstanding anything to the contrary contained herein, this Debenture will be redeemable at the option of the Company prior to 5:00 p.m. (Eastern Time) on the Maturity Date, pursuant to the terms set forth in §2.4.

ARTICLE 5
EVENTS OF DEFAULT

5.1 General

The occurrence of any one or more of the following events ("**Events of Default**") will constitute a default hereunder (whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court of any order, rule or regulation of any administrative or governmental body):

(a) **Non-Compliance:** (A) the Company fails to observe or perform one or more material covenants, agreements, conditions or obligations in favour of the Debentureholder, including a failure to pay any or all of the Principal Amount, interest and other monies due under the Debenture when due, or (B) the Company defaults pursuant to, or fails to observe or perform one or more material covenants, agreements, conditions or obligations under the Other Debentures or any other ancillary document or instrument entered into in connection with the transaction in which this Debenture was issued; and in each case, if such failure continues unremedied for a period of 30 days after the Debentureholder gives notice thereof to the Company;

(b) **Cross Default:** an event of default occurs under any, note, credit agreement or similar agreement or arrangement (including any ancillary document or instrument entered into in connection therewith) pursuant to which the Company has borrowed at least $1,000,000 in aggregate principal amount;

(c) **Bankruptcy or Insolvency:** the Company becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against the Company, or the Company commits or threatens to commit an act of bankruptcy;

(d) **Receivership:** a receiver or receiver manager of the Company is appointed under any statute or pursuant to any document issued by the Company;

(e) **Compromise or Arrangement:** any proceeding with respect to the Company is commenced under the compromise or arrangement provisions of the corporations statute pursuant to which the Company is governed, or the Company enters into an arrangement or compromise with any or all of its creditors pursuant to such provisions or otherwise;

(f) **Companies' Creditors Arrangement Act:** any proceeding with respect to the Company is commenced in any jurisdiction under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation; and

(g) **Liquidation:** an order is made, a resolution is passed, or a petition is filed, for the liquidation, dissolution or winding-up of the Company.

ARTICLE 6
RIGHTS, REMEDIES AND POWERS

6.1 Upon Default

Upon the occurrence of an Event of Default and at any time thereafter, so long as such Event of Default is continuing, the Debentureholder may exercise any or all of the rights, remedies and powers of the Debentureholder under any applicable legislation or otherwise existing, whether under this Debenture or any other agreement or at law or in equity, and in addition will have the right and power (but will not be obligated) to declare any or all of the Debenture to be immediately due and payable. Notwithstanding the above, if an Event of Default set out in Sections 5.1(b) to (f) occurs then the full amount owing under this Debenture shall become immediately due and payable.

6.2 Waiver

The Debentureholder in its absolute discretion may at any time and from time to time by written notice waive any breach by the Company of any of its covenants or agreements herein. No failure or delay on the part of the Debentureholder to exercise any right, remedy or power given herein or by any other existing or future agreement or now or hereafter existing by statute, at law or in equity will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy or power preclude any other exercise thereof or the exercise of any other such right, remedy or power, nor will any waiver by the Debentureholder be deemed to be a waiver of any subsequent, similar or other event.

ARTICLE 7
OTHER AGREEMENTS

7.1 Withholding Taxes

If the Company is obliged to withhold any payment hereunder on account of present or future taxes, duties, assessments or other governmental charges required by Law, the Company shall make such withholding or deduction and pay the balance owing to the Debentureholder.

7.2 Amendment and Waiver

Neither this Debenture nor any provision hereof may be amended, waived, discharged or terminated except by a document in writing executed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

7.3 Notices and Other Instruments

Any notice, demand or other communication required or permitted to be given to any party hereunder shall be in writing and shall be:

(a) personally delivered to such party; or

(b) except during a period of strike, lock-out or other postal disruption, sent by double registered mail, postage prepaid to the address of such party set forth on page one; or

(c) sent by email to the address of such party set forth on page one, or as otherwise designated by such party in a written notice to the other party;

and shall be deemed to have been received by such party on the earliest of the date of delivery under subsection (a), the actual date of receipt when mailed under subsection (b) and the Business Day following the date of communication under subsection (c). Any party may give written notice to the other parties of a change of address to some other address, in which event any communication shall thereafter be given to such

party as hereinbefore provided, at the last such changed address of which the party communication has received written notice.

7.4 Maximum Rate

Notwithstanding any other provisions of this Debenture or any other agreement, the maximum amount (including interest and any other consideration) payable to the Debentureholder in connection with the indebtedness evidenced by the Debenture, including the Principal Amount thereof and any Interest thereon, and all other obligations and liability of the Company to the Debentureholder pursuant to this Debenture and each part thereof shall not exceed the maximum allowable return permitted under the laws of Ontario and the laws of Canada applicable therein, and the provisions of this Debenture and all other existing and future agreements are hereby modified to the extent necessary to effect the foregoing.

7.5 Successors and Assigns

This Debenture shall be binding upon the Company and its successors.

7.6 Headings, etc.

The division of this Debenture into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

7.7 Severability

The provisions of this Debenture are intended to be severable. If any provision of this Debenture shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

7.8 Modification

From time to time the Company may modify the terms and conditions hereof for any purpose not inconsistent the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

7.9 Governing Law

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.10 Business Combination

(a) Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Company with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any corporation lawfully entitled to acquire and operate same (such event to be referred to in this §7.10 as a "**Business Combination**"), provided, however, that the corporation formed by such Business Combination, simultaneously with such amalgamation, merger, conveyance or transfer, assumes the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company in this Debenture.

(b) In case the Company, pursuant to §7.10(a), shall complete a Business Combination with or into any other corporation or corporations, the successor corporation formed by such Business Combination shall succeed to and be substituted for the Company hereunder and such changes in phraseology and form (but not in substance) may be made herein as may be appropriate in view of such amalgamation, merger or transfer.

SCHEDULE "B"

NOTICE OF CONVERSION FORM

To: Grown Rogue International Inc.

The undersigned registered holder of the enclosed certificate representing (US)$_____ in principal amount of the Convertible Debenture (the "**Debenture**"), issued by Grown Rogue International Inc. (the "**Corporation**"), does hereby exercise the right to convert (US)$_____ in the principal amount and interest, if applicable, owing under the Debenture into fully paid and non-assessable common shares ("**Common Shares**") of the Borrower pursuant to the terms of the Debenture, and does hereby irrevocably tender the Debenture to the Borrower for such purpose.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of conversion of the Debenture (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Debenture on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Conversion Form in the United States.

☐ B. The undersigned holder at the time of conversion of the Debenture (i) is the original holder who acquired the Debenture in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Debenture; (ii) is converting the Debenture for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of conversion of this Debenture and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of conversion of this Debenture.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the conversion of the Debenture should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

DATED the _____ day of _____, 20____.

)

_____)

Signature of Witness)

_____

Signature of registered holder or authorized signatory thereof

)

If applicable, print name and office of signatory

)

)

Print Name of registered holder as on certificate

)

Street Address

)

)

City, Province/State and Postal Code/ZIP Code

Instructions:

1. The registered Debentureholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the original Debenture Certificate representing the Debenture being exercised to the Corporation.

2. If the Conversion Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

Exhibit 4.38

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE DECEMBER 18, 2023.

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN 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. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER OF SUCH SECURITIES AND ITS SUCCESSORS (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER HAS PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE 5:00 P.M. (TORONTO TIME) ON AUGUST 17, 2026.

WARRANT CERTIFICATE

GROWN ROGUE INTERNATIONAL INC.
(Existing under the *Business Corporations Act* (Ontario))

WARRANT CERTIFICATE NO. 2023- 08-17-03

211,219 WARRANTS entitling the holder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby, and

THIS IS TO CERTIFY THAT Mindset Value Wellness Fund (hereinafter referred to as the "**Warrantholder**") is entitled to acquire for each Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. (Toronto time) on August 17, 2026 (the "**Expiry Time**"), one fully paid and non-assessable Common Share at a price of C$0.28 per Common Share (as may be adjusted pursuant to the terms herein, the "**Exercise Price**"), provided that the Corporation has the right to accelerate the Expiry Time to be ninety (90) days following written notice to

the Warrantholder if during the term the Common Shares close at or above C$0.40 per share on each trading day for a period of ten (10) consecutive trading days on the Exchange.

This Warrant may be exercised only at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1. This Warrant is issued subject to the following terms and conditions:

TERMS AND CONDITIONS FOR WARRANT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) **"Common Shares"** means the common shares without par value in the capital of the Corporation as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Article 4 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, "**Common Shares**" shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.;

(b) **"Corporation"** means Grown Rogue International Inc. unless and until a successor corporation shall have become such in the manner prescribed in Article 6, and thereafter "**Corporation**" shall mean such successor corporation;

(c) **"Corporation's Auditors"** means an independent firm of accountants duly appointed as auditors of the Corporation;

(d) **"Exchange"** means the Canadian Securities Exchange or such other stock exchange on which the Corporation's Common Shares are listed and posted for trading;

(e) **"herein"**, **"hereby"** and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression "article" and "section" followed by a number refer to the specified article or section of these Terms and Conditions;

(f) **"person"** means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(g) "**Trigger Issuance**" means the sale or issuance by the Company of any Common Shares or securities exercisable for or convertible into Common Shares in exchange for cash with either (i) a value of at least $1,000,000, or (ii) that represent (or would on exercise or conversion or exercise represent) in increase of more than 1% in the total number of Common Shares outstanding on the date hereof; provided, however, that the following issuances of Common Shares shall not be deemed to be a Trigger Issuance: (A) issuance of Common Shares issued upon the exercise of any outstanding convertible securities including, without limitation, this Debenture or the Warrants issued in connection with this Debenture; (B) Common Shares issued directly or upon the exercise of options to directors, officers, employees, or consultants of the

Company in connection with their service to the Company; (C) Common Shares or convertible securities issued (x) to persons in connection with a joint venture, strategic alliance or other commercial relationship with such person (including persons that are customers, suppliers and strategic partners of the Company) relating to the operation of the Company's business and not for the primary purpose of raising equity capital, or (y) in connection with a transaction in which the Company, directly or indirectly, acquires another business or its tangible or intangible assets; (D) Common Shares or convertible securities issued to the lessor or vendor in any office lease or equipment lease or similar equipment financing transaction in which the Company obtains the use of such office space or equipment for its business; (E) a Capital Reorganization, or (F) a Rights Offering.

(h) **"Warrant"** means the warrants to acquire Common Shares evidenced by the Warrant Certificate; and

(i) **"Warrant Certificate"** means the certificate to which these Terms and Conditions are annexed.

1.2 Interpretation Not Affected by Headings

(a) The division of these Terms and Conditions into articles and sections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

(b) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

The terms hereof and of the Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE 2
ISSUE OF WARRANT

2.1 Issue of Warrants

That number of Warrants set out on the Warrant Certificate are hereby created and authorized to be issued.

2.2 Additional Securities

Subject to any other written agreement between the Corporation and Warrantholder, the Corporation may at any time and from time to time undertake further equity or debt financings and may issue additional Common Shares, warrants or grant options or similar rights to purchase Common Shares to any person.

2.3 Issue in Substitution for Lost Warrants

If the Warrant Certificate becomes mutilated, lost, destroyed or stolen:

(a) the Corporation shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate; and

(b) the Warrantholder shall bear the reasonable cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction or theft of the Warrant Certificate, shall furnish to the

Corporation such evidence of loss, destruction or theft as shall be satisfactory to the Corporation in its reasonable discretion and the Corporation may also require the Warrantholder to furnish indemnity in an amount and form satisfactory to the Corporation in its discretion, and shall pay the reasonable charges of the Corporation in connection therewith.

2.4 Warrantholder Not a Shareholder

The Warrant shall not constitute the Warrantholder a shareholder of the Corporation, nor entitle it to any right or interest in respect thereof except as may be expressly provided in the Warrant.

ARTICLE 3
EXERCISE OF THE WARRANT

3.1 Method of Exercise of the Warrant

The right to purchase Common Shares conferred by the Warrant Certificate may be exercised at or prior to the Expiry Time by:

(a) duly completing and executing a subscription substantially in the form annexed hereto as Appendix A (the "**Subscription Form**"), in the manner therein indicated; and

(b) surrendering this Warrant Certificate and the duly completed and executed Subscription Form to the Corporation prior to the Expiry Time at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1, together with payment of the purchase price for the Common Shares subscribed for in the form of cash, wire transfer or a certified cheque payable to the Corporation in an amount equal to the then applicable Exercise Price multiplied by the number of Common Shares subscribed for in lawful money of Canada.

3.2 Effect of Exercise of the Warrant

(a) Upon delivery and payment as set forth in section 3.1 herein, the Corporation shall cause to be issued to the Warrantholder the number of Common Shares subscribed for by the Warrantholder and the Warrantholder shall become a shareholder of the Corporation in respect of such Common Shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares. The Corporation shall cause such certificate or certificates to be mailed to the Warrantholder at the address or addresses specified in the Subscription Form within five (5) business days of such delivery and payment as set forth in section 3.1 herein or, if so instructed by the Warrantholder, held for pick-up by the Warrantholder at the principal office of the Corporation.

(b) Notwithstanding any adjustment provided for in Article 4 herein, the Corporation shall not be required to issue fractional Common Shares upon the exercise of the Warrants evidenced hereby. If any fractional interest would be deliverable upon the exercise of the Warrants evidenced hereby, the Company shall, in lieu of delivering any certificate for such fractional interest, round such fractional interest up to the nearest whole Common Share if the fractional interest is above 0.5, and round such fractional interest down to the nearest whole Common Share if the fractional interest is below 0.5. The holding of a Warrant shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as herein expressly provided.

3.3 Subscription for Less than Entitlement

The Warrantholder may subscribe for and purchase a number of Common Shares less than the number which it is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Common Shares less than the number which can be purchased pursuant to the Warrant Certificate, the Warrantholder shall be entitled to the return of the Warrant Certificate with a notation on the Grid annexed hereto as **Appendix B** showing the balance of the Common Shares which the Warrantholder is entitled to purchase pursuant to the Warrant Certificate which were not then purchased.

3.4 Expiration of the Warrant

After the Expiry Time, all rights hereunder shall wholly cease and terminate and the Warrant shall be void and of no effect.

3.5 Hold Periods and Legending of Share Certificate

If any of the Warrants are exercised prior to December 18, 2023, the certificates representing the Common Shares to be issued pursuant to such exercise shall bear the following legends:

"**Unless permitted under securities legislation, the holder of this security must not trade the security before December 18, 2023."**

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") nor under the laws of any state of the United States. Subject to certain limited exceptions, (i) Warrants may not be exercised within the United States and (ii) no Common Shares issuable upon exercise of Warrants will be delivered to any address in the United States. The Warrantholder acknowledges that a legend to that effect may be placed on any certificates representing the Common Shares issued on exercise of the rights represented by this Warrant Certificate. Terms used in this paragraph have the meanings given to them in Regulation S under the 1933 Act.

ARTICLE 4
ADJUSTMENTS

4.1 Adjustments

(a) For the purpose of this Article 4, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 4.1(a):

"Current Market Price" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation;

"director" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and

"trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(b) If and whenever at any time after the date hereof and prior to the Expiry Time the Corporation shall (i) subdivide or redivide its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares or (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of a stock dividend or other distribution (any of such events herein called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted effective immediately after the effective date of any such event in (i) or (ii) above or the record date at which the holders of Common Shares are determined for the purpose of any such dividend or distribution in (iii) above, as the case may be, by multiplying the Exercise Price in effect on such effective date or record date, as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would be outstanding if such securities were exchanged for or converted into Common Shares.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.1(b) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time after the date hereof and prior to the Expiry Time the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares, of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of less than the Current Market Price of the Common Shares on such record date (any of such events being herein called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

(A) the number of Common Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing

(I) either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(II) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this section 4.1(c), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this section 4.1(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time after the date hereof and prior to the Expiry Time, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the Common Shares of:

(i) shares of the Corporation of any class other than Common Shares;

(ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of at least the Current Market Price of the Common Shares on such record date);

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation (including cash, but excluding cash dividends paid in the ordinary course);

and if such issue or distribution does not constitute an Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

(I) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and

(II) the fair value, as determined by the directors of the Corporation, to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(d) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this section 4.1(d), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Common Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(e) Subject to the approval of the Exchange, if applicable, if and whenever during the six (6) month period following the Issue Date, a Trigger Issuance shall have occurred for a consideration per share less than the Exercise Price in effect immediately prior to the time of such issue or sale, then and in each such case the then existing Exercise Price shall be reduced, as of the close of business on the effective date of the Trigger Issuance, to the price per share at which the Trigger Issuance occurred.

(f) If and whenever at any time after the date hereof and prior to the Expiry Time there is a capital reorganization of the Corporation or a reclassification or other change in the Common Shares (other than an Common Share Reorganization) or a consolidation or merger or amalgamation of the Corporation with or into any other corporation or other entity (other than a consolidation, merger or amalgamation which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of all or substantially all of the Corporation's undertaking and assets to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital

Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of Common Shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder has been the registered holder of the number of Common Shares to which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Warrantholder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant Certificate.

(g) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in sections 4.1(b), (c), (d), (e) or (f) herein shall occur and the occurrence of such event results in an adjustment of the Exercise Price pursuant to the provisions of this section 4.1, then the number of Common Shares purchasable pursuant to this Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Common Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(h) If the Corporation takes any action affecting its Common Shares to which the foregoing provisions of this section 4.1, in the opinion of the board of directors of the Corporation, acting in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Warrantholder against dilution in accordance with the intent and purposes hereof, or would otherwise materially affect the rights of the Warrantholder hereunder, then the Corporation shall, subject to the approval of the Exchange, execute and deliver to the Warrantholder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such manner as the board of directors of the Corporation may determine to be equitable in the circumstances, acting in good faith. The failure of the taking of action by the board of directors of the Corporation to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

4.2 Rules and Procedures

The following rules and procedures shall be applicable to the adjustments made pursuant to section 4.1 herein:

(a) any Common Shares owned or held by or for the account of the Corporation shall be deemed not be to outstanding except that, for the purposes of section 4.1 herein, any Common Shares owned by a pension plan or profit sharing plan for employees of the Corporation or any of its subsidiaries shall not be considered to be owned or held by or for the account of the Corporation;

(b) no adjustment in the Exercise Price or the number of Common Shares purchasable pursuant to this Warrant shall be required unless a change of at least 1% of the prevailing Exercise Price or the number of Common Shares purchasable pursuant to this Warrant would result, provided, however, that any adjustment which, except for the provisions of this section 4.2(b), would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;

(c) the adjustments provided for in section 4.1 herein are cumulative and shall apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such item;

(d) in the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in section 4.1(b)(iii) herein, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected;

(e) if the Corporation sets a record date to take any action and thereafter and before the taking of such action abandons its plan to take such action, then no adjustment to the Exercise Price will be required by reason of the setting of such record date;

(f) as a condition precedent to the taking of any action which would require any adjustment to the Warrants evidenced hereby, including the Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation shall have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all of the shares or other securities which the Warrantholder is entitled to receive on the full exercise thereof in accordance with the provisions hereof;

(g) forthwith, but no later than five (5) days, after any adjustment to the Exercise Price or the number of Common Shares purchasable pursuant to the Warrants, the Corporation shall provide to the Warrantholder a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, describing the event requiring and the manner of computing or determining such adjustment;

(h) any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustment pursuant to section 4.1 herein shall be conclusively determined by a firm of independent chartered accountants (who may be the Corporation's Auditors) and shall be binding upon the Corporation and the Warrantholder;

(i) no adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 4.1 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event;

(j) any adjustment to the Exercise Price under the terms of this Warrant Certificate shall be subject to the prior approval of the Exchange; and

(k) in case the Corporation, after the date of issue of this Warrant Certificate, takes any action affecting the Common Shares, other than an action described in section 4.1 herein, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval, including approval of the Exchange. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Common Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

(l) On the happening of each and every such event set out in section 4.1 herein, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall, *ipso facto*, be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

(m) The Corporation shall not be required to deliver certificates for Common Shares while the share transfer books of the Corporation are properly closed, having regard to the provisions of sections 4.1 and 4.2 herein, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Common Shares called for thereby during any such period, delivery of certificates for Common Shares may be postponed for not more than five (5) business days after the date of the re-opening of said share transfer books; provided, however, that any such postponement of delivery of certificates shall be without prejudice to the right of the Warrantholder so surrendering the same and making payment during such period to receive after the share transfer books shall have been re-opened such certificates for the Common Shares called for, as the same may be adjusted pursuant to sections 4.1 and 4.2 herein as a result of the completion of the event in respect of which the transfer books were closed.

(n) Notwithstanding any other provision of Section 4.1 or 4.2, no adjustment shall be made which would result in any increase in the Exercise Price (except upon a consolidation, reduction or combination of outstanding Common Shares).

ARTICLE 5
COVENANTS BY THE CORPORATION

5.1 Reservation of Common Shares

The Corporation covenants and agrees that until the Expiry Time, while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Article 4 herein. The Corporation further covenants and agrees that while any of the Warrants shall be outstanding, the Corporation shall (a) comply with the securities legislation applicable to it in order that the Corporation not be in default of any requirements of such legislation; (b) use its commercially reasonable best efforts to do or cause to be done all things necessary to preserve and maintain its corporate existence; and (c) at its own expense expeditiously use its commercially reasonable best efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Corporation's Common Shares may be listed from time to time. All Common Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Common Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Corporation or its creditors in respect thereof.

ARTICLE 6
MERGER AND SUCCESSORS

6.1 Corporation May Consolidate, etc. on Certain Terms

Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety to any corporation lawfully entitled to acquire and operate same, provided, however, that the corporation formed by such consolidation, amalgamation or

merger or which acquires by conveyance or transfer all or substantially all the properties and assets of the Corporation as an entirety shall, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.

6.2 Successor Corporation Substituted

In case the Corporation, pursuant to section 6.1, shall consolidate, amalgamate or merge with or into any other corporation or corporations or shall convey or transfer all or substantially all of its properties and assets as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation shall have been consolidated, amalgamated or merged or which shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Corporation hereunder and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate and herein as may be appropriate in view of such amalgamation, merger or transfer.

ARTICLE 7
AMENDMENTS

7.1 Amendment

This Warrant Certificate may be amended only by a written instrument signed by the parties hereto. Any such amendment shall be subject to receipt by the Corporation of all required approvals (if any) from the Exchange, any other stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities.

ARTICLE 8
MISCELLANEOUS

8.1 Time

Time is of the essence of this Warrant Certificate.

8.2 Notice

The Corporation will maintain a register of holders of Warrants at its principal office. The Corporation may deem and treat the registered holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Warrantholder of the Common Shares purchasable pursuant to such Warrant shall be a good discharge to the Corporation for the same and the Corporation shall not be bound to inquire into the title of any such Warrantholder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

The Corporation shall notify the Warrantholder forthwith of any change of the Corporation’s address.

All notices to be sent hereunder shall be deemed to be validly given to the registered holders of the Warrants if delivered personally or if sent by registered letter through the post addressed to such holders at their post office addresses appearing in the register of Warrant holders caused to be maintained by the Corporation,

and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by post on the fifth business day next following the post thereof.

8.3 Transfer of Warrants

Subject to applicable securities legislation and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the Exchange (or any other stock exchange on which the Common Shares are listed), the Warrants evidenced hereby (or any portion thereof) may be assigned or transferred by the Warrantholder by duly completing and executing the transfer form annexed hereto as **Appendix C**. The rights and obligations of the parties hereunder shall be binding upon and enure to the benefit of their successors and permitted assigns. After such transfer, the term "Warrantholder" shall mean and include any transferee or assignee of the current or any future Warrantholder. If only part of the Warrants evidenced hereby is transferred, the Corporation will deliver to the Warrantholder and the transferee replacement Warrant Certificates substantially in the form of this Warrant Certificate.

8.4 Enforcement

Subject as hereinafter provided, all or any of the rights conferred upon the Warrantholder by the terms hereof may be enforced by the Warrantholder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein shall be had against any shareholder or officer of the Corporation either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders or officers of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrants.

8.5 Priority

All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

8.6 Assignment

This Warrant Certificate shall enure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors and assigns.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by the signature of its duly authorized officer this 17 day of August, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
J. Obie Strickler
President and Chief Executive Officer

[Signature page to Warrant (2023)]

APPENDIX A

EXERCISE FORM

TO: GROWN ROGUE INTERNATIONAL INC.

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Warrant Certificate held by the undersigned and issued by Grown Rogue International Inc. (the "**Corporation**").

The undersigned hereby exercises the right to acquire _____ Common Shares of the Corporation in accordance with and subject to the provisions of such Warrant Certificate and herewith makes payment of the purchase price in full for the said number of Common Shares.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of exercise of the Warrants (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Warrants on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Exercise Form in the United States.

☐ B. The undersigned holder at the time of exercise of the Warrants (i) is the original holder who acquired the Warrants in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Warrants; (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of exercise of these Warrants and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the exercise of the Warrants should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

The Common Shares are to be issued as follows:

Name: _____

Address in full: _____

_____

Social Insurance Number: _____

Note: If further nominees are intended, please attach (and initial) a schedule giving these particulars.

DATED this _____ day of _____, 202____.

_____

(Signature of Warrantholder)

_____

Print full name

_____

Print full address

~~Instructions~~:

1. The registered Warrantholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised to the Corporation.

2. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

APPENDIX B

WARRANT EXERCISE GRID

Common Shares Issued	Common Shares Available	Initials of Authorized Officer

APPENDIX C

TRANSFER FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of assignee)

_____ Warrant(s) represented by the within certificate, and do(es) hereby irrevocably constitute and appoint

the attorney of the undersigned to transfer the said Warrants maintained by the transfer agent of the Corporation with full power of substitution hereunder.

DATED this _____ day of _____ 202____.

Signature of Warrantholder

Signature Guarantee

Name of Warrantholder (please print)

The signature of the Warrantholder to this assignment must correspond exactly with the name of the Warrantholder as set forth on the face of this Warrant certificate in every particular, without alteration or enlargement or any change whatsoever and the signature must be guaranteed by a Canadian chartered bank or by a Canadian trust company or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.

TRANSFEREE ACKNOWLEDGMENT

In connection with this transfer (check one):

☐ The undersigned Transferee hereby certifies that (i) it was not offered the Warrants while in the United States and did not execute this certificate while within the United States; (ii) it is not acquiring any of the Warrants represented by this Warrant Certificate by or on behalf of any person within the United States; and (iii) it has in all other respects complied with the terms of Regulation S of United States Securities Act of 1933, as amended (the "**1933 Act**"), or any successor rule or regulation of the United States Securities and Exchange Commission as presently in effect.

☐ The undersigned Transferee is delivering a written opinion of U.S. Counsel or other evidence acceptable to the Company to the effect that this transfer of Warrants has been registered under the 1933 Act or is exempt from registration thereunder.

_____
(Signature of Transferee)

_____ _____
Date Name of Transferee (please print)

The Warrants and the common shares issuable upon exercise of the Warrants shall only be transferable in accordance with applicable laws. The Warrants may only be exercised in the manner required by the certificate representing the Warrants and the Warrant Exercise Form attached thereto. Any common shares acquired pursuant to this Warrant shall be subject to applicable hold periods and any certificate representing such common shares will bear restrictive legends.

Exhibit 4.39

FIRST AMENDMENT TO CONSULTING AGREEMENT

This First Amendment to Consulting Agreement (the "***Amendment***") is effective as of the 20th day of September, 2023 ("***Effective Date***"), and is made by and between Goodness Growth Holdings, Inc., a British Columbia ~~corporation~~ with a mailing address of 207 South Ninth Street, Minneapolis, MN 55402 (the "***Company***") and Grown Rogue Unlimited, LLC, an Oregon limited liability company with a mailing address of 550 Airport Road, Medford, OR 97501 ("***Consultant***").

RECITALS:

A. Company and Consultants are parties to a written Consulting Agreement dated May 24, 2023 (the "***Consulting Agreement***") wherein Consultant is providing certain consulting services.

B. Company and Consultant desire to amend certain terms the Consulting Agreement to as specifically set forth in this Amendment to adjust the terms of the compensation paid by Company to Consultant and warrants issued by Company to Consultant.

NOW THEREFORE, in consideration of mutual agreements contained herein, Company and Consultant hereby agree that the Consulting Agreement is hereby amended as follows:

1. Definitions: Any term or phrase with an initial capitalized letter shall have the meaning given it in this Amendment, or if not so defined, shall have the meaning given it in the Consulting Agreement.

2. Section 3. Compensation A. Fees is hereby deleted and the following substituted therefor:

A. Fees.

i. For the services described in Exhibit B, ***except as specifically described in this Section 2.A,*** during the Term of this Agreement Company agrees to pay Consultant a sum equal to Twenty Per Cent (20%) (the "***Base Fees***") of any increase (the "***ANI Increase***") in Company's quarterly adjusted net income from operations (the "***ANI***") for the aggregate of Company's Minnesota ***business operations (the Minnesota Business")*** and Maryland ***business*** operations ***(the "Maryland Business")*** over the ~~Q4 (October 1 through December 31) 2022 ANI~~ Baseline ***ANI*** (as defined in Exhibit C) ~~plus~~ ***as such calculated Baseline ANI may be increased by the amount of*** any annual increase in CPI-U (all items) for the period between June 1, 2023, and the date of calculation ~~for such operations~~. Base Fees ***for each of the Company's Minnesota and Maryland operations*** shall be calculated ***separately*** for each of Company's fiscal quarters using ANI as described in, and calculated in accordance with, Exhibit C. ***Company will pay Consultant a minimum monthly amount of $25,000 for Maryland and $25,000 for Minnesota (respectively, the "Maryland Minimum Monthly Fee" and the "Minnesota Minimum Monthly Fee"). The Parties agree that the Maryland Minimum Monthly Fee and the Minnesota Minimum Monthly Fee paid by Company will be credited to any amount owed by Company to Consultant for quarterly Base Fees. Notwithstanding anything to the contrary, the Base Fees for the Maryland Business for the period July 1, 2023, through September 30, 2023, shall be $25,000 per month.***

ii. If Company determines, acting reasonably and in good faith, that the quarterly ANI Increase for a given fiscal quarter is at least Fifty Per Cent (50%) attributable to Consultant's services described in Exhibit B, Company shall pay Consultant an additional sum up to Seven and a Half Per Cent (7.5%) of ANI

Increase (the "***Additional Base Fees***"). If Company determines, acting reasonably and in good faith, that the quarterly ANI Increase for a given fiscal quarter is at least Seventy-Five Per Cent (75%) attributable to Consultant's services described in Exhibit B, Company shall pay Consultant an additional sum up to Seven and a Half Per Cent (7.5%) of ANI Increase (the "***Final Additional Base Fees***").

iii. For the purposes of calculating Additional Base Fees and Final Additional Base Fees, Company shall provide Consultant with its determination of the ANI Increase attributable to Consultant's services within thirty (30) days of the end of Company's fiscal quarter (the "***Fee Attribution Statement***") on a form mutually agreeable to both Parties. Consultant shall have ten (10) days to accept or dispute the Fee Attribution Statement or dispute Company's calculation pursuant to Section 3.B. If Consultant does not respond to the Fee Attribution Statement within the ten (10) day period (the "***Fee Attribution Statement Review Period***"), Consultant shall forfeit any dispute rights and Company shall make any payment for Additional Base Fees and Final Additional Base Fees in accordance with its calculation set forth on the Fee Attribution Statement.

3. ~~Section 3. Compensation D. Payment~~ shall be amended to add the following sentence at the beginning of the Section: "Company shall pay the Maryland Minimum Monthly Fee and the Minnesota Minimum Monthly Fee to Consultant for each calendar month within thirty (30) days after the end of such month." The remainder of the text in this subsection shall be unamended.

4. Section 3. Compensation G. Consultant Warrants shall be amended at the end of the Section and the remainder of the Section shall be unamended: "If the Consulting Agreement is terminated due to a Company Insolvency Event, any outstanding Consultant warrants granted to Company shall be cancelled and terminated with immediate effect." The remainder of the text in this subsection shall be unamended.

5. The definition of "***~~Baseline ANI~~***" in ~~Exhibit C~~ shall be amended in its entirety to state "'***~~Baseline ANI~~***' is the amount of USD$2,499,899, which is equal to the sum of the ANI calculated as the average of the ANI for Q3 2022 and Q4 2022 for the Minnesota business of Company and the average of the ANI for Q1 2022, Q2 2022, Q3 2022, and Q4 2022 for the Maryland business of Company." ~~Exhibit C~~ to the Consulting Agreement is hereby deleted and the attached ~~Exhibit C-1~~ substituted therefor. All references in the Consulting Agreement to Exhibit C shall be deemed to refer to Exhibit C-1.

6. ~~Effect~~. Except as specifically amended by this Amendment, the terms of the Consulting Agreement shall remain in full force and effect and are hereby ratified by the parties.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Consulting Agreement to be executed as of the Effective Date first above written.

[Signature Page Follows]

COMPANY

GOODNESS GROWTH HOLDINGS, INC.

By: /s/ Joshua Rosen
Name: Joshua Rosen
Its: Interim Chief Executive Officer

CONSULTANT

GROWN ROGUE UNLIMITED, LLC

By: /s/ Obie Strickler
Name: Obie Strickler
Title: Chief Executive Officer

EXHIBIT C-1
to
Independent Consultant Agreement

Following is a description of the calculation of Adjusted Net Income ("~~***ANI***~~") for purposes of the Consulting Agreement between Company and Consultant. Consultant's compensation will be based on the improvement in Company's quarterly ANI for its markets in MN and MD relative to a preset baseline. ***ANI will be calculated separately for the Maryland Business and the Minnesota Business for each relevant period.***

1. **Quarterly Consolidating Income Statements**

   ANI shall be calculated by market and operating entity in order to measure the contribution from the MN and MD markets. Company's Accounting department shall be responsible for providing Consultant a consolidating income statement every quarter, which will match Company's publicly-filed, GAAP-compliant income statement on a consolidated basis.

2. **Calculation of ANI**

   Quarterly ANI is calculated for each market with the following steps:

   - Revenue
   - Minus product costs
   - Minus selling, general and administrative expenses
   - Minus interest expense, for operating entities only
     - Corporate interest expense is excluded
   - Plus (minus) other income (expenses)
   - Minus current income tax expense
   - Minus inventory adjustment, as defined below
   - Minus CapEx adjustment, as defined below

   The following line items from Company's publicly-filed income statements are excluded from the calculation:

   - Inventory valuation adjustments
   - Stock-based compensation expenses
   - Depreciation
   - Amortization
   - Impairment of long-lived assets
   - Loss on sale of property and equipment
   - Gain on disposal of assets
   - Deferred income tax expense
   - Any other extraordinary or nonrecurring items that may arise in the future, as mutually agreed upon by both Parties in good faith.

   Defined terms from the calculated are defined below:

   - "***Inventory Adjustment***": this adjustment is intended to capture the cash flow impact of Company's accumulation or depletion of inventory. It is calculated as the quarterly change in inventory from the balance sheet, plus the inventory valuation adjustment from the income statement.
   - "***Capital Expenditures Adjustment***": This adjustment is intended to deduct a depreciation charge for any capital expenditures that Consultant recommends to Company, which Company has the absolute right to accept or deny in its sole discretion. For any such recommended capital expenditures, the amount of depreciation charged against the asset in accordance with GAAP guidelines will be deducted from ANI for the duration of the Consulting Agreement.
   - "***Baseline ANI***" is the amount of ~~USD$2,140,260~~ ***USD$2,778,524 for the Minnesota Business and USD$(278,625) for the Maryland Business***~~, which is equal to ANI for the MN and MD markets in Q4 2022~~.

Other notes on the calculation of ANI:

- The Company's current income tax expense is calculated on a consolidated basis for MN, NY, and MD, so it must be manually allocated to the MN and MD markets based on proportional gross profit for the quarter.

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Audit trail

Title	First Amendment to Consulting Agreement - Grown Rogue-Vireo...
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Document ID	7c8ab373afc50a675914e31278e594febd3b2cd0
Audit trail date format	MM / DD / YYYY
Status	• Signed

Document History

SENT	**09 / 20 / 2023** 15:45:11 UTC	Sent for signature to Josh Rosen (joshrosen@vireohealth.com) and Obie Strickler (obie@grownrogue.com) from michaelschroeder@vireohealth.com IP: 71.220.167.164
VIEWED	**09 / 20 / 2023** 15:55:18 UTC	Viewed by Obie Strickler (obie@grownrogue.com) IP: 68.116.101.58
SIGNED	**09 / 20 / 2023** 15:55:33 UTC	Signed by Obie Strickler (obie@grownrogue.com) IP: 68.116.101.58
VIEWED	**09 / 20 / 2023** 17:32:03 UTC	Viewed by Josh Rosen (joshrosen@vireohealth.com) IP: 98.97.60.29
SIGNED	**09 / 20 / 2023** 17:32:21 UTC	Signed by Josh Rosen (joshrosen@vireohealth.com) IP: 98.97.60.29
COMPLETED	**09 / 20 / 2023** 17:32:21 UTC	The document has been completed.

Exhibit 4.40

Execution Version

THIS INSTRUMENT AND ANY SECURITIES ISSUABLE PURSUANT HERETO HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

SECURED DRAW DOWN PROMISSORY NOTE

$4,000,000 October 3, 2023

FOR VALUE RECEIVED, Iron Flag, LLC, a Pennsylvania limited liability company ("~~Borrower~~"), hereby unconditionally promises to pay to the order of Grown Rogue Unlimited, LLC, an Oregon limited liability company, or its assigns ("Lender," and together with Borrower, each, a "Party" and collectively, the "Parties"), at Lender's address located at 550 Airport Road, Medford, OR 97501, or at such other address as may be designated in writing by the holder of this Secured Draw Down Promissory Note ("~~Note~~"), the aggregate of all amounts Lender has disbursed to Borrower pursuant to ~~Section 1~~ hereof up to the principal sum of Four Million Thousand Dollars ($4,000,000) (the "Maximum Amount").

1. Use of Funds; Advances.

(a) Borrower is an affiliate of ABCO Garden State LLC, a New Jersey limited liability company ("~~ABCO~~"). ABCO and Lender are parties to that certain Option Agreement, of even date herewith (the "Option Agreement"), pursuant to which ABCO has granted the Option (as defined in the Option Agreement) to Lender in consideration of the Option Price (as defined in the Option Agreement). Commencing on the date hereof, and prior to the earlier to occur of (i) expiration of the Term (as defined below) (the "Maturity Date"), and (ii) the Default Date (as defined below), Lender shall make the Maximum Amount available to Borrower in one or more advances (each, an "Advance") in an aggregate amount not to exceed the Maximum Amount in accordance with the terms set forth in Section 1(b) hereof, with each Advance and repayment thereof to be listed on ~~Exhibit A~~ hereto.

(b) Promptly upon receipt by Borrower of written notice from ABCO (each, an "~~ABCO Notice~~"), Borrower shall provide written notice to Lender (a "Borrower Notice") requesting an Advance from the remaining Maximum Amount, which Borrower Notice shall include a copy of the ABCO Notice, the amount of the Advance (the "Requested Amount"), the requested date for delivery of the Requested Amount which date shall be no earlier than five (5) Business Days (as defined below) after delivery of the Borrower Notice to Lender (the "~~Delivery Date~~") and a budget for any expenditures funded by such Advance for the Lender's review. Upon receipt of the Borrower Notice, Lender may, in its sole and absolute discretion, pay and deliver to Borrower an Advance in the amount of the Requested Amount on or about the Delivery Date by wire transfer in immediately available funds to an account designated in writing by Borrower. Upon receipt of such Advance, Borrower shall promptly pay and deliver to ABCO the Requested Amount by wire transfer in immediately available funds to an account designated in writing by ABCO.

2. ~~Interest~~. Interest on the outstanding principal borrowed hereunder shall accrue at a rate of 12.5% per annum, simple interest, calculated on the basis of a 360 day year for the actual number of days elapsed (the "Applicable Rate") commencing, with respect to each Advance, on the date such Advance is disbursed to Borrower, and accruing until the date that all outstanding Advances and all accrued interest is paid in full.

3. ~~Term; Payment~~. While interest shall accrue from the date of the first Advance, Lender has agreed to defer the payment of any interest or any portion of the Advances until the date that is the earlier to occur of (i) sixty (60) days after ABCO has commenced selling its products, and (ii) September 1, 2024, upon which Borrower shall commence level monthly payments of the Advances (principal) and accrued and unpaid interest to fully amortize the remaining balance of all prior Advances and the accrued interest thereon (each a "~~Monthly Payment~~") until the date that is forty-eight (48) months following the date of this Note (the "~~Term~~"); provided, however, that, in addition to the Monthly Payments, to the extent that Borrower has received a prepayment from ABCO in respect of Advances it has made to ABCO under that certain Secured Draw Down Note with Borrower as lender and ABCO as borrower (such note, the "ABCO Note," and each such payment, an "Additional Principal Payment"), Borrower shall pay to Lender the full amount of such Additional Principal Payment ~~within three (3)~~ Business Days after the date Borrower receives such Additional Principal Payment from ABCO. Borrower may prepay any amount of principal hereunder without penalty or discount. At the end of the Term, all unpaid Advances and the accrued and unpaid interest shall be due and payable. Each Monthly Payment shall be due and payable on the first day of each calendar month during the Term. If any payment is due on a day other than a Business Day, all such amounts shall be due and payable on the next succeeding Business Day, together with interest up to but not including such next succeeding Business Day. For purposes hereof, "Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in the State of New Jersey are authorized or required by law to close.

4. ~~Event of Default; Remedies~~.

(a) Notwithstanding receipt of any Borrower Notice hereunder, upon the occurrence and continuation of an Event of Default (as defined below), (i) no Advances under Section 0 shall be made thereafter, and (ii) at the option of Lender exercised by written notice to Borrower, the entire unpaid principal balance, together with all accrued and unpaid interest thereon, and all other amounts and payments due hereunder, shall become immediately due and payable. All payments by Borrower hereunder shall be applied first to accrued interest and thereafter to principal. For purposes hereof, "~~Event of Default~~" means the first to occur of (such date, the "~~Default~~ Date") (a) Borrower's receipt of written notice from Lender of Borrower's failure to pay within five (5) Business Days of the date due any Monthly Payment, Additional Principal Payment or full repayment of all outstanding Advances and the accrued interest thereon when due on the Maturity Date, (b) any event set forth in Section 4(b) hereof, (c) an event of default has occurred and is continuing under the ABCO Note (an "ABCO Default"), and (d) Borrower's receipt of written notice from Lender that Lender has received a final, non-appealable determination by the New Jersey Cannabis Regulatory Commission (the "CRC") denying Lender's application to own an interest in ABCO.

(b) This Note shall automatically become due and payable, without notice or demand and without the need for any action or election by Lender, upon the occurrence at any time of any of the following: (i) Borrower commences any proceeding in bankruptcy or for dissolution, liquidation, winding-up, composition or other relief under state or federal bankruptcy laws; (ii) such proceedings are commenced against Borrower, or a receiver or trustee is appointed for Borrower on a substantial part of its property, and such proceeding or appointment is not dismissed or discharged within sixty (60) days after its commencement; provided, that all interest shall continue to accrue as set forth above until all amounts owed under this Note are paid in full; (iii) the admission by Borrower of its inability to pay its debts as they mature, or any assignment for the benefit of the creditors of Borrower; or (iv) if any Monthly Payment, Additional Principal Payment or full repayment of all outstanding Advances and the accrued interest thereon is not made within ten (10) business days of the date such payment is due.

(c) The rights and remedies of Lender provided herein shall be cumulative and not exclusive of any other rights or remedies provided by law, in equity, by contract or otherwise.

5. Default Interest; Usury. If any amount payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration, or otherwise, such overdue amount shall bear interest at the Applicable Rate plus five percent (5%) from the date of such non-payment until such amount is paid in full. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by Lender to Borrower under applicable law, the portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest permitted by applicable law shall be deemed a voluntary prepayment of principal.

6. Security Interest in the Collateral.

(a) Borrower hereby grants to Lender under and pursuant to the provisions of the UCC (as defined below), and subject to the terms hereof, a security interest in all of Borrower's right, title and interest in and to the collateral in which Borrower has a security interest under the ABCO Note (the "Collateral") to secure the obligations under this Note. Borrower acknowledges and agrees that Lender's security interest shall attach to all of Borrower's right, title and interest in and to the Collateral, together with substitutions therefor and replacements thereof, and to any and all proceeds from the sale or other disposition of the Collateral or any part thereof. Borrower hereby agrees that Lender shall have, and by these presents, Borrower now confers upon Lender, all of the rights of a secured party as provided by the UCC, as well as all of the rights herein provided, or which may be provided in any other document executed by Borrower in connection with its indebtedness or obligations to Lender. In furtherance of the foregoing, Borrower hereby irrevocably and absolutely assigns, transfers and grants to Lender, its successors and assigns, as part of the Collateral hereunder, all of Borrower's present and future right, title, and interest in and to the ABCO Note, and any and all amendments thereto, to secure the payment and performance of the Borrower under this Note. Borrower shall not take any action intended to obstruct or delay, or that may have the effect of obstructing or delaying, Lender's ability to realize its interest in the Collateral.

(b) Borrower shall permit and take all actions, and authorize, execute and deliver and permit the execution, delivery and filing of, from time to time, without the signature of Borrower, all instruments and documents, necessary or appropriate to create or continue the validity, enforceability and perfected status of the grant of the security interest created hereby, including, without limitation, executing or authorizing Lender to execute and/or file financing statements and continuation statements (including "in lieu" continuation statements), if necessary, and providing notice to Lender of the existence of any commercial tort claims (as defined in the UCC) by or against Borrower. Borrower shall deliver to Lender all certificates or other negotiable instruments at any time constituting Collateral (together with endorsements in blank) to hold in its possession. Notwithstanding the foregoing or anything to the contrary, subject to applicable law, upon an Event of Default, Borrower shall take all actions that Lender reasonably requests it to take in connection with the Collateral, including, without limitation, declaring an ABCO Default, foreclosing on any Collateral, holding any Collateral for the benefit of Lender and/or transferring ownership to Lender of any Collateral so foreclosed upon by Borrower. For purposes hereof, "UCC" means (i) the Uniform Commercial Code as currently in effect in the State of New Jersey, and (ii) the Uniform Commercial Code as may hereafter at any time be in effect in the Commonwealth of Pennsylvania from and after the date of effectiveness thereof.

(c) Subject to applicable law including, without limitation, any applicable regulatory approval, Borrower agrees to execute any and all documents and instruments of transfer, assignment, assumption or novation and to perform such other acts as may be reasonably necessary or expedient to enable Lender to fully realize its interest in the Collateral. Without limiting the foregoing, Borrower further agrees that it will execute, verify, acknowledge and deliver all such further papers, including applications and instruments of transfer; and perform such other acts as Lender lawfully and reasonably may request, to facilitate Lender's right to protect, maintain, defend

and enforce its rights in the Collateral. In the event that Lender is unable for any reason whatsoever to secure Borrower's signature on any document when so required to effectuate fully Lender's interest in the Collateral, Borrower hereby irrevocably designates and appoints Lender and Lender's duly authorized officers and agents, as Borrower's agents and attorneys-in-fact to act for and on its behalf and instead of it, to execute and file any such document and to do all other lawfully permitted acts to further the purposes of the foregoing, with the same legal force and effect as if executed by Borrower (it being acknowledged that such appointment is irrevocable and a power coupled with an interest).

7. Borrower's Obligations. Until the date that all unpaid principal and accrued interest have been paid in full, without the prior written consent of Lender, Borrower shall:

(a) not sell, lease, assign, transfer or otherwise dispose of the Collateral, any part thereof or any interest therein, to any person or entity other than Lender, and any attempted sale, lease, transfer or other disposition in violation of this provision shall be null and void;

(b) not grant, create, incur, assume or permit to exist on the Collateral any liens, security interests, mortgages, claims, rights, encumbrances or restrictions of any kind;

(c) defend all claims that may be made against the Collateral;

(d) not fail to pay required fees, taxes and other amounts due other than amounts being contested in good faith by appropriate proceedings; or

(e) not fail to comply with applicable law (including, without limitation, CRC regulations, but subject to Section 10 below).

8. Waivers. Borrower hereby irrevocably and unconditionally (a) waives presentment, demand for performance, notice of non-performance, protest, notice of protest and notice of dishonor and all other protests or notices to the full extent permitted by applicable law; (b) waives any right Borrower may have to require Lender to (i) proceed against any person or entity including without limitation any endorser or guarantor of the Note (or file a claim in any bankruptcy, probate, or other proceeding affecting such a person or entity) or proceed against any person or entity in any particular order; or (ii) exhaust any of the Collateral, or pursue a particular remedy to the exclusion of others; and (c) waives the right to assert a defense to any action by Lender to enforce its rights under the Note. No waiver by Lender of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by Lender. No waiver by Lender shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after such waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Note shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

9. Attorneys' Fees and Costs of Collection. If the principal or interest under this Note is not paid when due, Borrower agrees to pay all costs and expenses of collection, including without limitation, attorneys' fees, court costs, costs in connection with all negotiations, documentation and other actions relating to any work-out, compromise, settlement or resolution in connection herewith and all costs and expenses in connection with the protection or realization of the Collateral.

10. Governing Law. This Note is governed by and will be construed, interpreted and enforced in accordance with the laws of the State of New Jersey without giving effect to any choice or conflict of law provision or rule. Borrower agrees and acknowledges that it is not making, will not make, nor shall be deemed to make or have made, any representation or warranty of any kind regarding the compliance of this Note with any Federal Cannabis Laws (as defined below). Borrower

shall not have any right of rescission, to declare a breach or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws unless such non-compliance also constitutes a violation of applicable state law. "Federal Cannabis Laws" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale or possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960, and the regulations and rules promulgated under any of the foregoing.

11. Successors and Assigns. This Note may be assigned or transferred by Lender to any person or entity. Borrower may not assign or transfer this Note or any of its rights hereunder without the prior written consent of the holder hereof; provided, that (i) Borrower shall assign this Note to ABCO upon receipt by Borrower of written notice from Lender that Lender has received notice from the CRC approving its application to own an interest in ABCO and requesting Borrower to so assign this Note, and (ii) upon such assignment, provided that the amount due and owing to Lender hereunder is the same as the amount due and owing to Borrower by ABCO under the ABCO Note, the ABCO Note shall be deemed to be discharged in full satisfaction of such assignment. This Note shall inure to the benefit of, and be binding upon, the Parties and their permitted assigns.

12. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient. Such communications must be sent to the respective Parties at the addresses set forth on the signature page hereof (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 12).

13. Amendment and Waiver. The provisions of this Note may be modified or amended only in a writing executed by Borrower and Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

14. Severability. In the event any applicable law or order renders a Party's performance of its obligations hereunder illegal, improper, or impracticable (including any ruling by the CRC that the transactions contemplated by this Note violate New Jersey law), or that the transactions contemplated by this Note will or may cause any license of Borrower, if issued, to be terminated, suspended, non-renewed, or otherwise impaired in any way, the Parties will promptly meet and confer in good faith and attempt to amend this Note into such form as will cause the Parties relationship to comply with the CRC and all other state or local legal requirements, and otherwise prevent any license of Borrower or other registrations or certificates from being subject to termination, suspension, non-renewal, or other impairment. Notwithstanding the above, if a provision of this Note is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Note will not be impaired.

15. Time is of the Essence. Time is of the essence with respect to all obligations of Borrower under this Note. Whenever a period of time is herein prescribed for action to be taken by either Party, such Party shall not be in default or incur any liability to the other Party for any losses or damages of any nature for any failure or delay in the performance of their obligations under this

Agreement arising out of or caused by, directly or indirectly, epidemics/pandemics (including COVID-19); quarantines; governmental declaration(s) of emergency; closings of or delays in related government and business services such as land records, lenders and title/escrow, strikes, riots, acts of God, war or any other causes of any kind which are beyond the reasonable control of such Party; provided, that such failure or delay (i) is not caused by the non-performing Party, and (ii) could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing Party through the use of alternative sources, work-around plans or other means; provided that the non-performing Party shall be excused from its non-performance of affected obligations only for so long as such circumstances prevail and such Party continues to attempt to recommence performance whenever and to whatever extent possible without delay. Any Party so delayed in its performance will immediately notify the other Party and describe in reasonable detail the circumstances causing such failure or delay.

16. Dispute Resolution; Consent to Jurisdiction; Waiver of Jury Trial.

(a) In the event of any dispute or disagreement between the Parties as to the interpretation of any provision of this Note, the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement. If the Parties do not resolve such dispute or disagreement within thirty (30) calendar days, each Party shall be free to exercise the remedies available to it specifically provided by this Note.

(b) The Parties agree that jurisdiction and venue in any action brought by any Party pursuant to this Note shall properly and exclusively lie in any state court located in the State of New Jersey, County of Gloucester. By execution and delivery of this Note, each Party irrevocably submits to the jurisdiction of such courts for itself and in respect of its property with respect to such action. The Parties irrevocably agree that venue would be proper in any such court, and hereby waive any objection that any such court is an improper or inconvenient forum for the resolution of such action. The Parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court shall constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS NOTE OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING.

17. Interpretation. This Agreement may be executed and delivered in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. The headings of this Agreement are for convenience of reference only and are not part of the substance of this Agreement. Whenever used in this Agreement the singular shall include the plural, and vice versa, and the use of any gender shall include all genders and the neuter, whenever appropriate. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties hereto and their respective successors and assigns any rights, remedies, obligation or liabilities under or by reason of this Agreement. No provision of this document is to be interpreted for or against any Party because that Party or Party's legal representative drafted it. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

18. Representations of the Lender. Lender hereby acknowledges that the funding and purchase of this Note is a speculative investment that involves a high degree of risk and understands that Borrower is relying on all applicable exemptions from registration (including but not limited to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") and has no plans to register an offering with any securities regulator (including the United States Securities and Exchange Commission). Lender represents and warrants to Borrower as follows:

(a) Accredited Investor Status. Lender is an "accredited investor" as defined by Rule 501(a) under the Securities Act. Lender agrees to furnish any additional information requested by the Borrower or any of its affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the funding and purchase of this Note.

(b) Disclosure. Other than the representations and warranties of the Borrower set forth in Section 7, neither the Borrower nor any other Person makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the information provided or to be provided to Lender by or on behalf of the Borrower or related to the transactions contemplated hereby, and nothing contained in any documents provided or statements made by or on behalf of the Borrower to Lender is, or shall be relied upon as, a promise or representation by the Borrower or any other Person that any such information is accurate or complete.

(c) Investment Intent. The Lender acknowledges that the funding and purchase of the Note hereunder is being made for the Lender's own account, for investment purposes only and not with the present intention of distributing or reselling the Note in whole or in part. Lender further understands that transfer of the Note is restricted under the Securities Act and under state securities laws;

(d) ~~Confidentiality~~. The Lender understands that the confidential information provided to the Lender and any other information discussed with the Lender regarding this Note is confidential (collectively, "Confidential Information"). The Lender has not distributed and will not distribute the Confidential Information and has not divulged and will not divulge the contents thereof or of any oral communication with the Borrower regarding this Note, to anyone other than such legal or financial advisors as the Lender deems necessary for purposes of evaluating an investment in the Subscribed and no one (except such advisors) has used the Confidential Information;

(e) Authorization and Formation of Lender. The Lender, if a corporation, partnership, trust, or other form of business entity, is authorized and otherwise duly qualified to purchase and hold the Note and such entity has not been formed for the specific purpose of acquiring the Note.

(f) Anti-Money Laundering, etc. Lender shall comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect;

(g) ~~Capacity~~. Lender has all requisite capacity to execute and deliver this Note and to perform its obligations hereunder, and such purchase will not contravene any law, rule or regulation binding on Lender or any investment guideline or restriction applicable to Lender.

(h) ~~Enforceability~~. This Note constitutes a legal, valid, and binding obligation of Lender, enforceable against Lender in accordance with its terms.

(i) No Conflict. The execution and delivery by Lender of this Note does not, and the consummation by Lender of the transactions contemplated hereby will not (with or without the giving of notice or the lapse of time or both), contravene, conflict with or result in a breach or violation of, or a default under: (i) any judgment, order, decree, statute, rule, regulation or other law applicable to Lender; or (ii) any material contract, agreement or instrument by which Lender is

bound. No consent, approval, order, or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, is required by or with respect to Lender in connection with the execution and delivery by Lender of this Note or the consummation by Lender of the transactions contemplated hereby.

19. ~~Mutilation, Destruction, Loss, or Reissuance~~.

(a) Mutilation. This Note, if mutilated, may be surrendered and thereupon the Borrower shall execute and deliver to the Lender in exchange for a new original Note of like tenor and principal amount within a reasonable period of time thereafter.

(b) Destruction, Loss, Etc. If there is delivered to the Borrower (i) evidence of the destruction, loss, or theft of this Note and (ii) such security or indemnity as may be required by it to save it harmless, then, in the absence of notice to the Borrower that this Note has been acquired by a bona fide purchaser, the Borrower shall execute and deliver in lieu of such destroyed, lost or stolen Note, a new Note of like tenor and Principal Amount.

(c) New Note. Every new Note issued in accordance with Section 19.2 hereof in lieu of any mutilated, destroyed, lost or stolen Note shall constitute an original contractual obligation of the Borrower, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all of the benefits of the initial Note issued.

(d) ~~Reissuance~~. This Note may be surrendered and thereupon the Borrower shall execute and deliver in exchange therefor, within a reasonable period of time after request by the Lender, as the holder may direct, new Notes in smaller denominations but of like tenor and in exact principal amount in the aggregate and each new Note shall constitute an original contractual obligation of the Borrower and shall be entitled to all the benefits of the initial Note issued.

(e) Additional Sums. On the issuance of any new Note under this Section, the Borrower may require the Lender to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

[Signature Page Follows]

IN WITNESS WHEREOF, Borrower has caused this Secured Draw Down Promissory Note to be duly executed and delivered as of the date first set forth above.

BORROWER:

Iron Flag LLC,
a Pennsylvania limited liability company

By: /s/ Quinn Blackwell
Name: Quinn Blackwell
Title: Manager

Address: 417 Catharine Street
Philadelphia, PA 19147
Email: quinn@abcocompanies.com

ACKNOWLEDGED AND AGREED:

LENDER:

Grown Rogue Unlimited, LLC,
an Oregon limited liability company

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

Address: 550 Airport Road
Medford, OR 97501
Email: obie@grownrogue.com

[Signature Page of Secured Draw Down Promissory Note]

Exhibit A

ADVANCES

Exhibit 4.41

Execution Version

OPTION AGREEMENT (21%)

This OPTION AGREEMENT (21%) ("~~Agreement~~") is entered into as of October 3, 2023, by and between ABCO Garden State LLC, a New Jersey limited liability company (the "Company"), and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "Optionee"). The Company and the Optionee may be referred to herein individually as a "Party" and collectively, as the "Parties".

RECITALS

A. The Optionee desires to acquire from the Company, and the Company desires to grant to the Optionee, an exclusive option to purchase a membership interest comprised of an amount of voting equity in the Company that, following the exercise of any warrants or other rights to purchase equity of the Company, will result in the Optionee owning an aggregate of seventy percent (70%) of the total equity of the Company on a fully diluted basis (such option, the "~~Option~~," and such interest, the "Subject Interest") for the purchase price of Ten Thousand Dollars ($10,000) (the "Option Price") in accordance with the terms of this Agreement.

B. Optionee may exercise the Option upon approval by the New Jersey Cannabis Regulatory Commission (the "CRC") of the change in ownership of the Company in connection with the Optionee's purchase of the Subject Interest contemplated by this Agreement (such approval, "~~CRC Approval~~"), and notwithstanding the satisfaction or waiver of the conditions to Closing (as defined below) of the Parties hereunder, the Option may only be exercised if and when CRC Approval is obtained, it being understood that if CRC Approval is not so obtained for any reason, Optionee may not exercise the Option, and the Parties shall have the rights and obligations set forth herein.

C. The Company and the Optionee have determined it is in the best interest of the Company to elect for the Company to be taxed as a C corporation, accordingly, prior to the Optionee exercises the Option, the Company shall file IRS Form 8832 and taking all actions legally required to complete the election for the Company to become a C Corporation in order for the Company to issue stock to Optionee upon exercise of the Option, provided, however, the Optionee may, in Optionee's sole and absolute discretion, waive this condition to exercise the Option.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ~~Defined Terms~~. Terms used and not defined elsewhere in this Agreement shall have the meanings given to them in this ~~Section 1~~.

(a) "~~Action~~" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

(b) "~~Affiliate~~" shall mean, with respect to any specified Person, (a) any other Person directly or indirectly controlling, controlled by or under common control with such specified Person; or (b) with respect to any natural person, any Family Member or any partnership or trust established for the benefit of a Family Member so long as such entity is controlled by the transferring Member. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding the foregoing, a Person shall not be deemed an "Affiliate" within the meaning of subsection (a) of this definition if such Person is not directly or indirectly controlling, controlled by or under common control with the Person controlling such Person as of the date of this Agreement.

(c) "Applicable Law" means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority. For purposes of this Agreement, Applicable Law does not include the Controlled Substances Act, 21 U.S.C. §§ 801, et. seq. or any other federal law or regulation concerning marijuana.

(d) "Closing" means the consummation of the Purchase (as defined below).

(e) "Facility" means the cannabis cultivation facility located in West Deptford, New Jersey and leased by the Company pursuant to that certain lease between the Company and FIVF-III-NJ1, LLC, dated on, or around, June 1, 2023.

(f) "Family Member" shall mean a parent, spouse, any natural or adoptive sibling or any spouse thereof, and any direct lineal descendant (natural or adoptive) of any of the foregoing.

(g) Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency, board, official or instrumentality of such government or political subdivision, any regulatory body or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

(h) "Member" means any holder of a membership interest of the Company prior to the date of the Company electing to be taxed a C Corporation. Upon electing to be taxed as a C Corporation, a Member will be referred to as a "Stockholder" in all of the Company documents.

(i) "Membership Interest" means the entire ownership interest of a Member in the Company at any particular time, including all economic rights and voting rights of the Member in the Company, the right of such Member to any and all benefits to which a Member may be entitled as provided in the Operating Agreement and under Applicable Law, and the obligations of such Member to comply with all of the terms and provisions set forth in the Operating Agreement and under Applicable Law. Upon electing to be taxed as a C Corporation, Membership Interest will be referred to as "Stock" in all Company documents and all economic rights and voting rights of the Stockholder in the Company, the right of such Stockholder to any and all benefits to which a Stockholder may be entitled as provided in the Stockholders' Agreement and under Applicable Law, and the obligations of such Stockholder to comply with all of the terms and provisions set forth in the Stockholders' Agreement and under Applicable Law.

(j) "~~Person~~" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(k) "Transaction Agreements" means this Agreement, the Stock Purchase Agreement, the Stockholders' Agreement, and any other agreements, instruments or documents entered into in connection with this Agreement.

2. Option.

2.1 Grant; Payment of Option Price. Subject to the terms and conditions hereof, the Company hereby grants the Option to the Optionee in consideration of the payment of the Option Price. Within five (5) business days following the date of this Agreement, the Optionee shall pay the Option Price to the Company by wire transfer in immediately available funds to a bank account designated by the Company (the "Company Account").

2.2 Term of Option. The term of the Option (such period, the "Option Period") shall commence on the date hereof and shall continue in full force and effect until the date that is the earlier to

occur of (a) the fifth (5th) anniversary of the date of this Agreement, and (b) thirty (30) days after Optionee receives written evidence of (i) CRC Approval (the "~~Approval~~ Notice") or (ii) a final non-appealable determination by the CRC that CRC Approval will not be granted (the "Denial Notice").

2.3 ~~Exercise of Option~~.

(a) Within ten (10) days after Optionee receives the Approval Notice, the Optionee shall exercise the Option by delivering to the Company written notice thereof (the "Exercise Notice"); provided, that if an Option Default (as defined below) has occurred or is continuing, the Optionee may exercise the Option and deliver the Exercise Notice in its sole and absolute discretion. Upon Optionee's exercise of the Option, subject to the terms and conditions set forth in this Agreement, the Company agrees to sell, convey, assign, transfer and deliver to the Optionee, and the Optionee agrees to purchase from the Company, the Subject Interest, free and clear of all liens, claims and encumbrances (such purchase, the "Purchase").

(b) As consideration for the Purchase, together with the Exercise Notice, the Optionee shall deliver to the Company payment in the amount of Five Hundred Ninety Thousand Dollars ($590,000) (the "Purchase Price"). Optionee shall, in its sole and absolute discretion, have the right to select one of the following alternatives to pay the Purchase Price to the Company: (a) one hundred percent (100%) in cash or other same day funds, or (b) (i) a mutually agreed to amount in cash or other same day funds, which will be required for the Company to commence operations, and (ii) the balance in the form of a two (2) year promissory note with the payment of monthly interest at 12.5% and a single balloon payment of the principal and any accrued and unpaid interest thereon. Immediately upon the Optionee's delivery of the Exercise Notice and the Purchase Price to the Company, the Closing shall be deemed to have occurred and the Optionee shall own all right, title and interest in and to the Subject Interest and (i) the Parties shall execute and deliver a stock purchase agreement documenting the purchase of the Subject Interest in the form attached hereto as Exhibit A (the "~~Stock Purchase Agreement~~"), (ii) the Parties, together with the current Members of the Company, shall execute and deliver a Stockholders' Agreement of the Company in the form attached hereto as Exhibit A to the Stock Purchase Agreement (the "Stockholders' Agreement"), and (iii) each Party shall execute and deliver such additional documents, and take such further actions, as the other Party may reasonably request or as may be reasonably necessary or advisable to further the purposes of this Agreement and the transactions contemplated hereby. The Company and its Members acknowledge and consent to the Option and the Purchase as provided herein and hereby waive any and all rights (including rights of first refusal) and consent or notice requirements in connection therewith.

2.4 Option Default; Denial Notice.

(a) If, during the Option Period or at the time of CRC Approval, an Option Default occurs and is continuing, then (i) the Optionee shall have the right, in its sole discretion, exercised by providing written notice to the Company, (i) to extend the time that the Company has to cure such Option Default (provided that, if CRC Approval has been received, the date by which the Optionee would otherwise be required to deliver the Exercise Notice shall be extended by such amount of time plus ten (10) business days), (ii) to waive such Option Default, in whole or in part, or (iii) to terminate this Agreement and demand that the Company immediately repay the Option Price (and upon such demand, the same shall be at once immediately due and payable) (such repayment, "~~Repayment~~"). The foregoing remedies shall be cumulative and may be pursued successively by the Optionee, it being understood that if the Optionee extends the time that the Company has to cure an Option Default, and the Company fails to cure such Option Default to the Optionee's reasonable satisfaction, then the Optionee may, in its sole discretion, elect to waive such Option Default, in whole or in part, and/or demand Repayment, in whole or in part.

(b) If the Optionee receives a Denial Notice, then the Optionee shall have the right, in its sole discretion, exercised by providing written notice to the Company, (i) to demand Repayment, or (ii) to enter into an alternative arrangement with the Company upon mutual agreement of the Parties.

3. Option Period; Option Default.

3.1 Conduct of the Business during the Option Period. The business of the Company shall be managed by its board of managers under an annual budget approved by the members and board of managers; provided, that, during the Option Period, unless the action has been agreed to in the annual budget, the Company shall:

(a) not move or relocate any of its assets to any location outside the Company's current location;

(b) not sell, lease, assign, transfer or otherwise dispose of any of its assets, any part thereof or any interest therein, to any Person, and any attempted sale, lease, transfer or other disposition in violation of this provision shall be null and void;

(c) not grant, create, incur, assume or permit to exist on any of its assets any liens, security interests, mortgages, claims, rights, encumbrances or restrictions of any kind;

(d) defend all claims that may be made against any of its assets;

(e) not incur or have any indebtedness in excess of $5,000, which is outside the ordinary course of business or was not approved in the annual budget;

(f) not make any loan to, or any investment in, any Person or provide any Person with a cash payment in exchange for capital securities, indebtedness or any other security (including, without limitation, any security convertible or exchangeable into or exercisable for any capital securities);

(g) not guaranty or become liable for any obligation of any Person;

(h) not create any subsidiary or Affiliate;

(i) preserve and maintain all of its licenses and permits, and take such further action as is reasonably necessary to obtain all licenses necessary to conduct its business;

(j) not transfer to any Person any conditional or other license or enter into any agreement or understanding to transfer any of the economic benefits of such licenses to any Person, including without limitation, through a management services or similar agreement;

(k) not pay any dividend or distribution to its Members except in connection with the payment of the federal and state tax liability of the Members in accordance with the Company's operating agreement;

(l) not enter into any contract or agreement that binds the Company to aggregate payments in excess of $10,000, which is outside the ordinary course of business or was not approved in the annual budget;

(m) not enter into any transaction with any holder of the Company's capital securities or an Affiliate, provided, however, the Optionee acknowledges and agrees that it has consented to (i) the Construction Contract between the Company and Blackwell Construction;

(n) not conduct any business activity other than operating a cannabis business in New Jersey;

(o) not fail to obtain property and liability insurance in amounts and with coverage customary for similar businesses similarly situated or fail to keep in full force and effect such insurance;

(p) not fail to pay required fees, taxes and other amounts due other than amounts being contested in good faith by appropriate proceedings;

(q) (1) not enter into any merger or consolidation or joint venture, (2) not liquidate, wind-up or dissolve itself, (3) not sell, convey, transfer, assign, lease, abandon or otherwise dispose (including in a sale and leaseback) (in one transaction or in a series of transactions), voluntarily or involuntarily, any of its assets (tangible or intangible (including but not limited to sale, assignment, discount or other disposition of accounts, contract rights, chattel paper or general intangibles with or without recourse) other than sales of inventory in the ordinary course of business, or (4) not acquire all or substantially all of the assets constituting a business, division, branch or other unit of operation of any Person;

(r) not make or commit to make any capital expenditures other than capital expenditures made in connection with operating a cannabis cultivation business or which was within the ordinary course of business or was approved in the annual budget;

(s) not create, or authorize the creation of, or issue or obligate itself to issue any membership interest, or any other equity security of the Company or any security convertible into or exercisable or exchangeable for a membership interest or other equity security of the Company to any Person or admit any additional members or substitute members;

(t) not create, or hold capital securities in, any subsidiary, or sell, transfer or otherwise dispose of any capital securities of any direct or indirect subsidiary, grant any right to acquire any capital securities or voting interest in any direct or indirect subsidiary, or permit any direct or indirect subsidiary to issue any capital securities or sell, lease, transfer, exclusively license or otherwise dispose of (in a single transaction or series of related transactions) all or substantially all of the assets of such subsidiary to any Person;

(u) not fail to comply with Applicable Law (including, without limitation, CRC regulations);

(v) through any representative or otherwise, (1) not provide any information or make any proposal or request to any Person other than the Optionee concerning the sale of any membership interest or other security of the Company or any assets of the Company, (2) not solicit, discuss, consider, or accept any proposal or request from any Person other than the Optionee concerning such an acquisition, and (3) promptly inform the Optionee in writing of any proposal or request in connection with the foregoing;

(w) permit the Optionee to inspect the Facility, assets, books and records, contracts and other documents and data of the Company, furnish any financial information of the Company reasonably requested by the Optionee, and cooperate with the Optionee in its investigation;

(x) use the proceeds from payment of the Option Price for any purpose other than (i) to fund the construction and operating expenses of the Facility or payment of expenses of the Company, which were approved in the annual budget, or (ii) to reimburse Caitlin Blackwell in the amount of $100,000 for expenses previously incurred in connection with the Company; and

(y) notify the Optionee of (1) any notice or other communication from any Governmental Authority, (2) any Action commenced or threatened against the Company, (3) any failure by the Company to perform the obligations set forth in this ~~Section 3.1~~.

3.2 Option Default. The failure of the Company to perform any of the obligations set forth in Section 3.1 shall constitute an "Option Default" hereunder.

4. Miscellaneous.

4.1 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

4.2 Governing Law. This Agreement shall be governed by the internal laws of the State of New Jersey without regard to conflict of law principles that would result in the application of any law other than the law of the State of New Jersey.

4.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

4.4 Interpretation. This Agreement may be executed and delivered in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. The headings of this Agreement are for convenience of reference only and are not part of the substance of this Agreement. Whenever used in this Agreement the singular shall include the plural, and vice versa, and the use of any gender shall include all genders and the neuter, whenever appropriate. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties hereto and their respective successors and assigns any rights, remedies, obligation or liabilities under or by reason of this Agreement. No provision of this document is to be interpreted for or against any Party because that Party or Party's legal representative drafted it. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

4.5 ~~Notices~~. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective Parties at their address as set forth on the signature page, or to such e-mail address or address as subsequently modified by written notice given in accordance with this ~~Section 4.5~~. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Stuart H. Sorkin, Business and Legal Advisors, LLC, 7811 Montrose Road Suite 500, Potomac, Maryland 20816 (stuart@businessandlegaladvisors.com), and if notice is given to the Optionee, a copy (which copy shall not constitute notice) shall also be given to Greenspoon Marder LLP, 227 West Monroe Street, Suite 3950, Chicago, IL 60606, Attn: Irina Dashevsky, Esq. (irina.dashevsky@gmlaw.com).

4.6 ~~No Finder's Fees~~. Each Party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. The Optionee agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of

a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Optionee or any of its officers, employees, or representatives is responsible. The Company agrees to indemnify and hold harmless the Optionee from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

4.7 ~~Fees and Expenses~~. Each Party shall be responsible for the payment of any and all fees and expenses incurred by such Party in connection with this Agreement and the transactions contemplated hereby.

4.8 ~~Attorneys' Fees~~. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing Party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such Party may be entitled, provided, however, if a decision is partially in favor of both Parties, then the Parties will each pay a pro rata portion of the costs and expenses based upon such partial award.

4.9 ~~Amendments and Waivers~~. Any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the Optionee. Any amendment or waiver effected in accordance with this Section 4.8 shall be binding upon the Optionee and each transferee of the Subject Interest, each future holder of all such securities, and the Company. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

4.10 ~~Severability~~. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or incapable of being enforced under any rule of applicable law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein are consummated as originally contemplated to the fullest extent possible.

4.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement upon any breach or default of any other Party under this Agreement shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

4.12 ~~Entire Agreement~~. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties are expressly canceled.

4.13 Termination of Obligations. The Optionee shall have the right to terminate its obligations hereunder, if prior to the occurrence thereof, the Company applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (ii) becomes subject to the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (iii) makes an assignment for the benefit of creditors, (iv) institutes any proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, or files a petition or answer seeking reorganization or an arrangement with creditors to take advantage of any insolvency law, or files an answer admitting the material allegations of a bankruptcy, reorganization or insolvency petition filed against it, or (v) becomes subject to any involuntary proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, which proceeding is not dismissed within thirty (30) days of filing, or have an order for relief entered against it in any proceedings under the United States Bankruptcy Code

4.14 Dispute Resolution.

(a) In the event of any dispute or disagreement between the Parties as to the interpretation of any provision of this Note, the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement. If the Parties do not resolve such dispute or disagreement within thirty (30) calendar days, each Party shall be free to exercise the remedies available to it specifically provided by this Note.

(b) The Parties agree that jurisdiction and venue in any action brought by any Party pursuant to this Note shall properly and exclusively lie in any state court located in the State of New Jersey, County of Gloucester. By execution and delivery of this Note, each Party irrevocably submits to the jurisdiction of such courts for itself and in respect of its property with respect to such action. The Parties irrevocably agree that venue would be proper in any such court, and hereby waive any objection that any such court is an improper or inconvenient forum for the resolution of such action. The Parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court shall constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS NOTE OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING.

4.15 Specific Performance. The Company acknowledges that the Subject Interest is unique and cannot be obtained by Optionee except from the Company and for that reason, among others, Optionee will be irreparably damaged in the absence of the consummation of this Agreement. Therefore, in addition to any other remedy under law or equity, Optionee shall be entitled to an injunction or specific performance of this Agreement, without the need to post a bond or other security, to prove any actual damage or to prove that money damages would not provide an adequate remedy. The Company agrees that it will not oppose the granting of any injunction or specific performance of this Agreement on the basis that Optionee has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or at equity.

4.16 Limitation of Liability. Notwithstanding any provision of this Agreement to the contrary, neither Party will be entitled in connection with any breach or violation of this Agreement to recover any punitive, exemplary or other special damages or any indirect, incidental or consequential damages, including without limitation damages relating to loss of profit, business opportunity or business reputation, except in each case if and to the extent such damages are claimed by a third party in connection

with a matter that is the subject of an indemnification claim asserted under this Agreement. Each Party, as a material inducement to the other Party to enter into and perform its obligations under this Agreement, hereby expressly waives its right to assert any claim relating to such damages and agrees not to seek to recover such damages in connection with any claim, action, suit or proceeding relating to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of the Company.

4.17 ~~Further Assurances~~. Each Party agrees to execute and deliver, after the date hereof, without additional consideration, such further assurances, instruments and documents, and to take such further actions, as the other Party may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby.

4.18 Public Announcements. Neither Party nor any of its Affiliates or representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or otherwise communicate with the media, concerning the existence of this Agreement or the subject matter hereof, without the prior written approval of the other Party (which shall not be unreasonably withheld, conditioned or delayed), except if and to the extent that such Party is required to make any public disclosure or filing regarding the subject matter of this Agreement (i) by Applicable Law, (ii) pursuant to any rules or regulations of any securities exchange on which the securities of such Party or any of its Affiliates are listed or traded, or (iii) in connection with enforcing its rights under this Agreement.

[Remainder of Page Left Blank – Signatures Follow]

IN WITNESS WHEREOF, the Parties have executed this Option Agreement (21%) as of the date first written above.

COMPANY:

ABCO GARDEN STATE LLC,
a New Jersey limited liability company

By: /s/ Caitlin Blackwell
Name: Caitlin Blackwell
Title: Manager

Address: 5 N. Cambridge Ave.
Ventnor, NJ 08406
Email: cateblackwell3@gmail.com

OPTIONEE:

GROWN ROGUE UNLIMITED, LLC,
an Oregon limited liability company

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

Address: 550 Airport Road
Medford, OR 97501
Email: obie@grownrogue.com

[Signature Page to Option Agreement (21%)]

EXHIBIT A

Stock Purchase Agreement

[Attached]

Execution Version

STOCK PURCHASE AGREEMENT

by and between

GROWN ROGUE UNLIMITED LLC

and

ABCO GARDEN STATE LLC

STOCK PURCHASE AGREEMENT

TABLE OF CONTENTS

Execution Version

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT is entered into as of _____ __, 20__, by and between ABCO Garden State LLC, a New Jersey limited liability company (the "~~Company~~"), and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "~~Purchaser~~"). The Company and the Purchaser may be referred to herein individually as a "Party" and collectively, as the "Parties".

RECITALS

A. The Parties have heretofore entered into that certain Option Agreement (the "~~Option Agreement~~"), pursuant to which the Company has granted to the Purchaser the exclusive right and option to purchase from the Company voting stock in the Company equal to twenty-one percent (21%) of the issued and outstanding Stock (as defined below) on a fully diluted basis (the "Purchased Stock") for the Option Price (as defined in the Option Agreement).

B. The Purchaser has obtained CRC Approval (as defined in the Option Agreement), and in accordance with the Option Agreement, the Purchaser has exercised the Option (as defined in the Option Agreement).

C. The Company, existing members and the Purchaser have determined it is in the best interest of the Company for the Company to elect to be taxed as a C corporation, accordingly, prior to the Purchaser exercises the Option Agreement, the Company shall file IRS Form 8832 and taking all actions legally required to complete the election for the Company to become a C Corporation in order for the Company to issue stock to the Purchaser upon exercise of the Option Agreement, provided, however, the Purchaser may, in Purchaser's sole and absolute discretion, waive this condition to exercise the Option Agreement.

D. The Parties now desire to consummate the purchase of the Purchased Stock in accordance with the terms and subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Purchase and Sale of Purchased Stock.

1.1 Sale and Issuance of Purchased Stock.

(a) Upon the Closing (as defined below), the Company and all of its Stockholders, (as defined below), which shall include the Purchaser, shall execute the Stockholders' Agreement of the Company in the form attached hereto as ~~Exhibit A~~ (the "~~Stockholders' Agreement~~") to authorize the issuance of the Purchased Stock of the Company as contemplated by this Agreement and to provide for the rights, duties, and obligations of the Stockholders to the Company.

(b) Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase at the Closing, and the Company agrees to sell and issue to Purchaser at the Closing, the Purchased Stock in consideration of the purchase price of Five Hundred Ninety Thousand Dollars ($590,000) (the "Purchase Price").

1.2 ~~Closing; Delivery~~.

(a) The purchase and sale of the Purchased Stock shall take place remotely via the exchange of documents and signatures within thirty (30) days following receipt of written evidence of CRC Approval, or at such other time and place as the Company and the Purchaser mutually agreed upon, orally or in writing (which time and place are designated as the "Closing").

(b) At the Closing, the Company shall issue the Purchased Stock as evidenced on the Stockholders Schedule attached to the Stockholders' Agreement in consideration of the Purchaser's

payment of the Purchase Price. The Purchaser shall, in its sole and absolute discretion, have the right to select one of the following alternatives to pay the Purchase Price to the Company: (a) one hundred percent (100%) in cash or other same day fund, or (b) (i) a mutually agreed to amount in cash or other same day funds, which will be required for the Company to commence operations, and (ii) the balance in the form of a two (2) year promissory note with the payment of monthly interest at 12.5% and a single balloon payment of the principal and any accrued and unpaid interest thereon.

1.3 Use of Proceeds. In accordance with the directions of the Company's Board of Directors (as defined below), as it shall be constituted in accordance with the Stockholders' Agreement, the Company shall use the proceeds from the Option and sale of the Purchased Stock (i) to fund the construction and operating expenses of a cannabis cultivation facility located in West Deptford, New Jersey and leased by the Company pursuant to that certain lease between the Company and FIVF-III-NJ1, LLC, dated on, or around, June 1, 2023, and/or (ii) to reimburse Caitlin Blackwell in the amount of $100,000 for expenses previously incurred in connection with the Company.

1.4 Defined Terms Used in this Agreement. Terms used and not defined elsewhere in this Agreement shall have the meanings given to them in this Section 1.4.

(a) "~~Affiliate~~" shall mean, with respect to any specified Person, (a) any other Person directly or indirectly controlling, controlled by or under common control with such specified Person; or (b) with respect to any natural person, any Family Member or any partnership or trust established for the benefit of a Family Member so long as such entity is controlled by the transferring Stockholder. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding the foregoing, a Person shall not be deemed an "Affiliate" within the meaning of subsection (a) of this definition if such Person is not directly or indirectly controlling, controlled by or under common control with the Person controlling such Stockholder as of the date of this Agreement.

(b) "Applicable Law" means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority. For purposes of this Agreement, Applicable Law does not include the Controlled Substances Act, 21 U.S.C. §§ 801, et. seq. or any other federal law or regulation concerning marijuana.

(c) "Board of Directors" means the Company's board of Directors.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Company Intellectual Property" means all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in to and under any of the foregoing, and in any and all such cases that are owned or used by the Company in the conduct of the business of the Company as now conducted and as presently proposed to be conducted.

(f) "Director" means a member of the Board of Directors.

(g) "Family Member" shall mean a parent, spouse, any natural or adoptive sibling or any spouse thereof, and any direct lineal descendant (natural or adoptive) of any of the foregoing.

(h) "~~Governmental Authority~~" means any federal, state, local or foreign government or political subdivision thereof, or any agency, board, official or instrumentality of such government or political subdivision, any regulatory body or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

(i) "~~Knowledge~~" including the phrase "~~to the Company's knowledge~~" means, with regard to the Company and its Affiliates, the actual knowledge after reasonable investigation and assuming such knowledge as the individual would have as a result of the reasonable performance of his or her duties in the ordinary course of the following officers: Caitlin Blackwell and Ashley Bohan.

(j) "Material Adverse Effect" means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, or results of operations of the Company.

(k) "Non-Voting Stock" shall mean the Company's non-voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company on a pro-rata basis of the number of shares of Non-Voting Stock divided by the total amount of issued and outstanding stock and any other rights, duties and obligations of a Stockholder who holds Non-Voting Stock as described in the Company's organizational documents or Stockholders' Agreement, but shall not include any other rights of a Stockholder, including, without limitation, the right to vote or participate in management of the Company or, except as required by the Act, to receive information concerning the Company.

(l) "Stockholder" means any holder of Stock of the Company.

(m) "~~Stock~~" shall mean all of the Voting Stock and Non-Voting Stock which is either authorized or issued and outstanding as the context requires and includes any class of stock subsequently established by the Agreement. Furthermore, the Company and Stockholders shall mutually agree to the terms and conditions for each class of stock and the amount of authorized, issued, and outstanding stock to be issued as the Purchased Stock and for any subsequent issued stock as described in the Company's organizational documents or the Stockholders' Agreement.

(n) "~~Person~~" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(o) "Purchaser" has the meaning set forth in the Preamble.

(p) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(q) "Stockholders' Agreement" shall have the meaning set forth in Section 1.1(a).

(r) "Transaction Agreements" means this Agreement, the Stockholders' Agreement, and any other agreements, instruments or documents entered into in connection with this Agreement.

(s) Voting Stock" shall mean the Company's voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company on a pro-rata basis of the number of shares of Voting Stock divided by the total amount of issued and outstanding

stock vote on all actions requiring a vote of the Stockholders based upon number of shares of Voting Stock divided by the total amount of issued and outstanding Voting Stock and any other rights, duties and obligations of a Stockholder who holds Voting Stock as described in the Company's organizational documents or the Stockholders' Agreement.

2. Representations and Warranties of the Company. If the Closing occurs, the Company hereby represents and warrants to the Purchaser that, except as set forth on the Disclosure Schedule attached as Exhibit B to this Agreement (the "Disclosure Schedule"), which exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete as of the date of the Closing, except as otherwise indicated. The Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections and subsections contained in this ~~Section 2~~, and the disclosures in any section or subsection of the Disclosure Schedule shall qualify other sections and subsections in this Section 2 to the extent it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections and subsections.

2.1 Organization, Good Standing, Power, and Qualification. The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of New Jersey and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

2.2 Capitalization.

(a) Section 2.2(a) of the Disclosure Schedule sets forth the capitalization of the Company immediately prior to the Closing.

(b) Section 2.2(b) of the Disclosure Schedule sets forth the capitalization of the Company immediately following the Closing, including the Stock that will be issued and outstanding immediately after the Closing. Except as set forth in Section 2.2(b) of the Disclosure Schedule, there are no outstanding options, warrants, profits interests, rights (including conversion or preemptive rights, rights of first refusal, or similar rights) or agreements, orally or in writing, to purchase or acquire from the Company any Stock or any securities convertible into or exchangeable for Stock.

(c) Except as provided in the Stockholders' Agreement, there are no agreements concerning the Stock or any options exercisable for Stock that contain a provision for acceleration of vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of such agreement or understanding upon the occurrence of any event or combination of events. The Company has never adjusted or amended the exercise price of any options, whether through amendment, cancellation, replacement grant, repricing, or any other means. Except as set forth in Section 2.2(c) of the Disclosure Schedule, the Company has no obligation (contingent or otherwise) to purchase or redeem any of its Stock.

2.3 Subsidiaries. The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership, or similar arrangement.

2.4 Authorization. All company action required to be taken by the Company's Board of Directors and Stockholders in order to authorize the Company to enter into the Transaction Agreements and to issue the Purchased Stock at the Closing has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Agreements, the performance of all obligations of the Company under the Transaction Agreements to be performed as of the Closing, and the issuance and delivery of the Purchased Stock has been taken. The Transaction Agreements, when executed

and delivered by the Company (and assuming execution and delivery by the Purchaser), shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally; (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; or (c) to the extent the indemnification provisions contained in the Stockholders' Agreement may be limited by applicable federal or state securities laws.

2.5 ~~Valid Issuance of Purchased Stock~~. The Purchased Stock, when issued in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable, and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities laws, and liens or encumbrances created by or imposed by the Purchaser. Assuming the accuracy of the representations of the Purchaser in Section 3 of this Agreement and subject to the filings described in Section 2.6 below, the Purchased Stock will be issued in compliance with all applicable federal and state securities laws.

2.6 Governmental Consents and Filings. Assuming the accuracy of the representations made by the Purchaser in Section 3 of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, or local governmental authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except the CRC Approval and filings pursuant to Regulation D of the Securities Act and applicable state securities laws, which have been made or will be made in a timely manner.

2.7 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to the Company's Knowledge, currently threatened in writing or verbally (a) against the Company or any officer or Director of the Company arising out of their employment or managerial relationship with the Company; (b) that questions the validity of the Transaction Agreements or the right of the Company to enter into or to consummate the transactions contemplated by the Transaction Agreements; or (c) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither the Company, nor any of its officers or Directors is a party or is named as subject to the provisions of any order, writ, injunction, judgment, or decree of any court or government agency or instrumentality (in the case of officers or Directors, such as would affect the Company). There is no action, suit, proceeding, or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings, or investigations pending or threatened in writing (or any basis therefor to the Company's Knowledge) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

2.8 Intellectual Property.

(a) The Company owns or possesses, or believes it can acquire on commercially reasonable terms, sufficient legal rights to all Company Intellectual Property without any known conflict with, or infringement of, the rights of others, including prior employees or consultants. The Company has not received any communications alleging that the Company has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other Person.

(b) To the Company's Knowledge, no product or service marketed or sold (or proposed to be marketed or sold) by the Company violates or will violate any license or infringes or will infringe any intellectual property rights of any other Person.

(c) Other than with respect to commercially available software products under standard end-user object code license agreements, there are no outstanding options, licenses, agreements, claims, encumbrances, or shared ownership interests of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, inbound or outbound licenses, or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other Person.

(d) The Company has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with the Company's business.

(e) Each employee and consultant of the Company and their respective Affiliates has assigned, or as of the Closing, will have assigned, to the Company all intellectual property rights such Person owns that are related to the Company's business as now conducted and as presently proposed to be conducted. To the Company's knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or Persons it currently intends to hire) made prior to their employment by the Company, including prior employees or consultants.

(f) Section 2.8(f) of the Disclosure Schedule lists all patents, patent applications, registered trademarks, trademark applications, service marks, service mark applications, tradenames, registered copyrights, and licenses to and under any of the foregoing, in each case owned by the Company.

(g) To the Company's Knowledge, the Company has not embedded any open source, copyleft, or community source code in any of its products generally available or in development, including, but not limited to, any libraries or code licensed under any General Public License, Lesser General Public License, or similar license arrangement.

2.9 Compliance with Other Instruments. The Company is not in violation or default (a) of any provisions of its Certificate of Formation, the Stockholders' Agreement, or any other organizational document, each as may have been amended; (b) of any instrument, judgment, order, writ or decree; (c) under any note, indenture or mortgage; (d) under any lease, agreement, contract, or purchase order to which it is a party or by which it is bound that is required to be listed on the Disclosure Schedule; or (e) of any provision of any Applicable Law, the violation of which would have a Material Adverse Effect. The execution, delivery, and performance of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement; or (ii) an event which results in the creation of any lien, charge, or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

2.10 ~~Agreements; Actions~~.

(a) Except for the Transaction Agreements and as set forth in Section 2.10(a) of the Disclosure Schedule, there are no agreements, understandings, instruments, contracts, or proposed transactions to which the Company is a party or by which it is bound that involve: (i) obligations

(contingent or otherwise) of, or payments to, the Company in excess of $10,000; (ii) the license of any patent, copyright, trademark, trade secret, or other proprietary right to or from the Company; (iii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit the Company's exclusive right to develop, manufacture, assemble, distribute, market, or sell such products or services; or (iv) indemnification by the Company with respect to infringements of proprietary rights.

(b) Except as set forth in Section 2.10(b) of the Disclosure Schedule, the Company has not: (i) declared or paid any dividends, or authorized or made any distribution, upon or with respect to any class or series of its securities; (ii) incurred any indebtedness for money borrowed or incurred any other liabilities either (A) individually in excess of $10,000 or (B) in excess of $50,000 in the aggregate; (iii) made any loans or advances to any Person, other than ordinary advances for travel expenses; or (iv) sold, exchanged, or otherwise disposed of any of its assets or rights, other than the sale of inventory in the ordinary course of business. For the purposes of subsections (a) and (b) of this ~~Section 2.10~~, all indebtedness, liabilities, agreements, understandings, instruments, contracts, and proposed transactions involving the same Person (including Persons the Company has reason to believe are affiliated with each other) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsection.

(c) The Company is not a guarantor or indemnitor of any indebtedness of any other Person.

(d) The Company has not engaged in the past three (3) months in any discussion with any representative of any Person regarding (i) a sale or exclusive license of all or substantially all of the Company's assets, or (ii) any merger, consolidation or other business combination transaction of the Company with or into another Person.

2.11 ~~Certain Transactions~~.

(a) Other than (i) standard employee benefits generally made available to all employees; and (ii) the Transaction Agreements, there are no current agreements, understandings, or proposed transactions between the Company and any of its officers, Directors, consultants, or any Affiliate thereof.

(b) The Company is not indebted, directly or indirectly, to any of its Directors, officers, or employees or to their respective spouses or children or to any Affiliate of any of the foregoing other than in connection with expenses or advances of expenses incurred in the ordinary course of business. None of the Company's Directors, officers, or employees, or any stockholders of their immediate families, or any Affiliate of the foregoing are, directly or indirectly, indebted to the Company or, to the Company's Knowledge, have any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable, or familial relationship with any of the Company's customers, suppliers, service providers, joint venture partners, licensees and competitors; (ii) direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company except that Directors, officers, employees or Stockholders of the Company may own securities in (but not exceeding two percent (2%) of the outstanding securities of) publicly traded companies that may compete with the Company; or (iii) financial interest in any contract with the Company.

2.12 Voting Rights. Except for the Stockholders' Agreement, no Stockholder of the Company has entered into any agreements with respect to the voting of Stock of the Company.

2.13 ~~Property~~. The property and assets that the Company owns are free and clear of all mortgages, deeds of trust, liens, loans, and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets. With respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims, or encumbrances other than those of the lessors of such property or assets. The Company does not own any real property.

2.14 Material Liabilities. The Company has no liability or obligation, absolute or contingent (individually or in the aggregate), except (i) obligations and liabilities incurred after the date of formation in the ordinary course of business that are not material, individually or in the aggregate, and (ii) obligations under contracts made in the ordinary course of business that would not be required to be reflected in financial statements prepared in accordance with generally accepted accounting principles.

2.15 Changes. To the Company's Knowledge, since its formation, there have been no events or circumstances of any kind that have had or could reasonably be expected to result in a Material Adverse Effect.

2.16 Employee Matters.

(a) None of its employees is obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, which would materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. Neither the execution or delivery of the Transaction Agreements, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as now conducted and as presently proposed to be conducted, will conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

(b) The Company is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for the Company to the date hereof or amounts required to be reimbursed to such employees, consultants, or independent contractors. The Company has complied in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification, and collective bargaining. The Company has withheld and paid to the appropriate governmental entity or is holding for payment not yet due to such governmental entity all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties, or other sums for failure to comply with any of the foregoing.

(c) The employment of each employee of the Company is terminable at the will of the Company. Except as set forth in Section 2.16(c)(i) of the Disclosure Schedule or as required by Applicable Law, upon termination of the employment of any such employees, no severance or other payments will become due. Except as set forth in Section 2.16(c)(ii) of the Disclosure Schedule, the Company has no policy, practice, plan or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.

(d) The Company has not made any representations regarding equity incentives to any officer, employees, Director, or consultant that are inconsistent with the amounts and terms set forth in the Stockholders' Agreement.

(e) Section 2.16 of the Disclosure Schedule sets forth each employee benefit plan maintained, established, or sponsored by the Company, or which the Company participates in or contributes to, which is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Company has made all required contributions and has no liability to any such employee benefit plan, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied in all material respects with all Applicable Laws for any such employee benefit plan.

(f) The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment, or arrangement with any labor union, and no labor union has requested or has sought to represent any of the employees, representatives, or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the Company's Knowledge, threatened, which would have a Material Adverse Effect, nor is the Company aware of any labor organization activity involving its employees.

(g) To the Company's Knowledge, no Director of the Company has been (i) subject to voluntary or involuntary petition under the federal bankruptcy laws or any state insolvency law or the appointment of a receiver, fiscal agent or similar officer by a court for his or her business or property; (ii) convicted in a criminal proceeding or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (iii) subject to any order, judgment, or decree (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him or her from engaging, or otherwise imposing limits or conditions on his or her engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (iv) found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated any federal or state securities, commodities, or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

2.17 Tax Returns and Payments. There are no federal, state, county, local, or foreign taxes dues and payable by the Company which have not been timely paid. There are no accrued and unpaid federal, state, county, local or foreign taxes of the Company which are due, whether or not assessed or disputed. There have been no examinations or audits of any tax returns or reports by any applicable federal, state, local, or foreign governmental agency. The Company has duly and timely filed all federal, state, county, local, and foreign tax returns required to have been filed by it, and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

2.18 Insurance. The Company has in full force and effect insurance policies concerning such casualties as would be reasonable and customary for companies like the Company, with extended coverage, sufficient in amount (subject to reasonable deductions) to allow it to replace any of its properties that might be damaged or destroyed.

2.19 ~~Employee Agreements~~. Each current and former employee, consultant and officer of the Company has executed an agreement with the Company regarding confidentiality and proprietary information substantially in the form or forms delivered to the Purchasers or their respective counsel (the "Confidential Information Agreements"). No current or former employee has excluded works or inventions from his or her assignment of inventions pursuant to such employee's Confidential Information Agreement.

2.20 Permits. The Company has all franchises, permits, licenses, and any similar authority necessary for the conduct of its business, the lack of which would reasonably be expected to have a Material Adverse Effect. The Company is not in default in any material respect under any of such franchises, permits, licenses, or other similar authority.

2.21 Company Documents. The Company's Certificate of Formation and Stockholders' Agreement are in the form provided to the Purchaser. The Company has provided to the Purchaser copies of any actions by written consent without a meeting of the Board of Directors and the Stockholders.

2.22 ~~Data Privacy~~. In connection with its collection, storage, use and/or disclosure of any information that constitutes "personal information," "personal data" or "personally identifiable information" as defined in Applicable Laws (collectively "Personal Information") by or on behalf of the Company, the Company is and has been in compliance with (i) all Applicable Laws (including, without limitation, laws relating to privacy, data security, telephone and text message communications, and marketing by email or other channels) in all relevant jurisdictions, (ii) the Company's privacy policies, and (iii) the requirements of any contract or codes of conduct, by which the Company is bound. The Company maintains and has maintained reasonable physical, technical, and administrative security measures and policies designed to protect all Personal Information owned, stored, used, maintained or controlled by or on behalf of the Company from and against unlawful, accidental or unauthorized access, destruction, loss, use, modification and/or disclosure. The Company is and has been in compliance in all material respects with all laws relating to data loss, theft and breach of security notification obligations. To the Company's knowledge, there has been no occurrence of (x) unlawful, accidental or unauthorized destruction, loss, use, modification or disclosure of or access to Personal Information owned, stored, used, maintained or controlled by or on behalf of the Company such that Privacy Requirements require or required the Company to notify government authorities, affected individuals or other parties of such occurrence or (y) unauthorized access to or disclosure of the Company's confidential information or trade secrets that reasonably would be expected to result in a Material Adverse Effect.

2.23 Governmental Approvals and Compliance. The Company possesses all permits, licenses, registrations, certificates, authorizations, orders and approvals from the appropriate federal, state or foreign regulatory authorities necessary to conduct its business, including all such permits, licenses, registrations, certificates, authorizations, orders and approvals required by the U.S. Food and Drug Administration ("FDA") or any other Governmental Authority engaged in the regulation of drugs, pharmaceuticals, medical devices or biohazardous materials. The Company has not received any notice of proceedings relating to the suspension, modification, revocation or cancellation of any such permit, license, registration, certificate, authorization, order or approval. Neither the Company nor, to the Company's Knowledge, any officer, employee or agent of the Company has been convicted of any crime or engaged in any conduct that has previously caused or would reasonably be expected to result in (i) disqualification or debarment by the FDA under 21 U.S.C. Sections 335(a) or (b), or any similar law, rule or regulation of any other Governmental Authority, (ii) debarment, suspension, or exclusion under any federal healthcare programs or by the General Services Administration, or (iii) exclusion under 42 U.S.C. Section 1320a-7 or any similar law, rule or regulation of any Governmental Authority. The Company is and has been in compliance with all applicable laws administered or issued by the FDA or any similar Governmental Authority, including the Federal Food, Drug, and Cosmetic Act and all other laws regarding developing, testing, manufacturing, marketing, distributing or promoting the products of the Company, or complaint handling or adverse event reporting.

2.24 Disclosure. The Company has made available to the Purchaser all the information reasonably available to the Company that the Purchaser has requested for deciding whether to acquire the Purchased Stock. It is understood that this representation is qualified by the fact that the Company has not delivered to the Purchaser, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

3. ~~Representations and Warranties of the Purchaser~~. If the Closing occurs, the Purchaser hereby represents and warrants to the Company that, as of the Closing:

3.1 Authorization. The Purchaser has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which the Purchaser is a party, when executed and delivered by the Purchaser (and assuming the execution and delivery thereof by the Company), will constitute valid and legally binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; or (b) to the extent the indemnification provisions contained in the Stockholders' Agreement may be limited by applicable federal or state securities laws.

3.2 Purchase Entirely for Own Account. This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms, that the Purchased Stock to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement, or arrangement with any Person to sell, transfer, or grant participations to such Person or to any third Person, with respect to the Purchased Stock. The Purchaser has not been formed for the specific purpose of acquiring the Purchased Stock.

3.3 Disclosure of Information. The Purchaser has had an opportunity to discuss the Company's business, management, financial affairs, and the terms and conditions of the offering of the Purchased Stock with the Company's management and has had an opportunity to review the Company's facilities. In addition, the Company has made available to the Purchaser all information and documents requested by the Purchaser. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Purchaser to rely thereon.

3.4 Restricted Securities. The Purchaser understands that the Purchased Stock has not been, and will not be, registered under the Securities Act and State Securitities Law Lw, by reason of a specific exemption from the registration provisions of the Securities Act or State Securities Laws,which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Purchased Stock is a "restricted security" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Purchaser must hold the Purchased Stock indefinitely unless it is registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Purchaser acknowledges that the Company has no obligation to register or qualify the Purchased Stock. The Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements, including, but not limited to, the time and manner of sale, the holding period for the Purchased Stock, and on requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

3.5 No Public Market. The Purchaser understands that no public market now exists for the Purchased Stock, and that the Company has made no assurances that a public market will ever exist for the Purchased Stock.

3.6 Legends. The Purchaser understands that, if certificated the Purchased Stock may bear one or all of the following legends:

(a) "THE STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE STOCKHOLDERS AGREEMENT BY AND AMONG THE STOCKHOLDERS OF THE COMPANY, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, GIFT, PLEDGE, ENCUMBRANCE, HYPOTHECATION, OR OTHER DISPOSITION OF THE STOCK REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH STOCKHOLDERS AGREEMENT.

THE STOCK REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, GIFTED, PLEDGED, ENCUMBERED, HYPOTHECATED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER."

(b) Any legend set forth in, or required by, the other Transaction Agreements; and

(c) Any legend required by the securities laws of any state to the extent such laws are applicable to the Purchased Stock represented by the certificate so legended.

3.7 ~~Accredited Investor~~. The Purchaser is an "accredited investor," as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.8 No General Solicitation. Neither the Purchaser, nor any of its equity holders, directors, managers, officers, employees, agents, or partners has either directly or indirectly, ~~including through a broker~~ or finder, (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Purchased Stock.

3.9 Residence. The address of the principal place of business of the Purchaser is set forth on the signature page hereto.

3.10 Cannabis Activity. The Purchaser acknowledges that (i) cannabis and THC-related products are identified as a Schedule I Drug under the United States Controlled Substances Act and are therefore illegal under federal law, and that the Company's business is directly or indirectly engaging in, the cultivation, manufacture, distribution, processing, and/or transportation of cannabis, (ii) activities relating to cannabis are highly regulated in jurisdictions which provide a regulatory structure for the legal (for their jurisdiction) ownership and operation of a business operating in the cannabis business, and (iii) certain regulations may require disclosure of personal information about the owners of, and others with a financial interest in, a cannabis business.

3.11 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to the Purchaser's Knowledge, currently threatened in ~~writing~~ or verbally (a) against the Purchaser or any officer or Director of the Purchaser arising out of their employment or managerial relationship with the Purchaser; (b) that questions the validity of the Transaction Agreements

or the right of the Purchaser to enter into or to consummate the transactions contemplated by the Transaction Agreements; or (c) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither the Purchaser, nor any of its officers or Directors is a party or is named as subject to the provisions of any order, writ, injunction, judgment, or decree of any court or government agency or instrumentality (in the case of officers or Directors, such as would affect the Purchaser). There is no action, suit, proceeding, or investigation by the Purchaser pending or which the Purchaser intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings, or investigations pending or threatened in writing (or any basis therefor to the Purchaser's Knowledge) involving the prior employment of any of the Purchaser's employees, their services provided in connection with the Purchaser's business, any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

3.12 ~~Confidentiality of Company's Documents~~. If the transactions contemplated by this Agreement shall not be consummated, confidence shall be maintained and, upon written request from the Company to Purchaser, all documents furnished to Purchaser in connection with the Agreement shall immediately be returned to the Party which furnished the particular document to Purchaser.

3.13 Financial Capacity. At the Closing, Purchaser will have sufficient capitalization and the financial ability to perform fully its obligations under this Agreement.

3.14 ~~Indebtedness~~. Purchaser has no Knowledge of any past, current, or pending indebtedness that would prevent Purchaser from fully performing its payment obligations under this Agreement. The Purchaser is current on all payment of all its existing indebtedness and the Purchaser has no Knowledge of any current or pending defaults under any of its indebtedness.

3.15 Company Permits. Purchaser represents that Purchaser knows of no reason that Purchaser will not qualify for the Company Permits.

3.16 Disclosure. The Purchaser has made available to the Company all the information reasonably available to the Purchaser that the Company has requested for deciding whether to acquire the Purchased Stock. It is understood that this representation is qualified by the fact that the Purchaser has not delivered to the Company, and has not been requested to any written disclosure of the types of information customarily furnished to the seller of securities.

4. Conditions to the Purchaser's Obligations at Closing. The obligation of the Purchaser to purchase the Purchased Stock at the Closing is subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

4.1 ~~Representations and Warranties~~. The representations and warranties of the Company contained in ~~Section 2~~ shall be true and correct in all respects as of the Closing.

4.2 Performance. The Company shall have performed and complied with all covenants, agreements, obligations, and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before the Closing.

4.3 Qualifications. All authorizations, approvals or permits of any Governmental Authority of the United States or of any state that are required in connection with the lawful issuance and sale of the Purchased Stock pursuant to this Agreement including, without limitation, the CRC Approval, shall be obtained and effective as of the Closing.

4.4 ~~Stockholders' Agreement~~. The Company and its Stockholders shall have executed the Stockholders' Agreement on or prior to the Closing, which shall continue to be in full force and effect as of the Closing.

4.5 Proceedings and Documents. All company and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchaser, and the Purchaser (or its counsel) shall have received all such counterpart original and certified or other copies of such documents as reasonably requested. Such documents shall include a good standing certificate for the Company.

5. ~~Conditions of the Company's Obligations at Closing~~. The obligations of the Company to sell the Purchased Stock to the Purchaser at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

5.1 Representations and Warranties. The representations and warranties of the Purchaser contained in ~~Section 3~~ shall be true and correct in all respects as of the Closing.

5.2 Performance. The Purchaser shall have performed and complied with all covenants, agreements, obligations, and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

5.3 Qualifications. All authorizations, approvals or permits of any Governmental Authority of the United States or of any state that are required in connection with the lawful issuance and sale of the Purchased Stock pursuant to this Agreement including, without limitation, the CRC Approval, shall be obtained and effective as of the Closing.

5.4 Transaction Agreements. The Purchaser shall have executed and delivered the Transaction Agreements.

6. ~~Miscellaneous~~.

6.1 Survival of Warranties. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and the Purchaser contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of the Purchaser or the Company.

6.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the Parties hereto, whether by operation of law or otherwise; provided, however, that upon notice to the Seller and without releasing Buyer from any of its obligations or liabilities hereunder Purchaser may assign or delegate any or all of its rights or obligations under this Agreement to any Affiliate of Purchaser or any Person with or into which Purchaser or any parent company of Purchaser merges or consolidates. In the event of such an assignment, the provisions of this Agreement shall inure to the benefit of and be binding on the Parties. Any attempted assignment in violation of this Section 6.2 shall be null and void.

6.3 Governing Law. This Agreement is governed by and will be construed, interpreted and enforced in accordance with the laws of the State of New Jersey without giving effect to any choice or conflict of law provision or rule. Each Party agrees and acknowledges that it is not making, will not make, nor shall be deemed to make or have made, any representation or warranty of any kind regarding the compliance of this Agreement with any Federal Cannabis Laws (as defined below). Neither Party shall have any right of rescission, to declare a breach or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws unless such non-compliance also constitutes a violation of

applicable state law. "Federal Cannabis Laws" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale or possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960, and the regulations and rules promulgated under any of the foregoing.

6.4 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.5 Interpretation. This Agreement may be executed and delivered in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. The headings of this Agreement are for convenience of reference only and are not part of the substance of this Agreement. Whenever used in this Agreement the singular shall include the plural, and vice versa, and the use of any gender shall include all genders and the neuter, whenever appropriate. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties hereto and their respective successors and assigns any rights, remedies, obligation or liabilities under or by reason of this Agreement. No provision of this document is to be interpreted for or against any Party because that Party or Party's legal representative drafted it. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

6.6 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective Parties at their address as set forth on the signature page, or to such e-mail address or address as subsequently modified by written notice given in accordance with this Section 6.6. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Stuart H. Sorkin, Business and Legal Advisors, LLC, 7811 Montrose Road Suite 500, Potomac, Maryland 20816 (stuart@businessandlegaladvisors.com), and if notice is given to the Purchaser, a copy (which copy shall not constitute notice) shall also be given to Greenspoon Marder LLP, 227 West Monroe Street, Suite 3950, Chicago, IL 60606, Attn: Irina Dashevsky, Esq. (irina.dashevsky@gmlaw.com).

6.7 No Finder's Fees or Commissions. Except as set forth in Section of the Disclsoure Schedule, each Party represents that, in connection with the Company or this transaction, it neither is nor will be obligated for any finder's fee, commission or any other payment or compensation in the form of equity or any other interest in the Company (collectively, a "Transaction Payment"). The Purchaser agrees to indemnify and to hold harmless the Company from any liability for any Transaction Payment (and the costs and expenses of defending against such liability or asserted liability) for which the Purchaser or any of its officers, members, stockholders, directors, managers, employees, or representatives is responsible. The Company agrees to indemnify and hold harmless the Purchaser from any liability for any Transaction Payment (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, members, stockholders, directors, managers, employees or representatives is responsible.

6.8 Fees and Expenses. Each Party shall be responsible for the payment of any and all fees and expenses incurred by such Party in connection with this Agreement and the transactions contemplated hereby.

6.9 Attorneys' Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing Party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such Party may be entitled, provided, however, if a decision is partially in favor of both Parties, then the Parties will each pay a pro rata portion of the costs and expenses based upon such partial award.

6.10 Amendments and Waivers. Any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the Purchaser. Any amendment or waiver effected in accordance with this Section 6.10 shall be binding upon the Purchaser and each transferee of the Purchased Stock, each future holder of all such securities, and the Company. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

6.11 Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or incapable of being enforced under any rule of applicable law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein are consummated as originally contemplated to the fullest extent possible.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement upon any breach or default of any other Party under this Agreement shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not

alternative. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence. Whenever a period of time is herein prescribed for action to be taken by either Party, such Party shall not be in default or incur any liability to the other Party for any losses or damages of any nature for any failure or delay in the performance of their obligations under this Agreement arising out of or caused by, directly or indirectly due to epidemics/pandemics (including COVID-19); quarantines; governmental declaration(s) of emergency; closings of or delays in related government and business services such as land records, lenders and title/escrow, strikes, riots, acts of God, war or any other causes of any kind which are beyond the reasonable control of such Party (collectively "Unforeseeable Event**")**.

6.13 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties are expressly canceled.

6.14 Termination of Closing Obligations. The Purchaser shall have the right to terminate its obligations to complete the Closing, if prior to the occurrence thereof, the Company applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (ii) becomes subject to the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (iii) makes an assignment for the benefit of creditors, (iv) institutes any proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, or files a petition or answer seeking reorganization or an arrangement with creditors to take advantage of any insolvency law, or files an answer admitting the material allegations of a bankruptcy, reorganization or insolvency petition filed against it, or (v) becomes subject to any involuntary proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, which proceeding is not dismissed within thirty (30) days of filing, or have an order for relief entered against it in any proceedings under the United States Bankruptcy Code.

6.15 Dispute Resolution.

(a) In the event of any dispute or disagreement between the Parties as to the interpretation of any provision of this Note, the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement. If the Parties do not resolve such dispute or disagreement within thirty (30) calendar days, each Party shall be free to exercise the remedies available to it specifically provided by this Note.

(b) The Parties agree that jurisdiction and venue in any action brought by any Party pursuant to this Note shall properly and exclusively lie in any state court located in the State of New Jersey, County of Gloucester. By execution and delivery of this Note, each Party irrevocably submits to the jurisdiction of such courts for itself and in respect of its property with respect to such action. The Parties irrevocably agree that venue would be proper in any such court, and hereby waive any objection that any such court is an improper or inconvenient forum for the resolution of such action. The Parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court shall constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS NOTE OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING.

6.16 ~~Limitation of Liability~~. Notwithstanding any provision of this Agreement to the contrary, neither Party will be entitled in connection with any breach or violation of this Agreement to recover any punitive, exemplary or other special damages or any indirect, incidental or consequential damages, including without limitation damages relating to loss of profit, business opportunity or business reputation, except in each case if and to the extent such damages are claimed by a third party in connection with a matter that is the subject of an indemnification claim asserted under this Agreement. Each Party, as a material inducement to the other Party to enter into and perform its obligations under this Agreement, hereby expressly waives its right to assert any claim relating to such damages and agrees not to seek to recover such damages in connection with any claim, action, suit or proceeding relating to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of the Company.

6.17 Further Assurances. Each Party agrees to execute and deliver, after the date hereof, without additional consideration, such further assurances, instruments and documents, and to take such further actions, as the other Party may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby.

6.18 ~~Public Announcements~~. Neither Party nor any of its Affiliates or representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or otherwise communicate with the media, concerning the existence of this Agreement or the subject matter hereof, without the prior written approval of the other Party (which shall not be unreasonably withheld, conditioned or delayed), except if and to the extent that such Party is required to make any public disclosure or filing regarding the subject matter of this Agreement (i) by Applicable Law, (ii) pursuant to any rules or regulations of any securities exchange on which the securities of such Party or any of its Affiliates are listed or traded, or (iii) in connection with enforcing its rights under this Agreement.

[Remainder of Page Left Blank – Signatures Follow]

IN WITNESS WHEREOF, the Parties have executed this Stock Purchase Agreement as of the date first written above.

COMPANY:

ABCO GARDEN STATE LLC,
a New Jersey limited liability company

By: _____
Name: ~~Caitlin Blackwell~~
Title: Director

Address: 5 N. Cambridge Ave.
Ventnor, NJ 08406
Email: cateblackwell@gmail.com

PURCHASER:

GROWN ROGUE UNLIMITED, LLC,
an Oregon limited liability company

By: _____
Name: J. Obie Strickler
Title: Director

Address: 550 Airport Road
Medford, OR 97501
Email: obie@grownrogue.com

[Signature Page to Stock Purchase Agreement]

EXHIBIT A

Stockholders' Agreement of ABCO Garden State LLC

[Attached]

Execution Version

STOCKHOLDERS' AGREEMENT
OF
ABCO GARDEN STATE LLC

This STOCKHOLDERS' AGREEMENT ("Agreement") of ABCO Garden State LLC, a New Jersey limited liability company (the "Company"), is entered into as of _____ __, 20__ (the "Effective Date"), by and among the Company and the Parties are set forth on Schedule 1 to this Agreement (the "Stockholders Schedule") (each, a "Stockholder" and collectively, the "Stockholders"). The Company and the Stockholders are collectively referred to as "Parties" and in the singular "Party".

~~RECITALS~~

A. The then-existing members have previously entered into that certain Operating Agreement for ABCO Garden State LLC, dated as of March 25, 2023 (the "Previous Agreement").

B. The then-existing members have determined it is in the best interest of the Company to elect for the Company to be taxed as a C corporation by filing IRS Form 8832 on _____ __, 20__ ("Election").

C. The Company and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "Investor Stockholder") have heretofore entered into that certain Stock Purchase Agreement, dated as of _____ __, 20__ (together with any purchase agreement subsequently entered into by the Company and the Investor Stockholder, the "~~Purchase Agreement~~"), pursuant to which the Company is issuing and selling to the Investor Stockholder Voting Stock (as defined below) in the Company which shall represent forty-nine percent (49%) of the Company's issued and outstanding Stock (as defined below) on a fully diluted basis (together with any Stock subsequently purchased by the Investor Stockholder, the "Purchased Stock").

D. The Stockholders desire to enter into this Agreement to amend and restate the Previous Agreement, to provide for the management of the business and affairs of the Company and to define the rights and obligations of the Stockholders.

~~AGREEMENT~~

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and representations set forth herein, and intending to be legally bound, the Parties hereto set forth the agreement for the Company under the laws of the State of New Jersey upon the terms and subject to the conditions of this Agreement.

ARTICLE 1
DEFINITIONS

The following terms shall have the meanings set forth below for purposes of this Agreement:

"Accounting Period" shall mean, for the first Accounting Period, the period commencing on the Effective Date and ending on the next Adjustment Date; and for each subsequent Accounting Period shall mean the period commencing on the day after an Adjustment Date and ending on the next Adjustment Date; provided, however, that an Accounting Period shall end and a new Accounting Period shall commence on any date on which an Additional Stockholder or Substitute Stockholder is admitted to the Company or a Stockholder ceases to be a Stockholder for any reason.

"Act" shall mean, as applicable, the New Jersey Revised Uniform Limited Liability Company Act, as amended from time to time prior to the date of Election, or the New Jersey Business Corporation Act, as amended from time to time after the date of Election.

"Additional Stockholder" shall mean any Person who has been admitted to all the rights of a Stockholder pursuant to Section 4.2 of this Agreement.

"Adjustment Date" shall mean the last day of each Fiscal Year or any other date that the Board determines to be appropriate for an interim closing of the Company's books.

"Affected Stockholder" shall mean, as applicable, (i) in connection with an Uncured Regulatory Problem, a Stockholder for which an Uncured Regulatory Problem exists (or might reasonably be expected to exist); (ii) in connection with a Financial Action, a Stockholder that is the subject of a Financial Action; and (iii) in connection with a Divorce Action, a Stockholder that is the subject of a Divorce Action, provided, however, in the event that the equity owner of CMB INVESTCO 609 LLC shall divorce, then Quinn Blackwell shall have a first right to purchase CMB INVESTCO 609 LLC and become the owner of CMB INVESTCO 609 LLC and the Company and the Stockholders acknowledge and agree that they shall approve him as a Substitute Stockholder pursuant to Section 4.4.

"Affiliate" shall mean, with respect to any specified Person, (a) any other Person directly or indirectly controlling, controlled by or under common control with such specified Person; or (b) with respect to any natural person, any Family Member or any partnership or trust established for the benefit of a Family Member so long as such entity is controlled by the transferring Stockholder. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Stockholders' Agreement, as amended from time to time.

"Annual Budget" shall have the meaning given to such term in Section 4.15.3.

"Applicable Law" shall mean all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority, in each case, including, without limitation, Regulatory Laws. For purposes of this Agreement, Applicable Law does not include the Controlled Substances Act, 21 U.S.C. §§ 801, et. seq. or any other federal law or regulation concerning marijuana.

"Assignee" shall mean a Transferee of Stock who has not been admitted as a Substitute Stockholder. An Assignee of Stock shall be deemed to be a holder of Non-Voting Stock only, and as such, shall have no right to vote on, consent to, approve, or participate in the determination of any matter, or to otherwise participate in the management of the business and affairs of the Company or to become a Stockholder. An Assignee is only entitled to receive distributions attributable to the Non-Voting Stock transferred to the Assignee.

"Bankruptcy" shall mean, with respect to any Person: (a) that a petition has been filed by or against such Person as a "debtor" and the adjudication of such Person as bankrupt under the provisions of the bankruptcy laws of the United States of America has commenced and, in the case of an involuntary bankruptcy, such petition shall not have been dismissed within sixty (60) calendar days from the date of filing; (b) that such Person has made an assignment for the benefit of its creditors generally; (c) that a receiver has been appointed for substantially all of the property and assets of such Person; or (d) the voluntary or involuntary acceleration of any Indebtedness of such Person.

"Board" shall have the meaning given to such term in Section 6.1.

"Book Value" shall mean, with respect to any asset of the Company, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Book Value of any asset contributed by a Stockholder to the Company shall be such asset's gross fair market value at the time of such contribution, as determined by the Board;

(b) The Book Value shall be adjusted in the same manner as would the asset's adjusted basis for federal income tax purposes, except that the depreciation deduction taken into account each Period for purposes of adjusting the Book Value of an asset shall be the amount of Depreciation with respect to such asset taken into account for purposes of computing Taxable Income (Loss) for the Period;

(c) The Book Value of any asset distributed to a Stockholder by the Company shall be such asset's gross fair market value at the time of such distribution, as determined by the Board; and

"Bring-Along Sale" shall have the meaning given to such term in Section 12.4.1.

"Bring-Along Stock" shall have the meaning given to such term in Section 12.4.1.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New Jersey are authorized or obligated by law or executive order to close.

"Buyer" shall have the meaning given to such term in Section 12.4.1.

"Call FMV" means the fair market value of the Company calculated in accordance with Section 12.7 or the mutually agreed to price at which the Investor Stockholder having all relevant knowledge would purchase, and another Stockholder would sell, the Company, taken as a whole, in an arm's length transaction (including any cash or cash equivalents held by the Company, but net of any Indebtedness), as a going concern as of the date of determination in an orderly sale transaction, based on standard valuation techniques, including discounted cash flows, valuation of comparable companies, and comparable transactions (a) taking into account the expected amount of distributions to be made to the Stockholders prior to consummation of the sale of the applicable Stock, (b) assuming that any Additional Stock Payments theretofore required to be funded have been funded prior to the time of the valuation (and then backed out, as applicable) and (c) without regard to (i) any compulsion to sell or the impact of an immediate sale, (ii) the presence or absence of a market, or (iii) any discount or premium from differences in the Stockholders' proportionate Stock.

"Cash Available for Distribution" shall mean the gross cash proceeds from Company operations (including sales and dispositions of Company assets in the ordinary course of business) less the portion thereof used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements and contingencies, all as determined by the Board. Cash Available for Distribution shall not include cash proceeds from any other sources, including, but not limited to, sales and dispositions of Company assets other than in the ordinary course of business.

"~~Cause~~" with respect to a Director shall mean (a) the reasonable determination by unanimous vote of the other Directors that such Director has willfully and materially breached this Agreement and failed to cure such breach within thirty (30) days following written notice thereof, to the extent such breach is capable of being cured; (b) commission or omission of any act constituting fraud or embezzlement in respect of the Company as determined by a judgment by any court or governmental body of competent jurisdiction; or (c) the Disability of such Director.

"Certificate" shall mean the Certificate of Formation of the Company originally filed with the Secretary of State of the State of New Jersey, as the same may be amended from time to time.

"~~Co-Sale Notice~~" shall have the meaning given to such term in ~~Section 12.2.2~~.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Company" shall have the meaning given to such term in the preamble.

"Confidential Information" shall have the meaning given to such term in Section 9.3.

"Convertible Securities" shall mean equity interests, evidences of Indebtedness or other securities that are at any time directly or indirectly convertible into or exchangeable for Stock.

"Covered Person" shall mean (i) any Stockholder, any Affiliate of a Stockholder, any officers, directors, trustees, shareholders, members, managers, beneficiaries, partners, employees, representatives or agents of the Company, any Stockholder or their respective Affiliates, or (ii) any Person who is elected to serve as a Director.

"CRC" means the New Jersey Cannabis Regulatory Commission.

"Deemed Liquidation Event" shall mean (a) a sale, lease or other transfer of all or substantially all of the assets of the Company, (b) a reorganization, merger or consolidation of the Company with or into any other limited liability company or entity, or an acquisition of the Company effected by an exchange of outstanding securities of the Company, in which transaction the Company's Stockholders immediately prior to such transaction own immediately after such transaction less than Fifty Percent (50%) of the equity securities of the surviving limited liability company or entity (or its parent), (c) any sale of voting control or other transaction similar to those described in clause (b) above following which the Stockholders immediately prior to such transaction no longer hold effective control of the Company following such transaction, whether through voting power, ownership, ability to elect Board, or otherwise or (d) liquidation, dissolution, shut down, cessation of business, whether voluntary or involuntary or other winding up of the Company. For the avoidance of doubt, a Bring-Along Sale shall be deemed a Deemed Liquidation Event

"Depreciation" shall mean an amount equal to the depreciation, amortization or other cost-recovery deduction allowable with respect to an asset for the Period, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of the Period, Depreciation will be an amount which bears the same ratio to the beginning Book Value as the Federal income tax depreciation, amortization or other cost-recovery deduction for the Period bears to the beginning adjusted tax basis; provided, however, that if the Federal income tax depreciation, amortization or other cost-recovery deduction for the Period is zero, Depreciation will be determined by reference to the beginning Book Value using any reasonable method selected by the Board.

"Director" shall have the meaning given to such term in Section 6.1.

"~~Directors Schedule~~" shall have the meaning given to such term in ~~Section 6.2~~.

"Disability" with respect to a Director shall mean such Director's (i) Incapacity, or (ii) his or her reasonably documented physical or mental illness that is reasonably expected to prevent him or her from performing his or her duties for more than 180 days out of any 365-day period.

"~~Disassociated Stockholder~~" shall mean a Stockholder who has ceased to be a Stockholder as a result of such Stockholder's death.

"Dissolution" of a Stockholder which is not a natural person shall mean that such Stockholder, whether partnership, limited liability company or corporation, has terminated its existence, wound up its affairs and dissolved; provided, however, that a change in the ownership of any Stockholder that is a partnership or limited liability company shall not be deemed or constitute a "Dissolution" hereunder, whether or not the Stockholder is deemed technically dissolved for partnership or limited liability company law purposes, so long as the business of the Stockholder is continued.

"~~Divorce~~" shall mean any legal proceeding to terminate, dissolve, or separate the Marital Relationship of a Stockholder, and includes an action for annulment, legal separation, or similar proceeding that involves a judicial division of community or quasi-community property of the Stockholder and the Stockholder's Spouse.

"~~Divorce Action~~" shall mean a property settlement in a Divorce proceeding or the Marital Relationship of a Stockholder terminating by Divorce or death of the Stockholder's Spouse, in each case where the Stockholder does not succeed to all of the Spouse's interest in the Stock held by the Stockholder at such time.

"Effective Date" shall have the meaning given to such term in the Recitals.

"Encumbrances" shall mean any liens, claims, mortgages, pledges, charges, security interests, title defects, objections, encumbrances, leases, options to purchase, rights of first refusal, material restrictions or adverse claims of any nature whatsoever.

"Equity Incentive Plan" shall mean an equity incentive plan or plans to be adopted following the Effective Date upon the approval of the Board, which plan or plans shall provide that the Company may grant, sell or otherwise transfer Stock.

"~~Fair Market Value~~" shall mean the value that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm's length transaction, as determined in good faith by the Board including the Investor Director based on such factors as the Board, in the exercise of its reasonable business judgment, considers relevant.

"Family Member" shall mean a parent, spouse, any natural or adoptive sibling or any spouse thereof, and any direct lineal descendant (natural or adoptive) of any of the foregoing.

"~~Financial Action~~" shall mean the Dissolution of a Stockholder, a Stockholder being subject to a Bankruptcy Action or court order or mandate of any kind under any other circumstances whereby a Stockholder would be deprived of such Stockholder's ownership of its Stock on an involuntary basis, including without limitation on account of the foreclosure of any pledge with respect to such Stock.

"Fiscal Year" shall mean the Company's fiscal year as determined by the Board from time to time, which shall originally be the calendar year (except as otherwise required by law), and any partial year with respect to the fiscal years in which the Company is organized and dissolved or terminated.

"Founding Director" shall have the meaning given to such term in Section 6.1.

"Governmental Authority" shall mean any federal, state, local or foreign government or political subdivision thereof, or any agency, board, official or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction including, without limitation, any Regulatory Authority.

"Incapacity" or "Incapacitated" shall mean (a) with respect to any individual, the entry of a court order declaring such individual legally incompetent or incapable of handling his affairs, the appointment by court order of a guardian or conservator for such individual upon an adjudication of such individual's incompetence or his death or (b) with respect to any other Person, the dissolution or termination of such Person (other than by merger or consolidation).

"~~Indebtedness~~" shall mean all (a) obligations for borrowed money, (b) notes, bonds, debentures, mortgages and similar obligations, (c) guaranties and contingent obligations for the debts or obligations of another Person, (d) obligations in respect of letters of credit, bonds, guaranties, reimbursement agreements and similar instruments, (e) obligations in respect of futures contracts, forward contracts, swaps, options or similar arrangements, and (f) off-balance sheet financing transactions.

"Initial Stockholders" means CMB INVESTCO 609 LLC and GARDEN STATE GOLD 609 LLC.

"Investor Director" shall have the meaning given to such term in Section 6.1.

"Investor Stockholder" shall have the meaning given to such term in the Recitals.

"~~Involuntary Transfer~~" shall mean any actual or potential Transfer of Stock in connection with (a) an Uncured Regulatory Problem, (b) a Financial Action, or (c) a Divorce Action.

"Joinder Agreement" shall have the meaning given to such term in Section 4.2.

"~~Majority-in-Interest~~" shall mean, with respect to Stockholder(s), that such Stockholder(s) hold(s) in the aggregate more than fifty percent (50%) of the issued and outstanding Stock.

"Marital Relationship" shall mean a civil union, registered domestic partnership, marriage, or any other similar relationship that is legally recognized in any jurisdiction.

"Non-Voting Stock" shall mean the Company's non-voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company on a pro-rata basis of the number of shares of Non-Voting Stock divided by the total amount of issued and outstanding Stock and any other rights, duties and obligations of a Stockholder who holds Non-Voting Stock as described in the Company's organizational documents or this Agreement, but shall not include any other rights of a Stockholder, including, without limitation, the right to vote or participate in management of the Company or, except as required by the Act, to receive information concerning the Company.

"Permitted Transfer" shall mean any Transfer of Stock (i) to an Affiliate of such Stockholder, (ii) upon the death of a Stockholder who is a natural person, pursuant to testament or the laws of descent and distribution, (iii) in connection with the consummation of the transactions contemplated by the Purchase Agreement, or (iv) otherwise approved by the Board, including the Investor Director.

"Person" shall mean a natural person, partnership (whether general or limited and whether domestic or foreign), limited liability company, foreign limited liability company, trust, estate, association, corporation, custodian, nominee or any other individual or entity in its own or representative capacity.

"Previous Agreement" shall have the meaning given to such term in the Recitals.

"Proposed Transferee" shall have the meaning given to such term in Section 12.1.1.

"Purchase Agreement" shall have the meaning given to such term in the Recitals.

"Regulatory Authority" shall mean those Governmental Authorities responsible for or involved in the regulation of the testing, analysis, quality control, cultivation, sale, distribution, import and/or export of, and all other matters and activities with respect to, marijuana and tetrahydrocannabinols in any jurisdiction.

"Regulatory Laws" shall mean those laws and the rules, regulations, policies or orders (to the extent they have the force of law) promulgated by any Regulatory Authority under such laws.

"Regulatory License" shall mean all licenses, permits, approvals, authorizations, registrations, findings of suitability, franchises and entitlements issued by any Regulatory Authority necessary for the lawful conduct of activities by the Company under Regulatory Laws.

"Regulatory Problem" shall mean (a) a determination by any Regulatory Authority that any Stockholder or Director of the Company does not satisfy any suitability, eligibility or other qualification criteria pursuant to any applicable Regulatory Laws with respect to a Regulatory License, including any character or suitability criteria thereunder; (b) a determination by any Regulatory Authority that a Stockholder or Director must divest itself of any direct or indirect interest in, or disassociate itself from the Company or any Stockholder, or any of their respective Affiliates; (c) the failure by any Stockholder or Director to promptly provide all information or signatures required or requested by any Regulatory Authority of said Stockholder or Director, or (d) circumstances exist such that any Stockholder or Director is deemed likely, in the reasonable discretion of the Board (excluding the affected Director, if applicable), based on verifiable information received from any Regulatory Authority or otherwise, to preclude or materially delay, impede or impair the ability of the Company to conduct its business or obtain, retain or renew a Regulatory License, or may result in the imposition of materially burdensome terms and conditions on, or the revocation or suspension of, such Regulatory License. For the avoidance of doubt, the imposition of monetary fines by a Regulatory Authority will not generally constitute a "Regulatory Problem" unless accompanied by one of the four (4) factors set forth in the preceding sentence.

"~~Remaining Stock~~" shall have the meaning given to such term in ~~Section 12.1.3~~.

"Representative" shall mean, with respect to any Person, any and all managers, directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person

"Right of Co-Sale" shall have the meaning given to such term in Section 12.2.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Spousal Consent" shall have the meaning given to such term in Section 13.13.2.

"~~Spouse~~" shall mean a spouse, a party to a civil union, a registered domestic partner, a same-sex spouse or partner, or any person in a Marital Relationship with a Stockholder.

"Stockholder" shall mean each Stockholder who is a signatory hereto as of the Effective Date, any Substitute Stockholder and any Additional Stockholder admitted pursuant to this Agreement, but does not include Assignees.

"Stock" shall mean all of the Voting Stock and Non-Voting Stock which is either authorized or issued and outstanding as the context requires and includes any class of stock subsequently established by this Agreement.

"Stockholder Percentage Interest" shall mean with respect to a Stockholder at any time with the number of issued and outstanding shares held by each Stockholder over the total number of issued and outstanding shares of the Company held by all Stockholders, The Stockholder Percentage Interests of all Stockholders shall at all times equal one hundred percent (100%).

"Stock Purchase Price" of the Stock shall mean that amount of cash and/or the agreed upon net value of other property actually paid by such Stockholder to the Company for the issuance of such Stock.

"Stock Sale Election Period" shall have the meaning given to such term in Section 12.5.2.

"Stock Sale Notice" shall have the meaning given to such term in Section 12.5.2.

"~~Stockholders Schedule~~" shall have the meaning given to such term in the Recitals.

"~~Subsidiary~~" shall mean any corporation, partnership, joint venture, limited liability company, or other entity in which the Company either, directly or indirectly, owns capital stock or is a partner or is in some other manner affiliated through an investment or participation in the equity of such entity.

"~~Substitute Stockholder~~" shall mean an Assignee who has been admitted to all the rights of a Stockholder pursuant to this Agreement.

"Supermajority-in-Interest of the Stockholders" shall mean Stockholders holding in the aggregate sixty-six and two-thirds percent (66 2/3 %) or more of the issued and outstanding Stock entitled to vote.

"~~Taxable Income (Loss)"~~ shall mean, for any period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with the Code.

"Transfer" shall mean to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Stock owned by a Person or any interest (including a beneficial interest) in any Stock owned by a Person. "Transfer" when used as a noun shall have a correlative meaning. "Transferor" and "Transferee" mean a Person who makes or receives a Transfer, respectively.

"Transfer Notice" shall have the meaning given to such term in Section 12.1.1.

"~~Transferring Stockholder~~" shall have the meaning given to such term in ~~Section 12.1~~.

"Uncured Regulatory Problem" shall have the meaning given to such term in Section 4.9.

"Voting Stock" shall mean the Company's voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company ~~on a pro-rata~~ basis of the number of shares of Voting Stock divided by the total amount of issued and outstanding Stock vote on all actions requiring a vote of the Stockholders based upon the number of shares of Voting Stock divided by the total amount of issued and outstanding Voting Stock, and any other rights, duties and obligations of a Stockholder who holds Voting Stock as described in the Company's organizational documents or this Agreement.

ARTICLE 2
FORMATION AND CONTINUATION OF COMPANY

2.1 ~~Formation and Continuation~~. The Company was formed as a limited liability company pursuant to the provisions of the Act upon the filing of the Certificate with the Office of the Secretary of State of the State of New Jersey on April 12, 2021. The Board is hereby authorized to file and record any amendments to the Certificate and such other documents as may be required or appropriate under the Act or the laws of any other jurisdiction in which the Company may conduct business or own property. On _____, the Company has filed file IRS Form 8832, making an election to be taxed as a C corporation (the "Election").

2.2 ~~Name; Principal Place of Business~~. Unless and until amended in accordance with this Agreement and the Act, the name of the Company will be "ABCO Garden State LLC." The principal place of business of the Company shall be 5 N. Cambridge Ave., Ventnor City, NJ 08406, or such other place or places as the Board from time to time determines.

2.3 Agent for Service of Process. The Company's initial agent for service of process required by the Act is as set forth in the Certificate and may be changed if and as determined by the Board.

2.4 ~~Business~~. Subject to ~~Section 9.2~~, The purpose of the Company is to engage in any activity in which a limited liability company is permitted to engage in under the Act.

2.5 ~~Tax Treatment~~. It is the intent of the Stockholders that the Company be operated in a manner consistent with its treatment as a "C corporation" for Federal income tax purposes. As such, the Company has elected out of pass-through partnership taxation and will be required to file and pay its own taxes, and all distributions from the Company to its Stockholders shall be treated as dividends. In addition, the Stockholders and the Company acknowledge and agree that since the Company has filed the Election prior to the date that the Purchased Stock is being issued to the Investor Stockholder, then the Purchased Stock and any subsequently issued stock shall be treated as originally issued stock pursuant to Code Section 1202.

2.6 Term. The term of the Company commenced upon the filing of the Certificate with the New Jersey Secretary of State and its existence shall be perpetual, unless its existence is sooner terminated pursuant to ARTICLE 10 of this Agreement.

ARTICLE 3
STOCK

3.1 ~~Generally~~. The Company shall be authorized to issue two (2) classes of Stock, Voting Stock and Non-Voting Stock. The Stock may be further subdivided in the Board's discretion into separate series or subclasses of Stock, with rights, preferences and privileges as set forth in this Agreement, an amendment to this Agreement or in a separate certificate of designations of the rights, preferences and privileges of such series or subclass of Stock duly adopted and unanimously approved by the Board and all Stockholders with applicable approval rights, each of which will be attached as an exhibit to this Agreement. Stock may be issued, as authorized by the Board, only in accordance with the terms of this Agreement. The names of the Stockholders and the Stock held by such Stockholders, among other things, shall be as set forth on the Stockholders Schedule, as such schedule may be amended from time to time in accordance with the terms of this Agreement.

3.2 Certificate of Stock. Unless the Board determines otherwise, the Stock shall not be certificated. In the event that Stock are certificated, such certificates shall, in addition to any other legend required by Applicable Law, bear a legend substantially in the following form:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE STOCKHOLDERS' AGREEMENT AMONG THE COMPANY AND ITS STOCKHOLDERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, GIFT, PLEDGE, ENCUMBRANCE, HYPOTHECATION, OR OTHER DISPOSITION OF THE STOCK REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH STOCKHOLDERS' AGREEMENT.

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, GIFTED, PLEDGED, ENCUMBERED, HYPOTHECATED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER.

ARTICLE 4
STOCKHOLDERS

4.1 No Management or Control. Except as otherwise provided in this Agreement, no Stockholder shall, in its capacity as a Stockholder, take part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.2 Additional Stockholders. Additional Stockholders may be admitted to the Company upon the unanimous approval of the Board; provided that each such Person (a) shall execute a Joinder Agreement in the form attached as ~~Exhibit A~~ hereto ("~~Joinder Agreement~~") agreeing to be bound by the terms of this Agreement and any other agreements or instruments by which a Stockholder is bound, and (b) is qualified under applicable Regulatory Laws to possess an ownership interest in a cannabis business and its ownership of Stock does not create a Regulatory Problem.

4.3 Restrictions on Transfers.

4.3.1 General Restriction. Except with respect to Permitted Transfers or as otherwise provided in this Agreement, no Stockholder or Assignee shall Transfer its Stock, as applicable, whether in whole or in part, without the approval of the Board which shall include the Investor Director.

4.3.2 Requirements for Transfer. Notwithstanding Section 4.3.1, no Transfer of Stock shall be permitted (regardless of whether the Board approves such a Transfer) if it would, or would reasonably be likely to:

(a) result in violation of Regulatory Laws or otherwise create a Regulatory Problem;

(b) result in violation of the Securities Act, any applicable state law or the applicable securities laws of any other jurisdiction;

(c) result in the Transfer of Stock of a Stockholder to a direct or indirect competitor of the Company as reasonably determined by the Board (provided that this Section 4.3.2(c) shall not apply to a Transfer by a Stockholder of all of such Stockholder's Stock in connection with a Deemed Liquidation Event);

(d) result in a violation of any other Applicable Law by the Stockholder, any other Stockholder, any Director or the Company; or

(e) cause the termination or dissolution of the Company.

4.3.3 Transfers of Non-Voting Stock Only. In the event of any Transfer made in accordance with this Section 4.3, to the extent the Transferor Transferred Voting Stock, the Transferee shall be deemed to receive only Non-Voting Stock, and the Transferee shall not have any right as a result of such Transfer to participate in the affairs of the Company as a Stockholder holding Voting Stock, unless such Transferee is admitted as a Stockholder holding Voting Stock in accordance with Section 4.4.

4.3.4 Void Transfers. Any voluntary or involuntary Transfer in violation of this Section 4.3 or the requirements of ARTICLE 12 shall be null and void ab ~~initio~~, and shall not operate to Transfer any portion of any Stock in the Company to the purported Transferee.

4.4 Admission of Substitute Stockholders. An Assignee of Stock shall be admitted as a Substitute Stockholder only upon the unanimous approval of the Board and execution of a Joinder Agreement. If so admitted, the Substitute Stockholder shall have all the rights and powers, and shall be subject to all the restrictions and liabilities of, the Stockholder who assigned such Stock to the extent that such rights powers, restrictions and liabilities resulted from such assigning Stockholder's ownership of the assigned Stock. The admission of a Substitute Stockholder shall not release any Stockholder who assigned such Stock from liabilities or obligations to the Company, the other Stockholders or any other Person that may have arisen prior to the Transfer.

4.5 Rights of Assignees. Unless an Assignee is admitted as a Substitute Stockholder, such Assignee shall be the holder only of Non-Voting Stock and, as such, shall have no right to vote on, consent to, approve or participate in the determination of any matter, or to otherwise participate in the management of the business and affairs of the Company or to become a Stockholder, which rights shall be retained by the Stockholder or Substitute Stockholder who Transferred the applicable Stock to the Assignee.

4.6 Resignation or Withdrawal of a Stockholder. Except as specifically provided in this Agreement, no Stockholder shall have the right to resign or withdraw from the Company or withdraw its interest in the capital of the Company; provided, however, that any Involuntary Transfer shall not be deemed a breach of this Section ~~4.6~~.

4.7 Compliance with Regulatory Laws. Each Stockholder acknowledges that (i) cannabis and THC-related products are identified as a Schedule I Drug under the United States Controlled Substances Act, and that the Company's business is directly or indirectly engaging in, the cultivation, manufacture, distribution, processing, and/or transportation of cannabis, (ii) activities relating to cannabis are highly regulated in jurisdictions which provide a regulatory structure for the legal (for their jurisdiction) ownership and operation of a business operating in the cannabis business, and (iii) certain regulations may require disclosure of personal information about the owners of, and others with a financial interest in, a cannabis business. Each Stockholder agrees to comply with all Regulatory Laws and authorizes the Company to disclose such personal information of such Stockholder to such persons as the Board deems appropriate in furtherance of compliance with Regulatory Laws.

4.8 Affected Stockholders. If any Stockholder or Director becomes aware of the fact that such Stockholder or Director or another Stockholder or Director is an Affected Stockholder (whether as a result of a Regulatory Problem, a Financial Action or a Divorce Action), such Stockholder or Director shall provide prompt written notice of the relevant details to the Board and, as applicable, the Affected Stockholder.

4.9 ~~Regulatory Problems~~. In the event that a Stockholder shall experience a Regulatory Problem which causes such Stockholder to become an Affected Stockholder, the Affected Stockholder shall promptly take all actions necessary or advisable to eliminate, terminate, discontinue or otherwise cure the Regulatory Problem within ninety (90) days (or such shorter period of time as may be required by Regulatory Law or Regulatory Authorities), including: (i) terminating the activity, relationship or other circumstances giving rise to the Regulatory Problem; (ii) effecting the Transfer of its Stock as permitted hereunder in accordance with Section 4.10; (iii) immediately providing the applicable Regulatory Authority with all information required or requested of the Affected Stockholder; and (iv) taking all other actions as may be necessary or appropriate to remedy the Regulatory Problem. If the foregoing are not able to resolve the Regulatory Problem within such period (such Regulatory Problem, an "Uncured Regulatory Problem"), then the Affected Stockholder's Stock shall be Transferred or otherwise redeemed in accordance with the applicable terms and provisions of Section 4.10.

4.10 Involuntary Transfer; Repurchase Rights. Notwithstanding anything to the contrary in this Agreement, subject to Applicable Law:

4.10.1 Upon the occurrence of any Involuntary Transfer (whether an Uncured Regulatory Problem, Financial Action or Divorce Action), the Affected Stockholder and/or, as applicable, his/her Spouse or other holder of Stock, if any, shall be deemed an Assignee hereunder, and the Board shall take such actions as it deems reasonably necessary to effectuate the provisions of this Section 4.10.1. Notwithstanding anything to the contrary, Transfers in connection with an Involuntary Transfer shall not be subject to the provisions of ARTICLE 12.

4.10.2 In connection with a Divorce Action, (a) first, the Affected Stockholder shall have the right and option to repurchase all or any portion of the subject Stock, provided, however, in the event that the Divorce Action is regarding Caitlin Blackwell ownership of CMB INVESTCO 609 LLC, then Quinn Blackwell shall have the right to purchase all of the membership interests in CMB INVESTCO 609 LLC from Caitlan Blackwell and the Company and the Stockholders acknowledge and agree that they shall approve him as a Substitute Stockholder pursuant to Section 4.4 and entitled to own the Stock, provided, he then meets the requirements of ~~Section 4. 3.2~~, then (b) if and to the extent such Affected Stockholder does not elect to repurchase all of such Stock, the Company shall have the right and option to repurchase all or the remainder of the subject Stock, then, (c) if and to the extent the Company does not elect to repurchase all or the remainder of such Stock, the other Stockholders shall have the right and option to repurchase all or the remainder of the subject Stock on a *pro rata* basis, and then (d) if and to the extent the Stockholders do not elect to repurchase all or the remainder of such Stock, the Board shall have the right to assign to a third party selected by the Stock, the right to purchase all or the remainder of the subject Stock.

4.10.3 In connection with an Uncured Regulatory Problem or Financial Action, (a) first, the Company shall have the right and option to repurchase all or any portion of the subject Stock, provided, however, in the event that Uncured Regulatory Problem or Financial Action occurs regarding CMB INVESTCO 609 LLC, then Quinn Blackwell shall have right to purchase all of the membership interests in CMB INVESTCO 609 LLC from Caitlan Blackwell and the Stockholders acknowledge and agree that they shall approve him as a Substitute Stockholder pursuant to Section 4.4 and he shall be entitled to own the Stock, provided, he then meets the requirements of ~~Section 4.3.2~~ then, (b) if applicable, if and to the extent Quinn Blackwell does not elect to repurchase all of such Stock, the Company shall have the right and option to repurchase all or the remainder of the subject Stock, then (c) if and to the extent the Company does not elect to repurchase all of such Stock, the other Stockholders shall have the right and option to repurchase all or the remainder of the subject Stock on a *pro rata* basis, and then (d) if and to the extent the Stockholders do not elect to repurchase all or the remainder of such Stock, the Board shall have the right to assign to a third party selected by the Board, the right to purchase all or the remainder of the subject Stock.

4.10.4 The purchase price for the subject Stock shall be (a) in connection with a Divorce Action, the lesser of the Fair Market Value and the price used to value the subject Stock in the Divorce, or (b) in connection with an Uncured Regulatory Problem, the Fair Market Value of the subject Stock, and (c) in connection with a Financial Action, the lesser of the Fair Market Value and the price used to value the subject Stock in the Financial Action. Within ten (10) days of a final determination of the Fair Market Value, the purchaser(s) of the subject Stock shall pay the purchase price thereof by, in the discretion of such purchaser(s) subject to Applicable Law, (x) offsetting and canceling any Indebtedness then owed by the Affected Stockholder to the purchaser(s), (y) cash in a lump sum, and/or (z) by promissory note, which shall be payable in equal annual installments of principal plus accrued interest over a five (5) year term, commencing on the first anniversary of the end of the ten-day period, with no pre-payment penalty, and shall bear interest compounded semi-annually at the prime rate announced by Citibank, N.A. (or its successors) as published in The Wall Street Journal at the time of delivery of such promissory note.

4.11 ~~Disassociation of a Stockholder~~. The death of a Stockholder or the Person controlling the Stockholder will cause such Stockholder to become a Disassociated Stockholder; provided, that the executor, administrator or other legally authorized personal representative of such Stockholder or the Person controlling the Stockholder shall have all of the rights of a Stockholder for the sole purpose of settling or managing his/her estate and shall have only such power as the Stockholder possessed to make a Permitted Transfer in accordance with the terms hereof. If such Permitted Transfer does not occur within sixty (60) days after the death of the Stockholder or the Person controlling the Stockholder, the Disassociated Stockholder or its legal representative, successor or assign shall thereafter have only those rights of an Assignee under this Agreement; provided, that the Disassociated Stockholder or its legal representative, successor or assign may thereafter request admission to the Company as a Substitute Stockholder pursuant to Section 4.4. Notwithstanding the foregoing, if Caitlan Blackwell has died, then, Quinn Blackwell shall have right to purchase all of the membership interests in CMB INVESTCO 609 LLC from Caitlan Blackwell and shall become the owner of CMB INVESTCO 609 LLC and shall be deemed to be Substitute Stockholder for the ownership of CMB INVESTCO 609 LLC unless he fails to comply with Section 4.3.2

4.12 Voting Rights. Except for the election of Directors upon a vacancy or as otherwise required by Applicable Law or as provided in this Agreement, Stockholders shall have no voting, approval or consent rights. Except as otherwise required by Applicable Law or as provided in this Agreement, in matters on which Stockholders are entitled to vote (other than any matters where certain specified Stockholders have a separate approval right hereunder), the vote of each Stockholder shall be counted based upon the number of shares of Voting Stock held by such Stockholder.

4.13 No Authority as Agent. No Stockholder shall have the authority in its capacity as a Stockholder to enter into any transaction on behalf of the Company or to otherwise bind the Company.

4.14 Interest in Property of the Company. Each Stockholder's Stock shall for all purposes be deemed personal property. All property of the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Stockholder, individually, shall have any direct ownership in such property.

4.15 ~~Information Rights~~. The Company shall deliver to each Stockholder:

4.15.1 Within forty-five (45) calendar days after the end of each fiscal quarter during the Company's Fiscal Year, unaudited summary financial statements of the Company consisting of (i) a statement of income and cash flows of the Company for such quarterly period, and (ii) a balance sheet of the Company as of the end of such quarter, prepared in accordance with the Company's books and records consistent with past practice;

4.15.2 Within one hundred twenty (120) calendar days after the end of each Fiscal Year, unaudited financial statements of the Company (including comparisons to the applicable Annual Budget)

consisting of (i) a statement of income and cash flows of the Company for such Fiscal Year, and (ii) a balance sheet of the Company as of the end of such Fiscal Year, prepared in accordance with the Company's books and records consistent with past practice; and

4.15.3 Not later than January 31st of each year, a summary of the operating budget (the "~~Annual Budget~~") for the operation of the Company for the ensuing year beginning as of January 1st of such ensuing year.

4.16 Inspection Rights. Subject to Applicable Law, upon reasonable written notice (but no less than 24 hours' notice) from a Stockholder, the Company shall afford each Stockholder and its Representatives access during normal business hours and in such a manner as to not unreasonably interfere with the normal operations of the Company, to (i) the Company's properties, offices and other facilities; (ii) the corporate, financial and similar records, reports and documents of the Company, including, without limitation, all books and records, the operating plan and budget, minutes of proceedings, internal management documents, reports of operations, reports of adverse developments and copies of any management letters, and to permit each Stockholder and its Representatives to examine such documents and make copies thereof; and (iii) management personnel of the Company.

4.17 ~~Representations and Warranties~~. By execution and delivery of this Agreement or a Joinder Agreement, as applicable, each of the Stockholders, whether admitted as of the Effective Date or otherwise, represents and warrants to the Company and each other Stockholder and acknowledges that:

4.17.1 Stock: (i) has not been registered under the Securities Act or the securities laws of any other jurisdiction; and (ii) is issued in reliance upon federal and state exemptions for transactions not involving a public offering and cannot be disposed of unless: (a) it is subsequently registered or exempted from registration under the Securities Act; and (b) the provisions of this Agreement have been complied with;

4.17.2 Such Stockholder's Stock is being acquired for its own account solely for investment and not with a view to resale or distribution thereof;

4.17.3 Such Stockholder has conducted its own independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Company, and such Stockholder acknowledges that it has been provided adequate access to the personnel, properties, premises and records of the Company for such purpose;

4.17.4 By reason of such Stockholder's business or financial experience, the Stockholder has the capacity to protect its own interests in connection with the transactions contemplated hereunder, is able to bear the risk of investment in the Company, and at the present time could afford a complete loss of such investment. The Stockholder is an "accredited investor" as such term is defined in Rule 501 promulgated under the Securities Act.

4.17.5 The execution, delivery and performance of this Agreement (i) have been duly authorized by such Stockholder and do not require such Stockholder to obtain any consent or approval that has not been obtained; and (ii) do not contravene and will not result in a default in any material respect under any provision of any Applicable Law or other governing documents or any agreement or instrument to which such Stockholder is a party or by which such Stockholder is bound;

4.17.6 The ownership of Stock by such Stockholder does not, and is not reasonably expected to, create, a Regulatory Problem;

4.17.7 Such Stockholder does not have any business interests in enterprises that may compete with the Company or that may otherwise present a conflict of interest with respect to such Stockholder's Stock in the Company;

4.17.8 This Agreement is valid, binding and enforceable against such Stockholder in accordance with its terms, except as may be limited by Bankruptcy, insolvency, reorganization, moratorium,

and other similar laws of general applicability relating to or affecting creditors' rights or general equity principles (regardless of whether considered at law or in equity); and

4.17.9 If applicable, neither the issuance of any Stock to any Stockholder nor any provision contained herein will entitle the Stockholder to remain in the employment of the Company or affect the right of the Company to terminate the Stockholder's employment at any time for any reason, other than as otherwise provided in such Stockholder's employment agreement or other similar agreement with the Company, if applicable.

4.17.10 The Company and the Stockholders acknowledge and agree that the Voting Stock being issued to the Investor Stockholder was originally issued by the Company to the Investor Stockholder.

4.18 Additional Licenses Awarded to Company. The Investor Stockholder acknowledges and agrees that the CRC may issue an additional license for the manufacture of cannabis products based upon the Company's cannabis cultivation license and that Investor Stockholder shall pay the sum of One Hundred Thousand Dollars ($100,000) to the Founding Stockholders as additional consideration for the award of a manufacturing license, which shall be paid as follows: Fifty Thousand Dollars ($50,000) upon award and an additional Fifty Thousand Dollars ($50,000) on the first anniversary of the issuance of the manufacturing license. The Investor Stockholder acknowledges and agrees that the CRC may issue an additional license for retail sales of cannabis based upon the Company's cannabis cultivation license. The Investor Stockholder shall not be required to make any additional payments to the Founding Stockholders for the award of a retail cannabis license, however, the Investor Stockholder agrees to lend the Company up to One Million Dollars ($1,000,000) per retail location to prepare such retail location for opening and providing the necessary working capital for such retail location (each such loan, a "~~Retail Loan~~"). Each Retail Loan shall bear interest at the rate of 12.5% per annum and shall have a single balloon payment of the principal and accrued interest thereon due in a single payment on the second anniversary of the Retail Loan.

4.19 Non-Dilution of Investor Stockholder. The Company and the Stockholders acknowledge and agree that so long as the Investor Stockholder holds any Purchased Stock, the Company shall take such actions as are necessary to ensure that no dilution to the Purchased Stock (and accordingly the Stockholder Percentage Interest of the Investor Stockholder) shall occur without the prior written consent of the Investor Director, it being understood that any issuance of Stock by the Company in connection with any agreement or other arrangement between any Stockholder other than the Investor Stockholder (a "Non-Investor Stockholder") and any Person including, without limitation, any other Non-Investor Stockholder (a "~~Non-Investor Dilution Event~~"), shall only dilute the Stock held by the Non-Investor Stockholders, and not the Purchased Stock. Upon the occurrence of a Non-Investor Dilution Event, the Company shall provide written notice thereof to the Investor, and upon the approval of the Investor, the Company shall take such actions as are necessary to ensure compliance with the provisions of this Section 4.19 which may include, without limitation, issuing additional Stock to the Investor for no additional consideration so that the Stockholder Percentage Interest of the Investor is not decreased, and such additional Stock shall be deemed to be Purchased Stock for all purposes hereunder. The Investor may waive the rights provided under this Section 4.19 in its sole and absolute discretion. Unless otherwise agreed by the Investor Stockholder in writing, the Non-Investor Stockholders, jointly and severally, shall indemnify, defend and hold the Investor Stockholder, its Affiliates and their respective directors, officers, shareholders, employees, agents, successors and assigns (collectively, the "Indemnified Parties") harmless from and against any and all settlements, judgments, awards, fines, penalties, interest, liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees, audit expenses and disbursements and court costs) (collectively, "~~Costs~~") sustained or incurred by any of the Indemnified Parties based upon, relating to or arising from, any and all claims, demands, actions, suits, proceedings or investigations arising out of or pertaining to any commitments, arrangements, rights or other obligations of the Company and/or any Non-Investor Stockholder including, without limitation, any warrant (each, a "Commitment") (i) to share in the profits or revenues of the Company, (ii) to issue or sell, or caused to be issued or sold, any additional equity

interests of, or any security convertible or exchangeable for any equity interests of, the Company, (iii) to issue or sell, or caused to be issued or sold any equity equivalents, restricted stock units, stock appreciation rights, phantom stock ownership interests or similar rights pertaining to the Company or any Non-Investor Stockholder or (iv) to repurchase, redeem or otherwise acquire any equity interests of the Company, or any security convertible or exchangeable therefor. For the avoidance of doubt, any Costs payable by the Company arising out of any Commitment and any equity interest or equity equivalent issued or issuable in connection with a warrant and any other Commitment, shall be borne solely by the Non-Investor Stockholders, and the Stockholder Percentage Interest of the Investor Stockholder shall not be diluted or otherwise affected thereby.

ARTICLE 5
STOCK PURCHASE AND CAPITAL CALLS

5.1 Stock Purchase Price. Each Stockholder has paid the Stock Purchase Price to the Company and, in exchange for the payment of such Stock Purchase Price, each Stockholder shall have the rights set forth in this Agreement.

5.2 ~~Additional Stock Payments~~.

5.2.1 The Stockholders shall purchase additional Stock in cash, in proportion to their respective Stockholder's Percentage Interests, as determined by the Board from time to time to be reasonably necessary to pay any operating or other expenses relating to the business of the Company (such additional payments for Stock, the "Additional Stock Payments"); provided, that the amount of such Additional Stock Payment shall not exceed the corresponding amounts expressly provided for in the then-current Annual Budget. Upon the Board making a unanimous determination to call for the purchase of additional Stock, the Board shall deliver to the Stockholders a written notice of the Company's need for Additional Stock Payments, which notice shall specify in reasonable detail (i) the purpose for such Additional Stock Payments, (ii) the aggregate amount of such Additional Stock Payments, (iii) each Stockholder's *pro rata* share of such aggregate amount of Additional Stock Payments (based upon such Stockholder's Percentage Interest) and (iv) the date (which date shall not be less than twenty (20) Business Days following the date that such notice is given) on which such Additional Stock Payments shall be required to be made by the Stockholders ("Call Notice").

5.2.2 If any Stockholder shall fail to timely make, or notifies the other Stockholders that it shall not make, all or any portion of any Additional Stock Payments which such Stockholder is obligated to make under Section 5.2.1, then such Stockholder shall be deemed to be a "Non-Contributing Stockholder." Each Stockholder that is not a Non-Contributing Stockholder (a "~~Contributing Stockholder~~") shall be entitled, but not obligated, to loan to the Non-Contributing Stockholder, by contributing to the Company on its behalf, all or any part of the amount (the "Default Amount") that the Non-Contributing Stockholder failed to contribute to the Company (each such loan, a "~~Default Loan~~"); provided, that such Contributing Stockholder shall have contributed to the Company its *pro rata* share of the applicable Additional Stock Payments. Such Default Loan shall be treated as Additional Stock Payments by the Non-Contributing Stockholder. Each Default Loan shall bear interest on the unpaid principal amount thereof from time to time remaining from the date advanced until repaid, at the lesser of (i) the prime rate as published the date advanced in the Western Edition of ~~The Wall Street Journal~~ plus 2% per annum, and (ii) the maximum rate permitted under applicable law (the "~~Default Rate~~"). Each Default Loan shall be recourse debt. Default Loans shall be repaid out of the distributions that would otherwise be made to the Non-Contributing Stockholder hereunder. So long as a Default Loan is outstanding, the Non-Contributing Stockholder shall have the right to repay it (together with interest then due and owing) in whole or in part. Upon a repayment in full of a Default Loan made to a Non-Contributing Stockholder (prior to its conversion pursuant to a Cram-Down Contribution (as defined below)), such Non-Contributing Stockholder (so long as it is not otherwise a Non-Contributing Stockholder with respect to any other Additional Stock Payments) shall cease to be a Non-Contributing Stockholder.

5.2.3 At any time after the first anniversary of the date that the Call Notice is given, at the option of the Contributing Stockholder, (i) such Default Loan (if not previously paid in full) shall be converted into Additional Stock Payments of the Contributing Stockholder in an amount equal to the unpaid principal and unpaid interest on such Default Loan pursuant to this ~~Section 5.2.3~~, (ii) the Non-Contributing Stockholder shall be deemed to have received a distribution of an amount equal to the unpaid principal and interest on such Default Loan, (iii) such distribution shall be deemed paid to the Contributing Stockholder in repayment of the Default Loan, and (iv) such amount shall be deemed contributed by the Contributing Stockholder as Additional Stock Payments (a "Cram-Down Contribution"). A Cram-Down Contribution shall be deemed Additional Stock Payments by the Contributing Stockholder making (or deemed making) such Cram-Down Contribution as of the date such Cram-Down Contribution is made or the date on which such Default Loan is converted to a Cram-Down Contribution. At the time of a Cram-Down Contribution, the Contributing Stockholder's Percentage Interest shall be increased proportionally by the amount of such contribution, thereby diluting the Non-Contributing Stockholder's Percentage Interest, and the Board shall update the Stockholders Schedule accordingly without the need for any consent or approval by the Stockholders. Once a Cram-Down Contribution has been made (or deemed made), (x) no subsequent payment or tender in respect of the Cram-Down Contribution shall affect the Stock of the Stockholders, as adjusted in accordance with this ~~Section 5.2.3~~ and (y) the Non-Contributing Stockholder as to which the Cram-Down Contribution is made (or deemed made) shall (so long as it is not otherwise a Non-Contributing Stockholder with respect to any other Additional Stock Payments) cease to be a Non-Contributing Stockholder.

5.2.4 Notwithstanding any other provisions of this Agreement, any amount that otherwise would be paid or distributed to a Non-Contributing Stockholder pursuant to Section 7.1 or otherwise shall not be paid to the Non-Contributing Stockholder but shall be deemed paid and applied on behalf of such Non-Contributing Stockholder (i) first, to accrued and unpaid interest on all Default Loans (in the order of their original maturity date), (ii) second, to the principal amount of such Default Loans (in the order of their original maturity date) and (iii) third, to any Additional Stock Payments of such Non-Contributing Stockholder that has not been paid and is not deemed to have been paid.

5.2.5 Notwithstanding the foregoing, if a Non-Contributing Stockholder fails to make its Additional Stock Payments in accordance with Section 5.2.1, without limitation of any other available rights or remedies that may be available, the Contributing Stockholder may:

(a) institute proceedings against the Non-Contributing Stockholder, either in the Contributing Stockholder's own name or on behalf of the Company, to obtain payment of the Non-Contributing Stockholder's portion of the Additional Stock Payments, together with interest thereon at the Default Rate from the date that such Additional Stock Payments was due until the date that such Additional Stock Payments are made, at the cost and expense of the Non-Contributing Stockholder; or

(b) purchase the Stock of the Non-Contributing Stockholder at a price equal to Call FMV, provided, however, for each month that the Non-Contributing Stockholder fails to make its Additional Stock Payments, which is after the first annual anniversary date of the Default Loan, Call FMV shall be reduced by two and one half percent (2.5%) per month with the maximum reduction in the Call FMV of fifteen percent (15%) of the Call FMV and after the six (6) month anniversary of the first annual anniversary date of the Default Loan, then the Contributing Stockholder shall receive the increase in the Contributing Stockholder's Percentage Interest based upon the Cram-Down Contribution effective on the six (6) month anniversary of the first annual anniversary date of the Default Loan.

5.2.6 Each Stockholder acknowledges and agrees that it would be impracticable or extremely difficult to determine the actual damages incurred by a Contributing Stockholder as a result of a failure of a Stockholder to fund its portion of an Additional Stock Payments, and that the entitlement of a Contributing Stockholder to exercise the remedies described in this ~~Section 5.2~~ is fair and reasonable.

5.2.7 Except as set forth in this Section 5.2, no Stockholder shall be required to make Additional Stock Payments or make loans to the Company.

ARTICLE 6
MANAGEMENT

6.1 Establishment of the Board. Subject to the provisions of this Agreement and/or the Act relating to actions required to be approved by the Stockholders, the business, property and affairs of the Company shall be managed by, and all powers of the Company shall be exclusively exercised by or under the direction of, a Board of Directors (the "Board") comprised of natural person (each, a "Director"). Each Director shall be deemed to be a "director" within the meaning of the Act. The Board shall act collectively by majority vote in all matters, unless otherwise expressly required by the Act or this Agreement. The Board shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by directors under the laws of the State of New Jersey. Without limiting the foregoing, each Director shall have the ability and the authority to execute and deliver contracts instruments binding upon the Company, and the Board may delegate such authority to officers of the Company, but, in each case, solely to the extent such Director or such officers are authorized and directed by the Board including the Investor Director to do so or are otherwise authorized pursuant to the terms of this Agreement.

6.2 ~~Board Composition~~. The Board shall be comprised of three (3) persons designated as follows: (i) as long as the Initial Stockholders hold a Majority-in-Interest, the Initial Stockholders shall have the right to designate two (2) Directors (each, a "Founding Director"); provided, that at such time as the Initial Stockholders do not hold a Majority-in-Interest, the Initial Stockholders shall have the right to designate one (1) Director; and (ii) as long as the Investor Stockholder holds less than a Majority-in-Interest, the Investor Stockholder shall have the right to designate one (1) Director (an "Investor Director"); provided, that at such time as the Investor Stockholder holds a Majority-in-Interest, the Investor Stockholder shall have the right to designate two (2) Directors. The Founding Director(s) and the Investor Director(s) shall be set forth on ~~Schedule 2~~ attached hereto (the "~~Directors Schedule~~"), which shall be amended from time to time in accordance herewith. It is an express condition precedent to the designation and election of any Director that such Director covenant and agree to observe and comply with the obligations and responsibilities of a Director required by the Act and this Agreement.

6.3 Meetings. Regular meetings of the Board shall be held at least once during each quarter of the Company's Fiscal Year unless otherwise agreed by the Board including the Investor Director. Special meetings of the Board may be called by one (1) of the Directors designated pursuant to ~~Section 6.1~~. All meetings shall be held upon four (4) Business Days' notice by mail or two (2) Business Days' notice (or upon such shorter notice period if necessary under the circumstances) delivered personally or by telephone or email. A notice need not specify the purpose of any meeting. Notice of a meeting need not be given to any Director who signs a waiver of notice or a consent to holding the meeting, which waiver or consent need not specify the purpose of the meeting, or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting. A majority of the Board present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment shall be given prior to the time of the adjourned meeting to the Directors who are not present at the time of the adjournment. Meetings of the Board may be held at any place within or without the State of New Jersey which has been designated in the notice of the meeting or at such place as may be approved by the Board. Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Participation in a meeting in such manner constitutes a presence in person at such meeting. A majority of the authorized number of Directors and the presence of at least one (1) Investor Director and at least one (1) Founding Director constitutes a quorum of the Board for the

transaction of business. Except to the extent that this Agreement expressly requires the unanimous approval of all Directors or the approval of the Investor Director, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of one (1) or more Directors, if any action taken is approved by at least a majority of the required quorum for such meeting. Any action required or permitted to be taken by the Board may be taken by the Board without a meeting subject to the applicable approval rights of the Directors. Such action by written consent shall have the same force and effect as an action taken at a meeting of the Board. If the written consent is not delivered to all Directors more than forty-eight (48) hours prior to the time of the taking of such action, the action shall not be taken until forty-eight (48) hours have elapsed from the time notice of the approval of the written consent was given to all Directors.

6.4 Unanimous Director Approval Rights. The Company shall not, without the prior written approval of all of the Directors:

(a) amend its Certificate or, except as otherwise set forth herein, this Agreement;

(b) (i) issue any ownership or other equity securities of the Company and permit the admission of Additional Stockholders pursuant to Section 4.2; (ii) issue any securities convertible into or exercisable for any equity securities of the Company; (iii) issue any debt convertible into equity securities of the Company; or (iv) enter into any agreement obligating the Company to issue any securities of the Company;

(c) change the number of Directors authorized hereunder;

(d) pay any dividend or distribution to its Stockholders or repurchase any capital securities of any of its Stockholders other than on a *pro rata* basis or otherwise in accordance with the terms of this Agreement;

(e) approve the annual budget;

(f) enter into any transaction with any holder of the Company's capital securities or an Affiliate or a family member of the Company or any Stockholder;

(g) (1) liquidate, wind-up or dissolve itself, or (2) sell, convey, transfer, assign, lease, abandon or otherwise dispose (including in a sale and leaseback) (in one transaction or in a series of transactions), voluntarily or involuntarily, substantially all of its assets;

(h) conduct any business activity other than operating a cannabis business in New Jersey; and

(i) fail to comply with Applicable Law (including, without limitation, CRC regulations).

6.5 Investor Director Approval Rights. The Company shall not, without the prior written approval of the Investor Director:

(a) declare, make, or pay any dividend or distribution to Stockholders on account of their Stock or otherwise (other than normal salaries consistent with the Company's past practices);

(b) enter into or be a party to any transaction with any Affiliate of the Company or any Stockholder other than any transaction which is made on an arms-length basis, as reasonably determined by the Investor Director;

(c) authorize Additional Stock Payments;

(d) permit the Transfer of any Stock to any third party other than a Permitted Transfer;

(e) authorize or effect a Deemed Liquidation Event;

(f) delegate the authority to execute and deliver contracts and instruments binding upon the Company to any Director or officer of the Company;

(g) enter into or amend any agreements (whether written or oral) involving consideration in excess of One Thousand Dollars ($1,000), individually, or Ten Thousand Dollars ($10,000), in the aggregate;

(h) incur any Indebtedness or other liabilities outside of the ordinary course of business, or in excess of One Thousand Dollars ($1,000), individually, or Ten Thousand Dollars ($10,000), in the aggregate;

(i) adopt or amend any Equity Incentive Plan, phantom equity plan, or other incentive plan of the Company;

(j) guarantee any Indebtedness except for (i) purchase order financing or factoring in connection with the sale of the Company's products, or (ii) trade accounts of the Company or any Subsidiary arising in the ordinary course of business;

(k) change the cash compensation of any employee or executive by more than five percent (5%) per annum or approve or issue any equity or phantom equity to any Person employed or engaged by the Company;

(l) materially change the principal business of the Company or enter into a line of business that is unrelated to cannabis;

(m) move or relocate any of its assets to any location outside the Company's current location;

(n) sell, lease, assign, transfer or otherwise dispose of any of its assets, any part thereof or any interest therein, to any Person, and any attempted sale, lease, transfer or other disposition in violation of this provision shall be null and void;

(o) grant, create, incur, assume or permit to exist on any of its assets any liens, security interests, mortgages, claims, rights, encumbrances or restrictions of any kind;

(p) make any loan to, or any investment in, any Person or provide any Person with a cash payment in exchange for capital securities, indebtedness or any other security (including, without limitation, any security convertible or exchangeable into or exercisable for any capital securities);

(q) create any subsidiary or Affiliate of the Company;

(r) fail to preserve and maintain all of its licenses and permits, and take such further action as is reasonably necessary to obtain all licenses necessary to conduct the business of the Company;

(s) transfer to any Person any conditional or other license or enter into any agreement or understanding to transfer any of the economic benefits of such licenses to any Person, including without limitation, through a management services or similar agreement;

(t) repurchase any capital securities of any of its Stockholders;

(u) fail to obtain property and liability insurance in amounts and with coverage customary for similar businesses similarly situated or fail to keep in full force and effect such insurance;

(v) fail to pay required fees, taxes and other amounts due other than amounts being contested in good faith by appropriate proceedings;

(w) (1) enter into any merger or consolidation or joint venture, (2) sell, convey, transfer, assign, lease, abandon or otherwise dispose (including in a sale and leaseback) (in one transaction or in a series of transactions), voluntarily or involuntarily, any of its assets (tangible or intangible (including but not limited to sale, assignment, discount or other disposition of accounts, contract rights, chattel paper

or general intangibles with or without recourse) other than sales of inventory in the ordinary course of business, or (3) acquire all or substantially all of the assets constituting a business, division, branch or other unit of operation of any Person;

(x) make or commit to make any capital expenditures other than capital expenditures made in the ordinary course of business or approved in the annual budget;

(y) create, or hold capital securities in, any subsidiary, or sell, transfer or otherwise dispose of any capital securities of any direct or indirect subsidiary, grant any right to acquire any capital securities or voting interest in any direct or indirect subsidiary, or permit any direct or indirect subsidiary to issue any capital securities or sell, lease, transfer, exclusively license or otherwise dispose of (in a single transaction or series of related transactions) all or substantially all of the assets of such subsidiary to any Person;

(z) through any representative or otherwise, (1) provide any information or make any proposal or request to any Person other than the Investor concerning the sale of any Stock or other security of the Company or any assets of the Company, or (2) solicit, discuss, consider, or accept any proposal or request from any Person other than the Investor Stockholder concerning such an acquisition; and

(aa) use the proceeds from payment of the Stock Purchase Price for any purpose other than (i) to fund the construction and operating expenses of the Facility or payment of expenses of the Company, which were approved in the annual budget, or (ii) to reimburse Caitlin Blackwell in the amount of $100,000 for expenses previously incurred in connection with the Company.

6.6 Additional Obligations of the Founding Directors. Notwithstanding anything to the contrary, the Founding Directors shall (a) cause the Company to diligently pursue all licensing and other governmental or regulatory approvals that are necessary or desirable in connection with the business of the Company; (b) do all things reasonably necessary to preserve and to keep in full force and effect the Company's existence, rights, and privileges; (c) inform the Investor Stockholder of: (i) all material adverse changes in the Company's financial condition; and (ii) all existing and all threatened litigation, claims, investigations, administrative proceedings, or similar actions affecting the Company; (d) accurately maintain the Company's books and records to present fairly, on a consistent basis, and in all material respects, the financial condition of the Company, and furnish the Investor Stockholder with such financial and additional information and statements, including confirmation of paid obligations (e.g., tax obligations), as the Investor Stockholder may request from time to time; (e) cause the Company to pay and discharge when due all of its indebtedness and obligations, including, without limitation, all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon the Company or its properties, income or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of the Company's properties, income or profits; and (f) cause the Company to comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities, applicable to the conduct of the Company's business and operations including, without limitation the CRC.

6.7 Reimbursement; Equity Incentive Plans. Each Director shall be reimbursed by the Company for reasonable travel and other expenses incurred in attending or participating in meetings of the Board or otherwise fulfilling such Director's duties as a Director and each Director shall be eligible to participate in any Equity Incentive Plans as agreed by the Board.

6.8 Limitations on Powers of Stockholders. The Stockholders shall have no power to participate in the management of the Company except as expressly authorized by this Agreement or the Certificate and except as expressly required by the Act. No Stockholder, acting solely in the capacity of a Stockholder, is an agent of the Company, nor does any Stockholder, unless expressly authorized in writing to do so by the Board, have any right, power or authority to bind or act on behalf of the Company in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

6.9 ~~Committees of the Board~~. The Board may from time to time establish committees of the Board for specific purposes and delegate the power to take actions and make decisions with respect to specific matters to the Directors comprising any such committee, subject to the requirements of Applicable Law.

6.10 ~~Term; Removal, Replacement of Directors~~. Each Director elected hereunder shall serve as a Director until such Director dies, resigns or is removed as provided herein. Any Director may be removed at any time by the other Directors for Cause or by the Person(s) then entitled to elect such Director pursuant to Section 6.2 in the manner set forth therein. A Director shall be replaced by the Person(s) then entitled to elect a Director pursuant to ~~Section 6.2~~, provided that any Director removed for Cause may not be reelected.

6.11 Officers. Subject to this ARTICLE 6, the Board may appoint officers at any time. The officers of the Company may include a Chief Executive Officer and such other officers as may be deemed necessary by the Board from time to time. Any individual may hold any number of offices. The officers shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Subject to the rights, if any, of an officer under a contract of employment, any officer may be removed, either with or without cause, by the Board at any time

ARTICLE 7
DISTRIBUTIONS

7.1 Distributions. Subject to Article 10 (which governs distributions made following the dissolution of the Company) and Section 11.1 (which governs distributions following a Deemed Liquidation Event), all distributions shall be made from Cash Available for Distribution in amounts determined by the Board in the following order to the Stockholders based upon the terms and condition for each class of Stock held by each Stockholder but absent any special allocation among the classes of Stock all distributions to Stockholders shall be made in the following priority: (i) first to repayment of any Default Loans in accordance with the terms of ~~Section 5.2.2~~, first to accrued but unpaid interest, then to principal, then (ii) to the Stockholders *pro rata* in accordance Stockholder's Percentage Interest.

7.2 Restrictions on Distributions. The following restrictions on distributions shall apply:

7.2.1 The Company shall not make any distribution to the Stockholders unless, immediately after giving effect to the distribution, that: (i) the Company would not be able to pay its debts as they became due in the usual course of business, or (ii) the Company's total assets would be less than the sum of its total liabilities plus, unless this Agreement provides otherwise, the amount that would be needed if the Company were to be dissolved at the time of the distribution to satisfy the preferential rights upon dissolution of Stockholders, whose preferential rights are superior to the rights of Stockholders receiving the distribution.

7.2.2 The Company shall not make any distribution to the Stockholders unless, immediately after giving effect to the distribution, the Company shall have sufficient cash available to meet the reasonably anticipated needs of the Company, as such needs are determined in the sole discretion of the Board.

7.2.3 The Company shall not make any distribution to the Stockholders to the extent such distribution would result in a default under, or a violation of or cause the acceleration of any Indebtedness under, any credit or loan agreement with the Company.

7.2.4 The Company and the Directors may base a determination that a distribution is not prohibited under Section 7.2 either on: (i) financial statements prepared based on accounting practices and principles that are reasonable in the circumstances or (ii) a fair evaluation or other method that is reasonable in the circumstances.

7.3 ~~Return of Distributions~~. Stockholders and Assignees who receive distributions made in error or in violation of the Act or this Agreement shall hold such improper distributions in trust for, and promptly return such improper distributions to, the Company. Except for such improper distributions, no Stockholder or Assignee shall be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company or to any creditor of the Company.

7.4 No Other Withdrawals. Except as provided in this Agreement, no withdrawals or distributions shall be required or permitted.

ARTICLE 8
ACCOUNTING AND RECORDS

8.1 Books and Records. The books and records of the Company shall be maintained in a fashion that facilitates income tax reporting. The books and records of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business. The Company shall maintain at its principal office all of the following:

8.1.1 A current list of the full name and last known business or residence address of each Stockholder and Assignee set forth in alphabetical order, together with the Stock Purchase Price and Stock of each Stockholder and Assignee;

8.1.2 A current list of the full name and business or residence address of each Director;

8.1.3 A copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed;

8.1.4 Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

8.1.5 A copy of this Agreement and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed;

8.1.6 Copies of the financial statements of the Company, if any, for the four (4) most recent Fiscal Years; and

8.1.7 The books and records of the Company as they related to the internal affairs of the Company for at least the current and last four (4) Fiscal Years.

8.2 Delivery to Stockholders and Inspection. Upon the request of any Stockholder or Assignee, for purposes solely related to the interest of that Person as a Stockholder or Assignee, the Board shall make available to the requesting Stockholder or Assignee, during the Company's regular business hours and at the expense of such Stockholder or Assignee, the information required to be maintained pursuant to ~~Section 8.1~~. Any information so obtained or copied shall be kept and maintained in strict confidence except as required by law.

8.3 ~~Reliance on Books and Records~~. Any Stockholder shall be fully protected in relying in good faith upon the records and books of account of the Company and upon such information, opinions, reports or statements presented to the Company by any of its other Stockholders or employees, or by any other Person, as to matters the Stockholder reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company,

including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to the Stockholders might properly be paid.

ARTICLE 9
LIABILITY, EXCULPATION AND INDEMNIFICATION; COVENANTS

9.1 Liability, Exculpation and Indemnification.

9.1.1 Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

9.1.2 ~~Exculpation~~. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement so long as such action or omission does not constitute fraud or willful misconduct by such Covered Person. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which distributions to Stockholders might properly be paid.

9.1.3 Duties and Liabilities of Covered Persons. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Parties hereto to replace such other duties and liabilities of such Covered Person.

9.1.4 Indemnification. To the fullest extent permitted by Applicable Law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of (a) any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company or its subsidiaries and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, or (b) the conduct of the business of the Company; provided, however, that any indemnity under this Section 9.1.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof. Notwithstanding the foregoing, nothing in this Section 10.4 shall in any way invalidate, preempt or otherwise terminate any indemnification obligations of any Party contained in the Purchase Agreement.

9.1.5 ~~Expenses~~. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this ARTICLE 9.

9.1.6 Insurance.

(a) The Company may purchase insurance, to the extent and in such amounts as the Board shall deem reasonable, on behalf of Covered Persons and such other Persons as the Board shall determine, against any liability that may be asserted against or expenses that may be incurred by any such Person in connection with the activities of the Company or its subsidiaries or such indemnities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement. The Board and the Company may, and upon the request of Investor Stockholder shall, enter into indemnity agreements with Covered Persons and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under ~~Section 9.1.5~~ and containing such other procedures regarding indemnification as are appropriate. Upon the occurrence of a Deemed Liquidation Event in which the Company merges with another entity and is not the surviving entity, or the Company transfers all of its assets, proper provisions shall be made so that successors of the Company assume the Company's obligations with respect to indemnification of the Board.

(b) In addition to the foregoing, the Company shall purchase and at all times maintain (i) insurance for general liability and property damage in coverage amounts deemed reasonably acceptable to the Board and (ii) director's and officer's insurance with a carrier and in an aggregate coverage amount deemed reasonably acceptable to the Board.

9.1.7 Permissive Indemnification. The Company (with the approval of the Board) may, but shall not be obligated to, indemnify any Person who was or is a party or is threatened to be made a party to, or otherwise becomes involved in, any action or proceeding by reason of the fact that such Person was or is a Stockholder, Director, officer, employee, or agent of the Company, to the same extent as provided in ~~Section 9.1.4~~ with respect to the Covered Persons set forth therein or to such lesser extent and upon such terms and conditions as the Board deems appropriate.

9.1.8 Savings Clause. If this Section 9.1 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered to the fullest extent permitted by Applicable Law.

9.2 Corporate Opportunities; Non-Solicitation.

9.2.1 Corporate Opportunities. Except as set forth in this Section 9.2, nothing in this Agreement shall be deemed to restrict in any way the rights of any Stockholder, or of any Affiliate of any Stockholder, to conduct any other business or activity whatsoever, and no Stockholder shall be accountable to the Company or to any other Stockholder with respect to that business or activity. The organization of the Company shall be without prejudice to the Stockholders' (except as set forth in Section 9.2) respective rights (or the rights of their respective Affiliates) to maintain, expand, or diversify such other interests and activities and to receive and enjoy profits or compensation therefrom. Each Stockholder waives any rights the Stockholder might otherwise have to share or participate in such other interests or activities of any other Stockholder or the Stockholder's Affiliates.

9.2.2 ~~Non-Competition~~. Unless otherwise approved by the Board including the Investor Director, at any time that a Founding Director is a Director or an Affiliate of a Founding Director is a Stockholder, and for a period of twelve (12) months following termination of such status and/or ownership for any reason, such Person will not, directly or indirectly, own, manage, operate, control, finance, be employed by, serve as an independent contractor to, or participate in the ownership, management, control or financing of, or be connected as a principal, representative, investor, owner, partner, manager, director, employee or independent contractor, with, any business or enterprise that engages in the business of cultivation of cannabis in the State of New Jersey; provided, however, that nothing in this Section 9.2.2 will restrict any Person from owning less than five percent (5%) of any publicly traded corporation.

9.2.3 Non-Solicitation. Unless otherwise approved by the Board including the Investor Director, at any time that a Person is a Stockholder or Director, and for a period of twelve (12) months after termination of such ownership for any reason, such Person will not, directly or indirectly (a) solicit, divert, or take away, or attempt to solicit, divert, or take away, any Person that was or is at the time of such termination a customer, client, supplier, lessor, licensor, or other business associate or relationship of the Company, or (b) solicit the employment or services of any Person that is employed by, or provides services to, the Company during such non-solicitation period.

9.2.4 ~~Acknowledgement of Reasonableness~~. The Stockholders acknowledge and agree that the duration and scope of the obligations described in this Section 9.2, are fair, reasonable and necessary in order to protect the Company's goodwill and legitimate business interests. If, however, any court of competent jurisdiction determines for any reason that the duration or scope of any of these obligations is unreasonable, or that such provision is unenforceable for any reason, such provision may be modified or rewritten by such court to the extent that such obligations will be deemed valid and enforceable.

9.3 ~~Confidential Information~~.

9.3.1 Each Stockholder acknowledges that during the term of this Agreement, such Stockholder and its Affiliates will have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company and its Affiliates that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Agreement, trade secrets, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists and other business information and documents which the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, "Confidential Information"). In addition, each Stockholder acknowledges that: (i) the Company has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Stockholder is subject, no Stockholder shall, directly or indirectly, disclose or use (other than solely for the purposes of such Stockholder monitoring and analyzing its investment in the Company or performing its duties as a Director, officer, employee, consultant or other service provider of the Company) at any time, including, without limitation, use for personal, commercial or proprietary advantage or profit, either during its association or employment with the Company or thereafter, any Confidential Information of which such Stockholder is or becomes aware. Each Stockholder in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

9.3.2 The restrictions of Section 9.3.1 shall not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by a Stockholder in violation of this Agreement; (ii) is or becomes available to a Stockholder or any of its Representatives on a non-confidential basis prior to its disclosure to the receiving Stockholder and any of its Representatives in compliance with this Agreement; (iii) is or has been independently developed or conceived by such Stockholder without use of Confidential Information; or (iv) becomes available to the receiving Stockholder or any of its Representatives on a non-confidential basis from a source other than the Company, any other Stockholder or any of their respective Representatives; ~~provided~~, ~~however~~, that such source is not known by the recipient of the Confidential Information to be bound by a confidentiality agreement with the disclosing Stockholder or any of its Representatives.

9.3.3 Return of Confidential Information. Any Stockholder or Director whose Interest is terminated shall at such time deliver to the Company all memoranda, notes, plans, records, reports (including, without limitation, all business plans, financial projections and financial models), computer files,

software and other documents and data relating to the Confidential Information which such Stockholder has in its/his/her possession or under such Stockholder's control.

9.3.4 Non-Disclosure and Proprietary Rights Agreement. Each current Stockholder (including, without limitation, the Founder and the Investor Stockholder), Director, employee and independent contractor of the Company shall enter into a binding, written agreement whereby such Person (i) agrees to the obligation set forth in Section 9.3.1, (i) assigns to the Company any ownership interest and right they may have in the intellectual property of the Company; and (ii) acknowledges the Company's exclusive ownership of all such intellectual property.

9.3.5 Disclosure of any such information of Company shall not be prohibited if such disclosure is directly pursuant to a valid and existing order of a court or other governmental body or agency within the United States; provided, however, that (i) any Stockholder or Director shall first have given prompt notice to the Company of any such possible or prospective order (or proceeding pursuant to which any such order may result); (ii) the Company shall have been afforded a reasonable opportunity to prevent or limit any such disclosure; and (iii) the Company is present at any time any such disclosure is made.

9.3.6 Each Stockholder and Director understands that nothing contained in this Agreement, limits such Person's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, or any other federal, state or local governmental agency or commission ("Government Agencies"). Each Stockholder and Director further understands that this Agreement does not limit such Person's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit a Stockholder's or Director's right to receive an award for information provided to any Government Agencies.

9.3.7 Notice of Immunity under the *Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016 ("DTSA")*. Notwithstanding any other provision of this Agreement: An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

9.3.8 The provisions of this Agreement including those provisions of Sections 9.2 – 9.3 shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof. Each Party agrees that the breach or alleged breach by the Company of (i) any covenant contained in another agreement (if any) between the Company and Stockholders and Directors or (ii) any obligation owed to any Stockholder or Director, shall not affect the validity or enforceability of the covenants and agreements of Stockholder or Director set forth herein. In the event that a court or arbitrator finds this Agreement, or any of its restrictions, to be ambiguous, unenforceable, or invalid, the Stockholders, Directors, and the Company agree that the court or arbitrator shall read this Agreement as a whole and interpret the restriction(s) at issue to be enforceable and valid to the maximum extent allowed by law. If the court or arbitrator declines to enforce this Agreement in the manner provided in the preceding sentence, the Stockholders, Directors, and the Company agree that this Agreement will be automatically modified to provide the Company with the maximum protection of its business interests allowed by law and the Stockholders, Directors, and the

Company agree to be bound by this Agreement as modified. Furthermore, the Parties agree that the market for the company's products and services is the geographic area inclusive of the State of New Jersey.

ARTICLE 10
DISSOLUTION AND TERMINATION

10.1 Termination. The Company shall be dissolved, its property disposed of and its affairs wound up upon the first to occur of the following:

(a) the entry of a decree of judicial dissolution under the Act; or

(b) any Deemed Liquidation Event, after the final distribution of any proceeds thereof to the Persons entitled thereto.

10.2 Authority to Wind Up. The Board shall have all necessary power and authority required to marshal the assets of the Company, to pay the Company's creditors, to establish reasonable reserves for contingent liabilities of the Company, to distribute assets and otherwise wind up the business and affairs of the Company. In particular, the Board shall have the authority to continue to conduct the business and affairs of the Company insofar as such continued operation remains consistent, in the judgment of the Board, with the orderly winding up of the Company.

10.3 Winding Up; Articles of Dissolution. The winding up of the Company shall be completed when all debts, liabilities and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and all of the remaining property and assets of the Company have been distributed to the Stockholders. Upon the completion of winding up of the Company, Articles of Dissolution shall be filed with the New Jersey Secretary of State.

10.4 Distribution of Property. Upon dissolution and winding up of the Company, the affairs of the Company shall be wound up and the Company liquidated by the Stockholders. The assets of the Company shall be applied to pay creditors of the Company in the order of priority provided by law. Any remaining assets shall be distributed to the Stockholders in accordance with ARTICLE 11.

ARTICLE 11
DEEMED LIQUIDATION EVENTS

11.1 Deemed Liquidation Event Distributions. In the event of a Deemed Liquidation Event, all proceeds received or deemed received (which shall be the aggregate consideration payable to Stockholders or received by the Company together with all other available assets of the Company in connection with any Deemed Liquidation Event) by the Company in connection with such Deemed Liquidation Event (after the full payment of any creditors of the Company and the establishment of reasonable reserves for contingent liabilities of the Company, to the extent required by law or in the Board's reasonable discretion in accordance with ARTICLE 10) shall, promptly after the Company's receipt or deemed receipt thereof, be distributed to the Stockholders based upon the terms and condition for each class of Stock held by each Stockholder but absent any special allocation among the classes of Stock all distributions to Stockholders shall be *pro rata* in accordance with each Stockholder's Percentage Interest.

11.2 Distribution of Non-Cash Proceeds. To the extent that the proceeds from a Deemed Liquidation Event are in a form other than cash, such non-cash proceeds shall be, in the Board's discretion, either (a) reduced to cash or some other easily divisible and reasonably liquid asset for subsequent distribution among Stockholders in accordance with Section 11.1 or (b) distributed among Stockholders in accordance with Section 11.1. To the extent that non-cash proceeds from a Deemed Liquidation Event are not reduced to cash or other liquid asset and are distributed to the Stockholders, distributions under ~~Section 11.1~~ shall be made in a manner such that the Stockholders receive based upon the terms and condition for each class of Stock held by each Stockholder but absent any special allocation among the classes of Stock all distributions to Stockholders shall be *pro rata* in accordance with each Stockholder's Percentage

Interest. The value of such non-cash proceeds shall be equal to the Fair Market Value of the non-cash proceeds at the time of the distribution as determined in good faith by the Board.

11.3 Distribution of Unused Reserves. To the extent any proceeds of a Deemed Liquidation Event are set aside as a reserve against contingent liabilities and are not used to satisfy such liabilities and are subsequently distributed, such unused proceeds shall be distributed to the Stockholders in accordance with Section 11.1, as if such amounts had been distributed immediately following the receipt of the proceeds of the Deemed Liquidation Event and no such reserves had been established, but taking into account all other distributions made prior to or contemporaneously with such distribution of unused reserves.

ARTICLE 12
ADDITIONAL RIGHTS REGARDING THE TRANSFER OF STOCK

12.1 Rights of First Refusal. Other than in the case of any Permitted Transfer, each time any Stockholder that owns less than forty-nine percent of the issued and outstanding Stock (or its Permitted Transferee) (the "Transferring Stockholder") proposes to transfer all or any portion of its Stock (or is required to do so by operation of law or other involuntary means except as otherwise set forth in this Agreement), such Stockholder shall first comply with the following provisions and the provisions of Section 12.2 below:

12.1.1 The Transferring Stockholder shall deliver a written notice (the "Transfer Notice") to the other Stockholders and the Company stating (i) the Transferring Stockholder's bona fide intention to transfer such Stock, (ii) the Stockholder's Percentage Interest to be transferred, (iii) the purchase price and terms of payment for which the Transferring Stockholder proposes to transfer such Stock, and (iv) the name and address of the proposed transferee (the "Proposed Transferee").

12.1.2 For a period of thirty (30) Business Days after receipt of the Transfer Notice, the Company shall have the right, but not the obligation, to elect to purchase all or any portion of the Stock upon the price and terms of payment designated in the Transfer Notice. If the Transfer Notice provides for the payment of non-cash consideration, the Company may elect to pay the consideration in cash equal to the good faith estimate of the present Fair Market Value of the non-cash consideration offered as determined by the Board. Within thirty (30) Business Days after receipt of the Transfer Notice, the Board on behalf of the Company, to the extent the Company is electing to purchase the Stock pursuant to this Section 12.1.2, shall notify the Transferring Stockholder and the non-Transferring Stockholders in writing of the Company's intent to purchase all or any portion of the Stock proposed to be so transferred. The failure of the Company to submit a notice within the applicable period shall constitute an election on the part of the Company not to purchase any of the Stock which may be so transferred.

12.1.3 If the Company does not elect to purchase all of the Stock proposed to be transferred within the thirty (30)-day period described in Section 12.1.2, the other Stockholders shall have the right, but not the obligation, to elect to purchase any remaining portion of such Stock (the "Remaining Stock") upon the price and terms of payment designated in the Transfer Notice. If the Transfer Notice provides for the payment of non-cash consideration, the other Stockholders each may elect to pay the consideration in cash equal to the good faith estimate of the present Fair Market Value of the non-cash consideration offered as determined by the Board. Within fifteen (15) Business Days following the expiration of the thirty (30)-day period described in Section 12.1.2, each Stockholder electing to purchase the Remaining Stock pursuant to this Section 12.1.3 shall notify the Board and the Transferring Stockholder in writing of such Stockholder's desire to purchase a portion of the Remaining Stock. The failure of any Stockholder to submit a notice within the applicable period shall constitute an election on the part of that Stockholder not to purchase any of the Remaining Stock. The Stockholder's Percentage Interest that each Stockholder shall be entitled to purchase pursuant to this Section 12.1.3 shall be determined based upon the proportion that the Stockholder's Percentage Interest of such Stockholder bears to the aggregate of the all of the Stockholders' Percentage Interests electing to purchase the Remaining Stock. In the event any

Stockholder elects to purchase none or less than all of such Stockholder's *pro rata* share of such Remaining Stock, then the other Stockholders may elect to purchase more than their *pro rata* share.

12.1.4 If the Company and the other Stockholders elect to purchase or obtain any or all of the Stock designated in the Transfer Notice, then (a) the closing of such purchase shall occur no later than ninety (90) calendar days after the date of the Transfer Notice and (b) the Transferring Stockholder, the Company, and the other Stockholders, as applicable, shall execute such documents and instruments and make such deliveries as may be reasonably required to consummate such purchase.

12.1.5 Subject to Section 12.2 below, if the Company and the other Stockholders elect not to purchase or obtain, or default in their obligation to purchase or obtain, the Stock which they have elected to purchase, then the Transferring Stockholder may transfer any such Stock not so purchased to the Proposed Transferee; ~~provided~~ that such Transfer (a) is completed within sixty (60) calendar days after the expiration of the Company's, and the other Stockholders' rights to purchase such Stock (as set forth in Sections 12.1.2, 12.1.3 and 12.1.4 above), (b) is made on terms not more materially favorable to the Proposed Transferee than as designated in the Transfer Notice, and (c) complies with ~~Sections 4.3~~, ~~4.4~~ and ~~12.2~~. If the Stock described in the Transfer Notice is not so transferred, the Transferring Stockholder must give notice in accordance with this Section 12.1 prior to any other or subsequent transfer of such Stock.

12.2 ~~Right of Co-Sale~~. Other than in the case of any Permitted Transfer, and subject to prior compliance with Section 12.1, each Transferring Stockholder shall, prior to consummating any transfer of Stock to a Proposed Transferee, offer each Stockholder the opportunity (the "Right of Co-Sale") to sell their Stock pursuant to this ~~Section 12.2~~.

12.2.1 With respect to any transfer by a Transferring Stockholder to a Proposed Transferee, each Stockholder shall have the right to require the Proposed Transferee to purchase from such Stockholder (in lieu of a portion of the Stock to be transferred by the Transferring Stockholder) a *pro rata* portion of its Stock, based on the aggregate Stockholder's Percentage Interest held by such Stockholder, as compared with the Stockholder's Percentage Interest held by the Transferring Stockholder. Any Stock transferred by a Stockholder pursuant to this ~~Section 12.2~~ shall be paid for at the same price and upon the same terms and conditions as those in the proposed Transfer. Such terms and conditions shall not include the making of any representations and warranties, indemnities or other similar agreements other than representations and warranties with respect to title of the Stock being sold and authority to sell such Stock and indemnities directly related thereto.

12.2.2 The Right of Co-Sale may be exercised by each Stockholder by delivery of a written notice to the Transferring Stockholder (the "Co-Sale ~~Notice~~") within sixty (60) calendar days following such Stockholder's receipt of the Transfer Notice pursuant to ~~Section 12.1.1~~. The Co-Sale Notice shall state the Stockholder's Percentage Interest that such Stockholder proposes to include in the proposed transfer and the additional Stockholder's Percentage Interest, if any, that such Stockholder wishes to transfer to the Proposed Transferee if the other Stockholders elect not to fully exercise such right. If the Co-Sale Notice is received by the Transferring Stockholder during the sixty (60)-day period referred to above and the Proposed Transferee does not purchase all of the Stock set forth therein on the same terms and conditions as specified in the Notice of Transfer, then the Transferring Stockholder shall not be permitted to sell any Stock to the Proposed Transferee in the proposed transfer. If no Co-Sale Notice is received by the Transferring Stockholder during the sixty (60)-day period referred to above, the Transferring Stockholder shall have the right, for a period of thirty (30) calendar days after the expiration of such sixty (60)-day period, to transfer the Stock specified in the Transfer Notice substantially on the terms and conditions stated therein (and, if such Stock are not so transferred, the Transferring Stockholder must give notice in accordance with Section 12.1 prior to any other or subsequent transfer of such Stock). If a Co-Sale Notice is received by the Transferring Stockholder during the sixty (60)-day period referred to above and the Proposed Transferee has agreed to purchase all of the Stock proposed to be transferred pursuant to such Co-Sale Notice, the

Stockholder who delivered such Co-Sale Notice shall timely deliver to the Proposed Transferee, against payment of the total purchase price for the securities to be purchased, the appropriate instruments of transfer.

12.2.3 No Adverse Effect. The exercise or non-exercise by any Party of such Party's rights pursuant to Section 12.2 shall not adversely affect the rights of such Party to participate in any subsequent Transfer of Stock by any Stockholder.

12.3 ~~Permitted Transactions~~. Notwithstanding any other provision of this Agreement, the provisions of ~~Section 12.1~~ and ~~Section 12.2~~ shall not apply to any Permitted Transfer; provided, however, that in the case of any Permitted Transfer, (a) the transferring Party shall inform the Company of such Transfer prior to effecting such Permitted Transfer, and (b) the transferee shall agree in writing to be bound by and comply with the terms and conditions of this Agreement as a condition to the effectiveness of any such Transfer. Notwithstanding the foregoing, if at any time a transferee ceases to be an Affiliate of the transferring Stockholder that is wholly-owned, directly or indirectly, by the ultimate parent of such transferring Stockholder, the Company, such transferring Stockholder and such transferee shall take such action as is necessary to cause there to be an immediate and unconditional reconveyance of the Stock to either (in the sole discretion of such transferring Stockholder) the ultimate parent of such transferring Stockholder or any wholly-owned Affiliate of such ultimate parent entity.

12.4 Bring-Along Right.

12.4.1 ~~Sale of Stock~~. In the event that (a) any Person who is not an Affiliate of any Stockholder (a "Buyer") makes a bona fide offer to effect a Deemed Liquidation Event, and (b) the Board including the Investor Director determines to accept such offer, then each Stockholder shall sell, transfer or exchange all of the Bring-Along Stock (as defined below) beneficially owned by such Stockholder to the Buyer on the same terms and conditions as each other Stockholder or, if applicable, shall agree to a sale of all or substantially all of the assets of the Company to the Buyer (any of the foregoing, a "Bring-Along Sale"). For purposes of this Section 12.4, the term "Bring-Along Stock" shall mean all Stock including, without limitation, all Stock issued or issuable upon the exercise of any warrant or option or upon the conversion of any Convertible Securities (and, in the case of any warrant or option to acquire Convertible Securities, the Stock issuable upon the exercise of such warrant or option and conversion of such Convertible Securities).

12.4.2 Consideration for Sale of Stock. The proceeds from a Bring-Along Sale shall be distributed in accordance with the distribution waterfall set forth in ARTICLE 11 as if the transaction were a Deemed Liquidation Event. Subject to the foregoing, each Stockholder shall receive the same form and amount of consideration for each Bring-Along Stock sold in a Bring-Along Sale. In the case of any Bring-Along Stock issuable upon the exercise of a right or option to acquire Stock or Convertible Securities, the exercise price required to be paid to exercise such right or option shall be deducted from the consideration to be received in the Bring-Along Sale; provided, however, that if such exercise price is greater than the consideration to be received, the right or option shall be canceled without any payment to the holder.

12.4.3 ~~Further Actions~~. Each Stockholder hereby agrees to execute such agreements, powers of attorney, voting proxies or other documents and instruments as may be necessary to consummate any proposed Bring-Along Sale. Each Stockholder shall be obligated to make customary and lawful representations and warranties with respect to any proposed Bring-Along Sale, including representations and warranties regarding such Stockholder's authority to transfer the Bring-Along Stock subject to the Bring-Along Sale, the absence of conflicts with other agreements that would prevent such transfer and such Stockholder's title to the Bring-Along Stock transferred. Each Stockholder will make such representations, warranties and covenants as may be reasonably required by the Buyer, and shall be obligated to indemnify the Buyer with respect to breaches of such representations, warranties and covenants. Each Stockholder further agrees to timely take such other actions as the Board may request to enforce such Stockholder's obligation to sell its Bring-Along Stock, and shall execute all documents and take all actions necessary in connection therewith as are otherwise requested by the Board in connection with the approval and

consummation of the Bring-Along Sale, including voting such Stockholder's Stock in favor of such Bring-Along Sale and waiving any appraisal or dissenters rights, and causing, to the extent lawfully permissible, the Board designated by such Stockholder, if any, to approve of or consent to the Bring-Along Sale. Notwithstanding the foregoing, a Stockholder will not be required to comply with the provisions of this Section 12.4.3 in connection with any Bring-Along Sale unless such Stockholder's liability is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Stockholder of any of identical representations, warranties and covenants provided by all Stockholders) and is *pro rata* in proportion to, and does not exceed, the amount of consideration paid to such Stockholder in connection with such Bring-Along Sale.

12.4.4 Payments. Each Stockholder shall pay its *pro rata* portion (based on the total value of the consideration received by such Stockholder compared to the aggregate consideration received by all Parties in the transaction) of the costs of any Bring-Along Sale to the extent that such costs are incurred for the benefit of all Stockholders and are not otherwise paid by the Company or the Buyer.

12.5 Pre-Emptive Rights.

12.5.1 ~~Generally~~. Each Stockholder shall be entitled to receive notice of, and participate in, at the same price and on the same terms, any sales by the Company of newly issued Stock for value from and after the Effective Date so that each such holder may maintain its then current Stockholder's Percentage Interest in the Company; ~~provided~~, however, that the issuance of Stock upon the exercise of options granted under any Equity Incentive Plan or arrangement adopted by the Company in accordance with the terms of this Agreement shall not be deemed to be "sales" within the meaning of this Section 12.5.

12.5.2 Notice of Sales. If the Company proposes to sell newly issued Stock for value from and after the Effective Date, the Company must first provide written notice of such proposed sale (the "Stock Sale Notice") to each Stockholder. The Stock Sale Notice shall state the Stock proposed to be sold, the Stockholder's Percentage Interest proposed to be sold, the purchase price thereof and any other material terms or conditions of the offering. Each recipient of Stock Sale Notice shall be entitled to elect to purchase up to Stockholder's Percentage Interest proposed to be sold as shall be required to maintain such Stockholder's Percentage Interest in the Company plus such recipient's *pro rata* share of any offered securities subject to the pre-emptive rights granted under this ~~Section 12.5~~ which are not purchased by other Stockholders by providing written notice to the Company within fifteen (15) Business Days after the date of the Stock Sale Notice (the "Stock Sale Election Period").

12.5.3 ~~Consummation of Sales~~. The Company must consummate the sale of the Stock to those recipients of the Stock Sale Notice who elect to purchase the Stock within twenty (20) Business Days after the expiration of the Stock Sale Election Period unless the Company and the recipient mutually agree to a different schedule for closing. After the Company has sold all of the Stock requested by the recipients of the Stock Sale Notice, the Company shall be entitled to sell any Stock referenced in the Stock Sale Notice not otherwise purchased by the recipients of the Stock Sale Notice; ~~provided~~, however, that if the Company does not consummate the sale of all such remaining Stock within thirty (30) Business Days after the expiration of the Stock Sale Election Period, the Company must first again comply with the requirements of this ~~Section 13.6~~ before selling any Stock which is unsold (or for which the Company has not received an irrevocable written purchase commitment) at the end of such thirty (30)-day period.

12.6 ~~Call Option~~.

12.6.1 At any time after the second anniversary of the date that Investor Stockholder has exercised its option to purchase an additional twenty-one percent (21%) of the equity of the Company and therefore holds a Stockholder Percentage Interest of no less than seventy percent (70%), then the Investor Stockholder shall have the right, but not the obligation, to deliver to the other Stockholders (the "~~Selling Stockholders~~") a written notice to purchase the Selling Stockholders' entire Stock for a purchase price equal to the Call FMV (as determined in accordance with Section 12.7) multiplied by each Selling Stockholders' Percentage Interest (the "Call Price").

12.6.2 Each of the Selling Stockholders shall, at the closing of such sale ("Call Closing"), represent and warrant to the Investor Stockholder (the "~~Purchasing Stockholder~~") that (i) each Selling Stockholder has full right, title and interest in and to such Stock, (ii) each Selling Stockholder has all necessary power and authority and has taken all necessary action to sell such Stock as contemplated by this Section 12.6, and (iii) such Stock is free and clear of any Encumbrance other than those arising as a result of or under the terms of this Agreement.

12.6.3 Subject to Section 12.6.4, the Call Closing shall take place no later than sixty (60) Business Days following receipt by the Selling Stockholder or the Investor Stockholder of the notice under Section 12.6.1 on a date specified by the Purchasing Stockholder (the "Call Closing Date"); provided that the Purchasing Stockholder shall give the Selling Stockholders at least ten (10) Business Days' written notice of the Call Closing Date.

12.6.4 The Purchasing Stockholder shall, in its sole and absolute discretion, have the right to select one of the following alternatives to pay the Call Price: (a) one hundred percent (100%) in cash or other same day funds, or (b) (i) wire transfer of immediately available funds of at least 60% of the Call Purchase Price to an account designated in writing by the Selling Stockholder, and (ii) causing Grown Rogue International, Inc. to issue to the Selling Stockholder shares of its common stock with a value equal to the portion of the Call Purchase Price not paid in cash pursuant to subsection (b)(i) (using for this purpose a per share price of the 20-day VWAP of Grown Rogue International, Inc. for the twenty day period prior to the Call Closing; provided that (x) if the Selling Stockholder is a Non-Contributing Stockholder, the Call Purchase Price shall be decreased by the amount of any unpaid Additional Stock Payments or Default Loan, including any accrued but unpaid interest thereon, owed by the Selling Stockholder; and (y) if the Selling Stockholder has funded any Default Loan that remains outstanding, it shall be paid in full by the Purchasing Stockholder, including any accrued but unpaid interest thereon, at the Call Closing. Subject to regulatory limitation including, without limitation, the rules and regulations of any applicable securities exchange, the Selling Stockholder shall have the unbridled right to immediately sell all or any portion of the Grown Rogue International, Inc. without restriction upon the Selling Stockholders receipt of such stock.

12.6.5 At the Closing, the Selling Stockholder shall deliver to the Purchasing Stockholder (i) a certificate or certificates (if any) representing the Stock to be sold, accompanied by an assignment of the certificate to the Purchasing Stockholder or its assignee; (ii) the resignation of each of the Directors the Selling Stockholder appointed to the Board; and (iii) a certificate meeting the requirements of IRS Notice 2018-29 and Treasury Regulations Section 1.1445-2(b) (modified to take into account Code Section 1446(f)) that Selling Stockholder is not a foreign person within the meaning of Code Section 1446(f) or Code Section 1445.

12.6.6 Notwithstanding anything herein to the contrary, each Stockholder agrees that, to preserve the character of the Company and consummate the purchase of the Selling Stockholder's entire Stock, the Purchasing Stockholder may assign its purchase right or obligation under this ~~Section 12.6~~ in whole or in part to any Affiliate who, upon the Call Closing, shall become a Stockholder, and that such purchase right or obligation shall be assignable by the Purchasing Stockholder without the consent of the Selling Stockholder.

12.6.7 Without limitation of the other provisions of this Section 12.6, each Stockholder agrees to cooperate and take, and to cause its Affiliates to cooperate and take, all actions and execute all documents reasonably necessary or appropriate to reflect the purchase of the Selling Stockholder's Stock by the Purchasing Stockholder pursuant to this Section 12.6.

12.6.8 At any time after the second anniversary of the date that Investor Stockholder has exercised its option to purchase an additional twenty-one percent (21%) of the Company and therefore holds

a Stockholder Percentage Interest of no less than seventy percent (70%), then the Founding Stockholders (the "~~Offeror~~") may offer to sell all of the Stock owned by Founding Stockholders to the Investor Stockholder (the "Offeree"). The Offeror shall do so by making a written offer to sell all of the Offeror's Stock ("Offer to Sell") at the price and any other terms and conditions contained in the Offer to Sell. Upon the receipt by the Offeree of the Offer to sell, the Offeree can either: (i) accept the Offer to Sell, (ii) reject the Offer to Sell, or (iii) within sixty (60) days make a written offer itself to sell all of the Offeree's Stock ("~~Counteroffer to Sell~~") at the price per share as stated in the Offer to Sell and upon the terms contained in the Offer to Sell. If the Offeree shall make a Counteroffer to Sell, the Offeror shall buy Offeree's Stock upon the terms contained in the Counteroffer to Sell. However, in order to prevent the Investor Stockholder from taking advantage of the Founding Stockholder's then financial condition, the Investor Stockholder agrees that the Founding Stockholder's payment of the purchase price in the Counteroffer to Sell shall be paid as follows:

(i) seventy-five percent (75%) of the Purchase Price under the Counteroffer to Sell shall be paid to the Investor Stockholder in cash or other same day funds by the Founding Stockholders at the closing of the Counteroffer to Sell; and

(ii) the balance of twenty-five percent (25%) of the Purchase Price shall be in the form of a two (2) year promissory note with the payment of monthly interest at 12.5% and a single balloon payment of the principal and any accrued and unpaid interest thereon. The promissory note shall be secured by a stock pledge agreement for all of the Offeror Stock, including the Stock purchased by the Offeror, provided, however, such note shall be subordinated to any outstanding third-party financing. Any such note or notes shall provide for acceleration of all balances upon default. This note can be paid in full at any time without discount or premium. In the event of a sale of assets of the Company outside the ordinary course of the Company's business, then the Offeror shall make a principal payment on the note in an amount equal to the lower of: (i) the Offeree's Percentage Interest in the issued and outstanding Stock prior to sale pursuant to this Section multiplied by the net proceeds received on such sale, or (ii) the remaining balance of the note. The terms herein established may be modified if mutually agreeable by and between the Offeree and Offeror.

A failure to accept the Offer to Sell within the time period described above shall be deemed to be a rejection of the Offer to Sell. If a Stockholder shall fail to perform his/her obligations under this Section, then the aggrieved Party may seek specific performance in any court of competent jurisdiction, and the successful Party in such action shall be entitled to an award of costs and reasonable attorneys' fees.

12.7 Call FMV. The Stockholders may unanimously agree to the Call FMV, however, if the Stockholders cannot unanimously agree to the Call FMV, then the Call FMV shall be determined by the following process:

12.7.1 No later than ten (10) days after the delivery of a notice under Section 12.6.1, the Stockholders shall each engage one independent investment banking, accounting or valuation firm with experience in the valuation of businesses similar to the business of the Company (each, a "~~Valuation Firm~~") for purposes of determining Call FMV. All fees and expenses of each such Valuation Firm shall be the responsibility of the Stockholder that engaged such Valuation Firm. Each such Valuation Firm shall determine Call FMV in good faith and deliver its calculation of Call FMV not later than the first Business Day that is at least thirty (30) days after the date of delivery of such Call FMV request; provided, that both Valuation Firms shall agree on a date on which to both deliver their calculations and Call FMV shall be determined as of such date (the "FMV Determination Date"). If the higher of the two calculations of Call FMV submitted by the two Valuation Firms is not more than 110% of the lower calculation, then Call FMV shall be the average of the Call FMV calculations of the two Valuation Firms.

12.7.2 If the higher of the two calculations of Call FMV is more than 110% of the lower calculation, then the two Valuation Firms shall jointly select a third Valuation Firm who is independent of,

and not affiliated with, the first two Valuation Firms, and who is not affiliated with, and who has not provided any significant services within the two (2) years preceding the date of the FMV determination request to, any Stockholder or its Affiliates (an "Independent Valuation Firm"), to determine Call FMV. If the two Valuation Firms are unable to agree upon a third Valuation Firm by the tenth (10th) day immediately following the date on which they have both delivered a calculation of Call FMV pursuant to Section 12.7.1 (the "Initial Calculation Date"), the third Valuation Firm shall be selected as follows: Each of the first two Valuation Firms will suggest two (2) potential third Valuation Firms, each of whom shall be an Independent Valuation Firm, for a total of four (4). Each of the first two Valuation Firms shall be entitled to veto one (1) of the other Valuation Firm's two (2) suggested Valuation Firms. The third Valuation Firm will then be chosen from the remaining two (2) suggested names by a fair and random process. The third Valuation Firm shall be selected no later than fifteen (15) days after the Initial Calculation Date and engaged pursuant to a customary engagement letter no later than twenty (20) days after the Initial Calculation Date. All fees and expenses of the third Valuation Firm shall be shared equally by the Stockholders. The final Call FMV shall be the average of the two of the three Call FMV calculations delivered pursuant to Section 12.7.1 and Section 12.7.2 that are closest in amount.

12.7.3 Any determination of Call FMV pursuant to Section 12.7.1 or Section 12.7.2 shall be final, conclusive and binding on the Stockholders.

12.7.4 To enable the Valuation Firms to conduct the valuations, the Stockholders and the Company shall furnish to the Valuation Firms such information as they may reasonably request regarding the Company, and its assets, properties, financial condition, earnings and prospects.

12.8 Conversion to Corporation. Upon the approval of the including the Investor Director and prior to the closing under the Purchase Agreement, the Company shall be converted (by merger, consolidation, share exchange, transfer of assets or equity or otherwise, as determined by the Board) into a newly formed corporation so as to convert the Company to a corporation, which shall be a Subchapter C corporation for income tax purposes. Such corporation shall have a certificate of incorporation and bylaws which the Board determines are customary for corporations comparable to the Company at the time preserving to the greatest extent possible (a) the relative voting rights, liquidation rights, and other rights, preferences and privileges that exist with respect to the Stock and (b) the liability, exculpation and indemnification provisions set forth in ARTICLE 9 with respect to Covered Persons. The outstanding equity capitalization of the corporation upon consummation of such conversion shall, to the fullest extent possible, be identical to that of the Company immediately prior to such conversion. Upon any conversion of the Company to a corporation pursuant to this Section 12.8, this Agreement shall terminate except as provided in this Section 12.6 and with respect to ARTICLE 9 and any other section hereof that by its terms survives the termination of this Agreement. The Stockholders hereby consent to the conversion of the Company to corporation pursuant to the terms of this Section 12.6 and agree to exchange their Stock for stock in the corporation formed in connection with such corporation as provided herein and to take any actions and execute any documents reasonably requested by the Board in connection with any such conversion.

ARTICLE 13
MISCELLANEOUS

13.1 Amendments. Any amendment to this Agreement shall be adopted and be effective as an amendment hereto if approved unanimously by the Board; ~~provided~~, ~~however~~, that no amendment which has a disproportionate and materially adverse effect on any Stockholder shall be approved without the consent of such Stockholder. Notwithstanding the foregoing, the Board may (x) amend the Stockholders Schedule and the Directors Schedule to reflect any changes thereto, and (y) amend this Agreement to cure any ambiguity or correct or supplement any provision hereof that may be incomplete or inconsistent with any other provision hereof provided such amendment under this clause (y) does not adversely affect the interests of the Stockholders.

13.2 Assignment. Except as otherwise permitted herein, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party hereto (whether by operation of law or otherwise) without the prior written consent of the other Parties hereto.

13.3 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Stockholder shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions, as reasonably requested by the Board.

13.4 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, (a) the Stockholders and their respective successors and permitted assigns and (b) the Company's successors and assigns (including, to the extent applicable, any corporation formed upon the conversion of the Company from a limited liability company to a corporation pursuant to the terms hereof).

13.5 Severability. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the Parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. Should there ever occur any conflict between any provision contained in this Agreement and any present or future Applicable Law contrary to which the Parties have no legal right to contract, the latter shall prevail, but the provision of this Agreement affected thereby shall be curtailed and limited only to the extent necessary to bring it into compliance with such Applicable Law, and all of the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

13.6 Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications shall be sent to the respective Parties at the addresses set forth on the signature pages hereto and/or the Stockholders Schedule (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 13.6).

13.7 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement and understanding of the Parties with respect to the terms and conditions of the transactions referred to herein and therein and supersede all prior or contemporaneous oral or written agreements and understandings between the Parties relating to such subject matter.

13.8 Waiver. No term, condition or provision of this Agreement may be waived except by an express written instrument to such effect signed by the Party hereto to whom the benefit of such term, condition or provision runs. No such waiver of any term, condition or provision of this Agreement shall be deemed a waiver of any other term, condition or provision, irrespective of similarity, or shall constitute a continuing waiver of the same term, condition or provision, unless otherwise expressly provided. No failure or delay on the part of any Party hereto in exercising any right, power or privilege under any term, condition or provision of this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege.

13.9 Partition. Each Stockholder irrevocably waives any right which it may have to maintain an action for partition with respect to property of the Company.

13.10 Interpretation. Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. All references herein to "Articles" and "Sections" shall refer to corresponding provisions of this Agreement. Whenever the words "including," "includes" or words of similar import appear in this Agreement, they shall be deemed to be followed by the words "without limitation." Words in the singular shall be deemed to include the plural and *vice versa*.

13.11 Governing Law. This Agreement shall, in all respects, be construed in accordance with and governed by the laws of the State of New Jersey as applied to agreements among New Jersey residents entered into and to be performed entirely within the State of New Jersey.

13.12 Dispute Resolution.

13.12.1 In the event of any dispute or disagreement between the Parties as to the interpretation of any provision of this Agreement, the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement. If the Parties do not resolve such dispute or disagreement within thirty (30) calendar days, each Party shall be free to exercise the remedies available to it specifically provided by this Agreement.

13.12.2 Limitation of liability. Notwithstanding any provision of this Agreement to the contrary, neither Party will be entitled in connection with any breach or violation of this Agreement to recover any punitive, exemplary or other special damages or any indirect, incidental or consequential damages, including without limitation damages relating to loss of profit, business opportunity or business reputation, except in each case if and to the extent such damages are claimed by a third party in connection with a matter that is the subject of an indemnification claim asserted under this Agreement except for a breach of Section 9.2 – 9.3. Each Party, as a material inducement to the other Party to enter into and perform its obligations under this agreement, hereby expressly waives its right to assert any claim relating to such damages and agrees not to seek to recover such damages in connection with any claim, action, suit or proceeding relating to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the purchaser and the Company indemnitees any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of the Company.

13.13 Jurisdiction; Waiver of Jury Trial.

13.13.1 It is the intent of the Parties that any disputes or controversies arising under or in connection with this Agreement be resolved pursuant to mediation and arbitration in accordance with Section 13.12; provided, however, that, to the extent that Section 13.12 is held to be invalid or unenforceable for any reason, and the result is that the Parties hereto are precluded from resolving any claim arising under or in connection with this Agreement pursuant to the terms of ~~Section 13.12~~, the following provisions shall govern the resolution of all disputes or controversies arising under this Agreement: Any suit, action or proceeding seeking to enforce any provision of, or based on any dispute or matter arising out of or in connection with, this Agreement must be brought in the courts of the State of New Jersey, in Gloucester County. Each of the Parties (a) consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding, (b) irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum, (c) will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (d) will not bring any action relating to this Agreement in any other court, and (e) to the fullest extent permitted by law, voluntarily, knowingly, irrevocably and unconditionally waives any right to have a jury participate in the resolution of any such dispute or matter. Process in any such suit, action or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party agrees that service of process on such Party in accordance with the notice provisions hereof will be deemed effective service of process on such Party.

13.13.2 Spousal Consent. Each Stockholder who has a Spouse on the date of this Agreement shall cause such Stockholder's Spouse to execute and deliver to the Company a spousal consent in the form of ~~Exhibit B~~ hereto (a "~~Spousal Consent~~"), pursuant to which the Spouse acknowledges that he or she has read and understood this Agreement and agrees to be bound by its terms and conditions. If any Stockholder should marry or engage in a Marital Relationship following the date of this Agreement, such Stockholder shall cause his or her Spouse to execute and deliver to the Company a Spousal Consent within thirty (30) days thereof. A Spousal Consent shall not be deemed to confer or convey to a Spouse any rights in a Stockholder's Interest that do not otherwise exist by operation of law or agreement between the Stockholder and his or her Spouse

13.13.3 Third Party Beneficiaries. The Parties agree that the provisions of this Agreement are intended for the benefit of, and are enforceable by, each Stockholder and their respective successors and permitted assigns and transferees. Except for the provisions of ARTICLE 9, nothing in this Agreement shall be construed as giving any other Person any right, remedy or claim under or in respect of this Agreement or any provision hereof.

13.13.4 Advice of Counsel. Each Party to this Agreement acknowledges that, in executing this Agreement, such Party has had the opportunity to seek the advice of independent legal counsel, and has read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any Party by reason of the drafting or preparation thereof.

13.13.5 Counterparts. This Agreement may be executed in any number of counterparts (each of which may be transmitted via electronic means) with the same effect as if all Parties had signed the same document, all counterparts shall be construed together and shall constitute the same instrument, and all signatures need not appear on any one counterpart.

[*Remainder of Page Intentionally Left Blank -- Signature Pages Follow*]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties hereto as of the date first written above.

STOCKHOLDERS:

CMB INVESTCO 609 LLC

By: _____
Caitlin Blackwell, Manager

Address: _____

_____

Email: _____

GARDEN STATE GOLD 609 LLC

By: _____
Ashley Bohan, Manager

Address: _____

_____

Email: _____

Grown Rogue Unlimited, LLC

By: _____
J. Obie Strickler, Manager

Address: _____

_____

Email: _____

SCHEDULE 1

Stockholders Schedule

As of the Effective Date

Stockholder	Percentage Interest
CMB INVESTCO 609 LLC ("Founding Stockholder")	43.35%
GARDEN STATE GOLD 609 LLC ("Founding Stockholder")	7.65%
Grown Rogue Unlimited, LLC ("Investor Stockholder")	49.00%
Total	**100.00%**

SCHEDULE 2

Directors Schedule

As of the Effective Date

Founding Directors:	Caitlin Blackwell Ashley Bohan
Investor Director:	J. Obie Strickler

EXHIBIT A

~~Form of Joinder Agreement~~

The undersigned is executing and delivering this Joinder Agreement pursuant to that certain Stockholders' Agreement of ABCO Garden State LLC, a New Jersey limited liability company (the "~~Company~~"), dated as of _____ __, 20__ (as the same may be amended or amended and restated from time to time, the "~~Agreement~~"). Capitalized terms used but not defined in this Joinder Agreement shall have their respective meanings ascribed to them in the Agreement.

By executing and delivering this Joinder Agreement to the Agreement, the undersigned hereby agrees to be admitted as a Stockholder of the Company and to become a Party to, to be bound by, and to comply with the provisions of the Agreement in the same manner as if the undersigned were an original signatory to such agreement as a Stockholder. In connection therewith and without limiting the foregoing, effective as of the date hereof the undersigned hereby makes the representations and warranties contained in the Agreement.

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of the __ day of _____, 20___.

Name: _____

Address: _____

_____

_____

Fax Number: (____) ____- _____

Email: _____

For individual Stockholder:

_____
Signature

_____
Print or type name of Stockholder

For Stockholders other than individuals:

_____
Print or type name of Stockholder

By: _____
Name:
Title:

Acknowledged and accepted:
ABCO Garden State LLC

By: _____
Name: _____
Title: Director

EXHIBIT B

Form of Spousal Consent

I, the undersigned, spouse of _____, acknowledge that I have read and understand the terms of that certain Stockholders' Agreement of ABCO Garden State LLC, a New Jersey limited liability company (the "Company"), dated as of _____ __, 20__ (as the same may be amended, restated, modified or otherwise supplemented from time-to-time, the "Agreement").

I am aware that by its provisions, my spouse has agreed to certain restrictions on the transfer or sale of Stock (as such terms are defined in the Agreement) owned by my spouse, and that upon the legal separation or dissolution of my marriage to my spouse, I must comply with certain provisions of the Agreement with regard to such Stock.

I am aware that the legal, financial and related matters contained in the Agreement are complex and that I have had the opportunity to retain independent professional guidance and/or legal counsel with respect to this Spousal Consent. I have either sought such guidance or counsel or have made a conscious decision, after reviewing the Agreement carefully, not to seek such guidance or counsel. I hereby represent and warrant that I fully understand (i) the terms of the Agreement (including, without limitation, the provisions of ~~Section 4.10~~ therein), (ii) the rights and obligations of the Stockholders of the Company under the Agreement, and (iii) the significance of my execution of this Spousal Consent.

I hereby agree that my interest, if any, in any Stock of my Spouse are irrevocably bound by the Agreement and further agree that any community property interest I may have in any such Stock shall be similarly bound by the Agreement. I further agree that if I predecease my Spouse, any interest I may have in any Stock that passes by will or as a result of intestacy, shall pass subject to the terms of the Agreement.

Executed on _____ ____, 20___.

_____

Print Name: _____

Address: _____

_____

_____

Fax Number: _____

Email: _____

EXHIBIT B

Disclosure Schedule

[Attached]

EXHIBIT B

DISCLOSURE SCHEDULE TO
STOCK PURCHASE AGREEMENT

This Disclosure Schedule ("**Disclosure Schedule**") is referred to in, and is part of, the Stock Purchase Agreement, dated as of _____ __, 20__ (the "**Agreement**"), by and between ABCO Garden State LLC, a New Jersey limited liability company (the "**Company**"), and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "**Purchaser**"). The Company and the Purchaser may be referred to herein individually as a "**Party**" and collectively, as the "**Parties**". Unless the context otherwise requires, all capitalized terms used in this Disclosure Schedule shall have the respective meanings assigned to them in the Agreement.

The inclusion of any item in any section ("**Section**") of this Disclosure Schedule shall not constitute evidence of the materiality of such item or evidence that such item is required to be disclosed in these Disclosure Schedule. Matters disclosed pursuant to any Section shall be deemed to supplement the information set forth as a representation and warranty in the particular section of the Agreement to which such Section relates, and such representation and warranty shall be deemed to be inclusive of all facts set forth in such Section. Items included in these Disclosure Schedule with respect to any section or subsection of the Agreement shall be deemed to be disclosed for any other section or subsection of the Agreement if the relevance of the disclosure to such other section or subsection would be readily apparent on its face to a reasonable person who has read the disclosure and such section or subsection of the Agreement to which it corresponds.

No disclosure in this Disclosure Schedule relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission by any party to the agreement to any other party or to any third person or indication that any such breach or violation exists or has actually occurred. This Disclosure Schedule and the information and disclosures contained in this Disclosure Schedule are intended only to qualify and limit the representations, warranties, and covenants of the Company contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties or covenants.

The contents of all documents referred to in this Disclosure Schedule are incorporated by reference in this Disclosure Schedule as though fully set forth in this Disclosure Schedule. The headings contained in this Disclosure Schedule are included for convenience only, and are not intended to limit the effect of the disclosures contained in this Disclosure Schedule or to expand the scope of the information required to be disclosed in this Disclosure Schedule and do not form a part of the disclosures in this Disclosure Schedule or a part of the Agreement.

Section 2.2(a)

Capitalization of the Company immediately prior to the Closing

Stockholder	Percentage Interest
CMB INVESTCO 609 LLC ("Initial Stockholder")	85.00%
GARDEN STATE GOLD 609 LLC ("Initial Stockholder")	15.00%
Total	**100.00%**

All Stock issued and outstanding is Voting Stock. There are no shares of Non-Voting Stock issued and outstanding.

Section 2.2(b)

Capitalization of the Company immediately following the Closing

Stockholder	Shares issued and outstanding
CMB INVESTCO 609 LLC ("Initial Stockholder") of Class B Voting Stock	44,217
GARDEN STATE GOLD 609 LLC ("Initial Stockholder") of Class B Voting Stock	6,783
Grown Rogue Unlimited, LLC ("Investor Stockholder") of the Class A Voting Stock	49,000
Total	**100,000**

The stock that will be issued and outstanding immediately after the Closing, which shall only occur after CRC approval occurs will be a combination of Class A Voting Stock and Class B Voting Stock.

In connection with that certain Note and Warrant Purchase Agreement, dated as of October 3, 2023, the Company has issued to Iron Flag, LLC a Warrant (the "Warrant") to purchase 1,474,000 shares of the Company's Class B Voting Stock. The Stock issued upon exercise of the Warrant shall only dilute the Class B Stockholders and the Investor Stockholder shall receive warrants for Class A Common Stock which will allow the Investor Stockholder to receive seven (7) shares of the Company's Class A Stock for every three (3) shares of Class B Stock issued by the Company to Iron Flag, LLC.

In addition to the fees paid to Moriconi Flowers LTD's for services rendered to the Company as described in Section 2.10(b), Moriconi Flowers LTD also shall receive a beneficial interest ("Beneficial Interest") in the Company as a third-party contractor. The Beneficial Interest constitutes six percent (6%) of the value attributed to the Stock of the Initial Stockholders (and their Affiliates) for all purposes including distributions and in connection with the sale of the Company or its assets, or any combination thereof, not to exceed six percent (6%) of the total amount paid to the Initial Stockholders (and their Affiliates). In other words, Moriconi Flowers LTD has a 1.8% Beneficial Interest in the Company because the 6% relates solely to the 30% held by the Initial Stockholders. For the avoidance of doubt, this Beneficial Interest ~~DOES NOT AFFECT~~ Investor Stockholder**.** For example, if the Initial Stockholders (and their Affiliates) are intended to receive distributions of $100,000 from the Company, then Moriconi Flowers LTD will receive $6,000, and the Initial Stockholders will receive $94,000.

2.2(c)

Stock Purchase Obligations

None.

Section 2.8(f)

Lists All Patents

None.

Section 2.10(a)

Agreements

Lease, dated June 1, 2023, by and between the Company and FIVF-III-NJ1, LLC.

Moriconi Agreement

Section 2.10(b)

Payment Obligations

The Company owes $100,000 to Caitlin Blackwell for expenses previously incurred in connection with the Company.

BLA has deferred all of its invoices for the Company, which are anticipated to be approximately $75,000. This amount will need to be adjusted through the Closing Date based upon final invoice.

Moriconi Flowers LTD is owed $25,000 for the Class 1 adult-use cultivation application. The balance is accrued starting September 15, 2023.

Moriconi Flowers LTD is owed $25,000 for the Class 2 adult-use manufacturing application. The balance is accrued starting October 15, 2023.

Moriconi Flowers LTD such time as the Class 5 adult-use retail application is available for submission, Moriconi shall be owed $25,000. The anticipated date for this payment is November 15, 2023.

See Section 2.2(b) of this Disclosure Schedule.

Section 2.10(d)

Mergers and Consolidations

The Company has not engaged in the past three (3) months in any discussion with any representative of any Person regarding (i) a sale or exclusive license of all or substantially all of the Company's assets, or (ii) any merger, consolidation or other business combination transaction of the Company with or into another Person.

Section 2.16(c)(i)

Employment of each employee of the Company

David Goldstein, Caitlin Blackwell, and Ashley Bohan (collectively the "**Employees**") with duties, compensation, etc. to be mutually agreed upon between the Parties and the Employees under an employment agreement. The Employees agree that the employment contemplated will be bona fide employment with active day-to-day roles requiring a significant commitment of time, and further agree that such employment will be consistent with Buyer's operations in other states. Employees further acknowledge that they have been provided prospective job descriptions and indicative salary ranges by Investor. Each employment agreement provides for a five-year term; however, the Employee is only guaranteed employment for six months (but terminable for cause), and thereafter each Employee will be terminable at will by the Company.

Section 2.16(c)(ii)

Severance Compensation

The employment agreements for the Employees will provide that, in the event of a change in control of the Company prior to the 2nd anniversary of such Employee's employment, if the acquirer chooses not to retain an Employee, a one-time bonus of six months' salary will be payable to such Employee.

Section 2.16

Benefit Plan Maintained which subject to ERISA

No employee, including David Goldstein, Caitlin Blackwell, and Ashley Bohan, has a benefit plan subject to ERISA regulations.

Exhibit 4.42

Execution Version

OPTION AGREEMENT (49%)

This OPTION AGREEMENT (49%) ("Agreement") is entered into as of October 3, 2023, by and between ABCO Garden State LLC, a New Jersey limited liability company (the "Company"), and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "Optionee"). The Company and the Optionee may be referred to herein individually as a "Party" and collectively, as the "Parties".

RECITALS

A. The Optionee desires to acquire from the Company, and the Company desires to grant to the Optionee, an exclusive option to purchase a membership interest comprised of voting equity in the Company equal to forty-nine percent (49%) of the total equity of the Company on a fully diluted basis (such option, the "Option," and such interest, the "Subject Interest") for the purchase price of Ten Thousand Dollars ($10,000) (the "Option Price") in accordance with the terms of this Agreement.

B. Optionee may exercise the Option upon approval by the New Jersey Cannabis Regulatory Commission (the "CRC") of the change in ownership of the Company in connection with the Optionee's purchase of the Subject Interest contemplated by this Agreement (such approval, "CRC Approval"), and notwithstanding the satisfaction or waiver of the conditions to Closing (as defined below) of the Parties hereunder, the Option may only be exercised if and when CRC Approval is obtained, it being understood that if CRC Approval is not so obtained for any reason, Optionee may not exercise the Option, and the Parties shall have the rights and obligations set forth herein.

C. The Company and the Optionee have determined it is in the best interest of the Company to elect for the Company to be taxed as a C corporation, accordingly, prior to the Optionee exercises the Option, the Company shall file IRS Form 8832 and taking all actions legally required to complete the election for the Company to become a C Corporation in order for the Company to issue stock to Optionee upon exercise of the Option, provided, however, the Optionee may, in Optionee's sole and absolute discretion, waive this condition to exercise the Option.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Defined Terms. Terms used and not defined elsewhere in this Agreement shall have the meanings given to them in this Section 1.

(a) "Action" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

(b) "Affiliate" shall mean, with respect to any specified Person, (a) any other Person directly or indirectly controlling, controlled by or under common control with such specified Person; or (b) with respect to any natural person, any Family Member or any partnership or trust established for the benefit of a Family Member so long as such entity is controlled by the transferring Member. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding the foregoing, a Person shall not be deemed an "Affiliate" within the meaning of subsection (a) of this definition if such Person is not directly or indirectly controlling, controlled by or under common control with the Person controlling such Person as of the date of this Agreement.

(c) "Applicable Law" means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority. For purposes of this Agreement, Applicable Law does not include the Controlled Substances Act, 21 U.S.C. §§ 801, et. seq. or any other federal law or regulation concerning marijuana.

(d) "Closing" means the consummation of the Purchase (as defined below).

(e) "Facility" means the cannabis cultivation facility located in West Deptford, New Jersey and leased by the Company pursuant to that certain lease between the Company and FIVF-III-NJ1, LLC, dated on, or around, June 1, 2023.

(f) "Family Member" shall mean a parent, spouse, any natural or adoptive sibling or any spouse thereof, and any direct lineal descendant (natural or adoptive) of any of the foregoing.

(g) Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency, board, official or instrumentality of such government or political subdivision, any regulatory body or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

(h) "Member" means any holder of a membership interest of the Company prior to the date of the Company electing to be taxed a C Corporation. Upon electing to be taxed as a C Corporation, a Member will be referred to as a "Stockholder" in all of the Company documents.

(i) "~~Membership Interest~~" means the entire ownership interest of a Member in the Company at any particular time, including all economic rights and voting rights of the Member in the Company, the right of such Member to any and all benefits to which a Member may be entitled as provided in the Operating Agreement and under Applicable Law, and the obligations of such Member to comply with all of the terms and provisions set forth in the Operating Agreement and under Applicable Law. Upon electing to be taxed as a C Corporation, Membership Interest will be referred to as "Stock" in all Company documents and all economic rights and voting rights of the Stockholder in the Company, the right of such Stockholder to any and all benefits to which a Stockholder may be entitled as provided in the Stockholders' Agreement and under Applicable Law, and the obligations of such Stockholder to comply with all of the terms and provisions set forth in the Stockholders' Agreement and under Applicable Law.

(j) "Person" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(k) "~~Transaction Agreements~~" means this Agreement, the Stock Purchase Agreement, the Stockholders' Agreement, and any other agreements, instruments or documents entered into in connection with this Agreement.

2. ~~Option~~.

2.1 ~~Grant; Payment of Option Price~~. Subject to the terms and conditions hereof, the Company hereby grants the Option to the Optionee in consideration of the payment of the Option Price. Within five (5) business days following the date of this Agreement, the Optionee shall pay the Option Price to the Company by wire transfer in immediately available funds to a bank account designated by the Company (the "~~Company Account~~").

2.2 Term of Option. The term of the Option (such period, the "Option Period") shall commence on the date hereof and shall continue in full force and effect until the date that is the earlier to occur of (a) the fifth (5^{th}) anniversary of the date of this Agreement, and (b) thirty (30) days after Optionee

receives written evidence of (i) CRC Approval (the "Approval Notice") or (ii) a final non-appealable determination by the CRC that CRC Approval will not be granted (the "~~Denial Notice~~").

2.3 Exercise of Option.

(a) Within ten (10) days after Optionee receives the Approval Notice, the Optionee shall exercise the Option by delivering to the Company written notice thereof (the "~~Exercise Notice~~"); provided, that if an Option Default (as defined below) has occurred or is continuing, the Optionee may exercise the Option and deliver the Exercise Notice in its sole and absolute discretion. Upon Optionee's exercise of the Option, subject to the terms and conditions set forth in this Agreement, the Company agrees to sell, convey, assign, transfer and deliver to the Optionee, and the Optionee agrees to purchase from the Company, the Subject Interest, free and clear of all liens, claims and encumbrances (such purchase, the "Purchase").

(b) As consideration for the Purchase, together with the Exercise Notice, the Optionee shall deliver to the Company payment in the amount of One Million Three Hundred Ninety Thousand Dollars ($1,390,000) (the "Purchase Price"). Optionee shall, in its sole and absolute discretion, have the right to select one of the following alternatives to pay the Purchase Price to the Company: (a) one hundred percent (100%) in cash or other same day funds, or (b) (i) a mutually agreed to amount in cash or other same day funds, which will be required for the Company to commence operations, and (ii) the balance in the form of a two (2) year promissory note with the payment of monthly interest at 12.5% and a single balloon payment of the principal and any accrued and unpaid interest thereon. Immediately upon the Optionee's delivery of the Exercise Notice and the Purchase Price to the Company, the Closing shall be deemed to have occurred and the Optionee shall own all right, title and interest in and to the Subject Interest and (i) the Parties shall execute and deliver a stock purchase agreement documenting the purchase of the Subject Interest in the form attached hereto as Exhibit A (the "Stock Purchase Agreement"), (ii) the Parties, together with the current Members of the Company, shall execute and deliver a Stockholders' Agreement of the Company ~~in the form attached hereto~~ as Exhibit A to the Stock Purchase Agreement (the "Stockholders' Agreement"), and (iii) each Party shall execute and deliver such additional documents, and take such further actions, as the other Party may reasonably request or as may be reasonably necessary or advisable to further the purposes of this Agreement and the transactions contemplated hereby. The Company and its Members acknowledge and consent to the Option and the Purchase as provided herein and hereby waive any and all rights (including rights of first refusal) and consent or notice requirements in connection therewith.

2.4 Option Default; Denial Notice.

(a) If, during the Option Period or at the time of CRC Approval, an Option Default occurs and is continuing, then (i) the Optionee shall have the right, in its sole discretion, exercised by providing written notice to the Company, (i) to extend the time that the Company has to cure such Option Default (provided that, if CRC Approval has been received, the date by which the Optionee would otherwise be required to deliver the Exercise Notice shall be extended by such amount of time plus ten (10) business days), (ii) to waive such Option Default, in whole or in part, or (iii) to terminate this Agreement and demand that the Company immediately repay the Option Price (and upon such demand, the same shall be at once immediately due and payable) (such repayment, "Repayment"). The foregoing remedies shall be cumulative and may be pursued successively by the Optionee, it being understood that if the Optionee extends the time that the Company has to cure an Option Default, and the Company fails to cure such Option Default to the Optionee's reasonable satisfaction, then the Optionee may, in its sole discretion, elect to waive such Option Default, in whole or in part, and/or demand Repayment, in whole or in part.

(b) If the Optionee receives a Denial Notice, then the Optionee shall have the right, in its sole discretion, exercised by providing written notice to the Company, (i) to demand Repayment, or (ii) to enter into an alternative arrangement with the Company upon mutual agreement of the Parties.

3. ~~Option Period; Option Default~~.

3.1 ~~Conduct of the Business during the Option Period~~. The business of the Company shall be managed by its board of managers under an annual budget approved by the members and board of managers; provided, that, during the Option Period, unless the action has been agreed to in the annual budget, the Company shall:

(a) not move or relocate any of its assets to any location outside the Company's current location;

(b) not sell, lease, assign, transfer or otherwise dispose of any of its assets, any part thereof or any interest therein, to any Person, and any attempted sale, lease, transfer or other disposition in violation of this provision shall be null and void;

(c) not grant, create, incur, assume or permit to exist on any of its assets any liens, security interests, mortgages, claims, rights, encumbrances or restrictions of any kind;

(d) defend all claims that may be made against any of its assets;

(e) not incur or have any indebtedness in excess of $5,000, which is outside the ordinary course of business or was not approved in the annual budget;

(f) not make any loan to, or any investment in, any Person or provide any Person with a cash payment in exchange for capital securities, indebtedness or any other security (including, without limitation, any security convertible or exchangeable into or exercisable for any capital securities);

(g) not guaranty or become liable for any obligation of any Person;

(h) not create any subsidiary or Affiliate;

(i) preserve and maintain all of its licenses and permits, and take such further action as is reasonably necessary to obtain all licenses necessary to conduct its business;

(j) not transfer to any Person any conditional or other license or enter into any agreement or understanding to transfer any of the economic benefits of such licenses to any Person, including without limitation, through a management services or similar agreement;

(k) not pay any dividend or distribution to its Members except in connection with the payment of the federal and state tax liability of the Members in accordance with the Company's operating agreement;

(l) not enter into any contract or agreement that binds the Company to aggregate payments in excess of $10,000, which is outside the ordinary course of business or was not approved in the annual budget;

(m) not enter into any transaction with any holder of the Company's capital securities or an Affiliate, provided, however, the Optionee acknowledges and agrees that it has consented to (i) the Construction Contract between the Company and Blackwell Construction;

(n) not conduct any business activity other than operating a cannabis business in New Jersey;

(o) not fail to obtain property and liability insurance in amounts and with coverage customary for similar businesses similarly situated or fail to keep in full force and effect such insurance;

(p) not fail to pay required fees, taxes and other amounts due other than amounts being contested in good faith by appropriate proceedings;

(q) (1) not enter into any merger or consolidation or joint venture, (2) not liquidate, wind-up or dissolve itself, (3) not sell, convey, transfer, assign, lease, abandon or otherwise dispose (including in a sale and leaseback) (in one transaction or in a series of transactions), voluntarily or involuntarily, any of its assets (tangible or intangible (including but not limited to sale, assignment, discount or other disposition of accounts, contract rights, chattel paper or general intangibles with or without recourse) other than sales of inventory in the ordinary course of business, or (4) not acquire all or substantially all of the assets constituting a business, division, branch or other unit of operation of any Person;

(r) not make or commit to make any capital expenditures other than capital expenditures made in connection with operating a cannabis cultivation business or which was within the ordinary course of business or was approved in the annual budget;

(s) not create, or authorize the creation of, or issue or obligate itself to issue any membership interest, or any other equity security of the Company or any security convertible into or exercisable or exchangeable for a membership interest or other equity security of the Company to any Person or admit any additional members or substitute members;

(t) not create, or hold capital securities in, any subsidiary, or sell, transfer or otherwise dispose of any capital securities of any direct or indirect subsidiary, grant any right to acquire any capital securities or voting interest in any direct or indirect subsidiary, or permit any direct or indirect subsidiary to issue any capital securities or sell, lease, transfer, exclusively license or otherwise dispose of (in a single transaction or series of related transactions) all or substantially all of the assets of such subsidiary to any Person;

(u) not fail to comply with Applicable Law (including, without limitation, CRC regulations);

(v) through any representative or otherwise, (1) not provide any information or make any proposal or request to any Person other than the Optionee concerning the sale of any membership interest or other security of the Company or any assets of the Company, (2) not solicit, discuss, consider, or accept any proposal or request from any Person other than the Optionee concerning such an acquisition, and (3) promptly inform the Optionee in writing of any proposal or request in connection with the foregoing;

(w) permit the Optionee to inspect the Facility, assets, books and records, contracts and other documents and data of the Company, furnish any financial information of the Company reasonably requested by the Optionee, and cooperate with the Optionee in its investigation;

(x) use the proceeds from payment of the Option Price for any purpose other than (i) to fund the construction and operating expenses of the Facility or payment of expenses of the Company, which were approved in the annual budget, or (ii) to reimburse Caitlin Blackwell in the amount of $100,000 for expenses previously incurred in connection with the Company; and

(y) notify the Optionee of (1) any notice or other communication from any Governmental Authority, (2) any Action commenced or threatened against the Company, (3) any failure by the Company to perform the obligations set forth in this Section 3.1.

3.2 Option Default. The failure of the Company to perform any of the obligations set forth in Section 3.1 shall constitute an "Option Default" hereunder.

4. Miscellaneous.

4.1 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

4.2 Governing Law. This Agreement shall be governed by the internal laws of the State of New Jersey without regard to conflict of law principles that would result in the application of any law other than the law of the State of New Jersey.

4.3 ~~Counterparts~~. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

4.4 ~~Interpretation~~. This Agreement may be executed and delivered in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. The headings of this Agreement are for convenience of reference only and are not part of the substance of this Agreement. Whenever used in this Agreement the singular shall include the plural, and vice versa, and the use of any gender shall include all genders and the neuter, whenever appropriate. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties hereto and their respective successors and assigns any rights, remedies, obligation or liabilities under or by reason of this Agreement. No provision of this document is to be interpreted for or against any Party because that Party or Party's legal representative drafted it. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

4.5 ~~Notices~~. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective Parties at their address as set forth on the signature page, or to such e-mail address or address as subsequently modified by written notice given in accordance with this ~~Section 0~~. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Stuart H. Sorkin, Business and Legal Advisors, LLC, 7811 Montrose Road Suite 500, Potomac, Maryland 20816 (stuart@businessandlegaladvisors.com), and if notice is given to the Optionee, a copy (which copy shall not constitute notice) shall also be given to Greenspoon Marder LLP, 227 West Monroe Street, Suite 3950, Chicago, IL 60606, Attn: Irina Dashevsky, Esq. (irina.dashevsky@gmlaw.com).

4.6 ~~No Finder's Fees~~. Each Party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. The Optionee agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Optionee or any of its officers, employees, or representatives is responsible. The Company agrees to indemnify and hold harmless the Optionee from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

4.7 Fees and Expenses. Each Party shall be responsible for the payment of any and all fees and expenses incurred by such Party in connection with this Agreement and the transactions contemplated hereby.

4.8 Attorneys' Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing Party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such Party may be entitled, provided, however, if a decision is partially in favor of both Parties, then the Parties will each pay a pro rata portion of the costs and expenses based upon such partial award.

4.9 Amendments and Waivers. Any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the Optionee. Any amendment or waiver effected in accordance with this Section 4.8 shall be binding upon the Optionee and each transferee of the Subject Interest, each future holder of all such securities, and the Company. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

4.10 Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or incapable of being enforced under any rule of applicable law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein are consummated as originally contemplated to the fullest extent possible.

4.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement upon any breach or default of any other Party under this Agreement shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

4.12 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties are expressly canceled.

4.13 Termination of Obligations. The Optionee shall have the right to terminate its obligations hereunder, if prior to the occurrence thereof, the Company applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (ii) becomes subject to the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (iii) makes an assignment for the benefit of creditors, (iv) institutes any proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, or files a petition or

answer seeking reorganization or an arrangement with creditors to take advantage of any insolvency law, or files an answer admitting the material allegations of a bankruptcy, reorganization or insolvency petition filed against it, or (v) becomes subject to any involuntary proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, which proceeding is not dismissed within thirty (30) days of filing, or have an order for relief entered against it in any proceedings under the United States Bankruptcy Code

4.14 Dispute Resolution.

(a) In the event of any dispute or disagreement between the Parties as to the interpretation of any provision of this Note, the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement. If the Parties do not resolve such dispute or disagreement within thirty (30) calendar days, each Party shall be free to exercise the remedies available to it specifically provided by this Note.

(b) The Parties agree that jurisdiction and venue in any action brought by any Party pursuant to this Note shall properly and exclusively lie in any state court located in the State of New Jersey, County of Gloucester. By execution and delivery of this Note, each Party irrevocably submits to the jurisdiction of such courts for itself and in respect of its property with respect to such action. The Parties irrevocably agree that venue would be proper in any such court, and hereby waive any objection that any such court is an improper or inconvenient forum for the resolution of such action. The Parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court shall constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS NOTE OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING.

4.15 Specific Performance. The Company acknowledges that the Subject Interest is unique and cannot be obtained by Optionee except from the Company and for that reason, among others, Optionee will be irreparably damaged in the absence of the consummation of this Agreement. Therefore, in addition to any other remedy under law or equity, Optionee shall be entitled to an injunction or specific performance of this Agreement, without the need to post a bond or other security, to prove any actual damage or to prove that money damages would not provide an adequate remedy. The Company agrees that it will not oppose the granting of any injunction or specific performance of this Agreement on the basis that Optionee has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or at equity.

4.16 Limitation of Liability. Notwithstanding any provision of this Agreement to the contrary, neither Party will be entitled in connection with any breach or violation of this Agreement to recover any punitive, exemplary or other special damages or any indirect, incidental or consequential damages, including without limitation damages relating to loss of profit, business opportunity or business reputation, except in each case if and to the extent such damages are claimed by a third party in connection with a matter that is the subject of an indemnification claim asserted under this Agreement. Each Party, as a material inducement to the other Party to enter into and perform its obligations under this Agreement, hereby expressly waives its right to assert any claim relating to such damages and agrees not to seek to recover such damages in connection with any claim, action, suit or proceeding relating to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of the Company.

4.17 Further Assurances. Each Party agrees to execute and deliver, after the date hereof, without additional consideration, such further assurances, instruments and documents, and to take such further actions, as the other Party may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby.

4.18 Public Announcements. Neither Party nor any of its Affiliates or representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or otherwise communicate with the media, concerning the existence of this Agreement or the subject matter hereof, without the prior written approval of the other Party (which shall not be unreasonably withheld, conditioned or delayed), except if and to the extent that such Party is required to make any public disclosure or filing regarding the subject matter of this Agreement (i) by Applicable Law, (ii) pursuant to any rules or regulations of any securities exchange on which the securities of such Party or any of its Affiliates are listed or traded, or (iii) in connection with enforcing its rights under this Agreement.

[Remainder of Page Left Blank – Signatures Follow]

IN WITNESS WHEREOF, the Parties have executed this Option Agreement (49%) as of the date first written above.

COMPANY:

ABCO GARDEN STATE LLC,
a New Jersey limited liability company

By: /s/ Caitlin Blackwell
Name: Caitlin Blackwell
Title: Manager

Address: 5 N. Cambridge Ave.
Ventnor, NJ 08406
Email: cateblackwell3@gmail.com

OPTIONEE:

GROWN ROGUE UNLIMITED, LLC,
an Oregon limited liability company

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: Manager

Address: 550 Airport Road
Medford, OR 97501
Email: obie@grownrogue.com

[Signature Page to Option Agreement (49%)]

EXHIBIT A

Stock Purchase Agreement

[Attached]

Execution Version

STOCK PURCHASE AGREEMENT

by and between

GROWN ROGUE UNLIMITED LLC

and

ABCO GARDEN STATE LLC

STOCK PURCHASE AGREEMENT

TABLE OF CONTENTS

Execution Version

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT is entered into as of _____ __, 20__, by and between ABCO Garden State LLC, a New Jersey limited liability company (the "Company"), and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "Purchaser"). The Company and the Purchaser may be referred to herein individually as a "Party" and collectively, as the "Parties".

RECITALS

A. The Parties have heretofore entered into that certain Option Agreement (the "Option Agreement"), pursuant to which the Company has granted to the Purchaser the exclusive right and option to purchase from the Company voting stock in the Company equal to forty-nine percent (49%) of the issued and outstanding Stock (as defined below) on a fully diluted basis (the "Purchased Stock") for the Option Price (as defined in the Option Agreement).

B. The Purchaser has obtained CRC Approval (as defined in the Option Agreement), and in accordance with the Option Agreement, the Purchaser has exercised the Option (as defined in the Option Agreement).

C. The Company, existing members and the Purchaser have determined it is in the best interest of the Company for the Company to elect to be taxed as a C corporation, accordingly, prior to the Purchaser exercises the Option Agreement, the Company shall file IRS Form 8832 and taking all actions legally required to complete the election for the Company to become a C Corporation in order for the Company to issue stock to the Purchaser upon exercise of the Option Agreement, provided, however, the Purchaser may, in Purchaser's sole and absolute discretion, waive this condition to exercise the Option Agreement.

D. The Parties now desire to consummate the purchase of the Purchased Stock in accordance with the terms and subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Purchase and Sale of Purchased Stock.

1.1 Sale and Issuance of Purchased Stock.

(a) Upon the Closing (as defined below), the Company and all of its Stockholders, (as defined below), which shall include the Purchaser, shall execute the Stockholders' Agreement of the Company in the form attached hereto as Exhibit A (the "Stockholders' Agreement") to authorize the issuance of the Purchased Stock of the Company as contemplated by this Agreement and to provide for the rights, duties, and obligations of the Stockholders to the Company.

(b) Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase at the Closing, and the Company agrees to sell and issue to Purchaser at the Closing, the Purchased Stock in consideration of the purchase price of One Million Three Hundred Ninety Thousand Dollars ($1,390,000) (the "Purchase Price").

1.2 Closing; Delivery.

(a) The purchase and sale of the Purchased Stock shall take place remotely via the exchange of documents and signatures within thirty (30) days following receipt of written evidence of CRC Approval, or at such other time and place as the Company and the Purchaser mutually agreed upon, orally or in writing (which time and place are designated as the "Closing").

(b) At the Closing, the Company shall issue the Purchased Stock as evidenced on the Stockholders Schedule attached to the Stockholders' Agreement in consideration of the Purchaser's

payment of the Purchase Price. The Purchaser shall, in its sole and absolute discretion, have the right to select one of the following alternatives to pay the Purchase Price to the Company: (a) one hundred percent (100%) in cash or other same day fund, or (b) (i) a mutually agreed to amount in cash or other same day funds, which will be required for the Company to commence operations, and (ii) the balance in the form of a two (2) year promissory note with the payment of monthly interest at 12.5% and a single balloon payment of the principal and any accrued and unpaid interest thereon.

1.3 Use of Proceeds. In accordance with the directions of the Company's Board of Directors (as defined below), as it shall be constituted in accordance with the Stockholders' Agreement, the Company shall use the proceeds from the Option and sale of the Purchased Stock (i) to fund the construction and operating expenses of a cannabis cultivation facility located in West Deptford, New Jersey and leased by the Company pursuant to that certain lease between the Company and FIVF-III-NJ1, LLC, dated on, or around, June 1, 2023, and/or (ii) to reimburse Caitlin Blackwell in the amount of $100,000 for expenses previously incurred in connection with the Company.

1.4 Defined Terms Used in this Agreement. Terms used and not defined elsewhere in this Agreement shall have the meanings given to them in this Section 1.4.

(a) "Affiliate" shall mean, with respect to any specified Person, (a) any other Person directly or indirectly controlling, controlled by or under common control with such specified Person; or (b) with respect to any natural person, any Family Member or any partnership or trust established for the benefit of a Family Member so long as such entity is controlled by the transferring Stockholder. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding the foregoing, a Person shall not be deemed an "Affiliate" within the meaning of subsection (a) of this definition if such Person is not directly or indirectly controlling, controlled by or under common control with the Person controlling such Stockholder as of the date of this Agreement.

(b) "Applicable Law" means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority. For purposes of this Agreement, Applicable Law does not include the Controlled Substances Act, 21 U.S.C. §§ 801, et. seq. or any other federal law or regulation concerning marijuana.

(c) "Board of Directors" means the Company's board of Directors.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Company Intellectual Property" means all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in to and under any of the foregoing, and in any and all such cases that are owned or used by the Company in the conduct of the business of the Company as now conducted and as presently proposed to be conducted.

(f) "Director" means a member of the Board of Directors.

(g) "Family Member" shall mean a parent, spouse, any natural or adoptive sibling or any spouse thereof, and any direct lineal descendant (natural or adoptive) of any of the foregoing.

(h) "Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency, board, official or instrumentality of such government or political subdivision, any regulatory body or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

(i) "Knowledge" including the phrase "to the Company's knowledge" means, with regard to the Company and its Affiliates, the actual knowledge after reasonable investigation and assuming such knowledge as the individual would have as a result of the reasonable performance of his or her duties in the ordinary course of the following officers: Caitlin Blackwell and Ashley Bohan.

(j) "~~Material Adverse Effect~~" means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, or results of operations of the Company.

(k) "Non-Voting Stock" shall mean the Company's non-voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company on a pro-rata basis of the number of shares of Non-Voting Stock divided by the total amount of issued and outstanding stock and any other rights, duties and obligations of a Stockholder who holds Non-Voting Stock as described in the Company's organizational documents or Stockholders' Agreement, but shall not include any other rights of a Stockholder, including, without limitation, the right to vote or participate in management of the Company or, except as required by the Act, to receive information concerning the Company.

(l) "Stockholder" means any holder of Stock of the Company.

(m) "Stock" shall mean all of the Voting Stock and Non-Voting Stock which is either authorized or issued and outstanding as the context requires and includes any class of stock subsequently established by the Agreement. Furthermore, the Company and Stockholders shall mutually agree to the terms and conditions for each class of stock and the amount of authorized, issued, and outstanding stock to be issued as the Purchased Stock and for any subsequent issued stock as described in the Company's organizational documents or the Stockholders' Agreement.

(n) "Person" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(o) "Purchaser" has the meaning set forth in the Preamble.

(p) "~~Securities Act~~" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(q) "Stockholders' Agreement" shall have the meaning set forth in Section 1.1(a).

(r) "Transaction Agreements" means this Agreement, the Stockholders' Agreement, and any other agreements, instruments or documents entered into in connection with this Agreement.

(s) Voting Stock" shall mean the Company's voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company on a pro-rata basis of the number of shares of Voting Stock divided by the total amount of issued and outstanding

stock vote on all actions requiring a vote of the Stockholders based upon number of shares of Voting Stock divided by the total amount of issued and outstanding Voting Stock and any other rights, duties and obligations of a Stockholder who holds Voting Stock as described in the Company's organizational documents or the Stockholders' Agreement.

2. Representations and Warranties of the Company. If the Closing occurs, the Company hereby represents and warrants to the Purchaser that, except as set forth on the Disclosure Schedule attached as Exhibit B to this Agreement (the "Disclosure Schedule"), which exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete as of the date of the Closing, except as otherwise indicated. The Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections and subsections contained in this Section 2, and the disclosures in any section or subsection of the Disclosure Schedule shall qualify other sections and subsections in this ~~Section 2~~ to the extent it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections and subsections.

2.1 ~~Organization, Good Standing, Power, and Qualification~~. The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of New Jersey and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

2.2 ~~Capitalization~~.

(a) ~~Section 2.2(a)~~ of the Disclosure Schedule sets forth the capitalization of the Company immediately prior to the Closing.

(b) Section 2.2(b) of the Disclosure Schedule sets forth the capitalization of the Company immediately following the Closing, including the Stock that will be issued and outstanding immediately after the Closing. Except as set forth in ~~Section 2.2(b)~~ of the Disclosure Schedule, there are no outstanding options, warrants, profits interests, rights (including conversion or preemptive rights, rights of first refusal, or similar rights) or agreements, orally or in writing, to purchase or acquire from the Company any Stock or any securities convertible into or exchangeable for Stock.

(c) Except as provided in the Stockholders' Agreement, there are no agreements concerning the Stock or any options exercisable for Stock that contain a provision for acceleration of vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of such agreement or understanding upon the occurrence of any event or combination of events. The Company has never adjusted or amended the exercise price of any options, whether through amendment, cancellation, replacement grant, repricing, or any other means. Except as set forth in Section 2.2(c) of the Disclosure Schedule, the Company has no obligation (contingent or otherwise) to purchase or redeem any of its Stock.

2.3 ~~Subsidiaries~~. The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership, or similar arrangement.

2.4 Authorization. All company action required to be taken by the Company's Board of Directors and Stockholders in order to authorize the Company to enter into the Transaction Agreements and to issue the Purchased Stock at the Closing has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Agreements, the performance of all obligations of the Company under the Transaction Agreements to be performed as of the Closing, and the issuance and delivery of the Purchased Stock has been taken. The Transaction Agreements, when executed

and delivered by the Company (and assuming execution and delivery by the Purchaser), shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally; (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; or (c) to the extent the indemnification provisions contained in the Stockholders' Agreement may be limited by applicable federal or state securities laws.

2.5 Valid Issuance of Purchased Stock. The Purchased Stock, when issued in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable, and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities laws, and liens or encumbrances created by or imposed by the Purchaser. Assuming the accuracy of the representations of the Purchaser in Section 3 of this Agreement and subject to the filings described in Section 2.6 below, the Purchased Stock will be issued in compliance with all applicable federal and state securities laws.

2.6 Governmental Consents and Filings. Assuming the accuracy of the representations made by the Purchaser in Section 3 of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, or local governmental authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except the CRC Approval and filings pursuant to Regulation D of the Securities Act and applicable state securities laws, which have been made or will be made in a timely manner.

2.7 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to the Company's Knowledge, currently threatened in writing or verbally (a) against the Company or any officer or Director of the Company arising out of their employment or managerial relationship with the Company; (b) that questions the validity of the Transaction Agreements or the right of the Company to enter into or to consummate the transactions contemplated by the Transaction Agreements; or (c) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither the Company, nor any of its officers or Directors is a party or is named as subject to the provisions of any order, writ, injunction, judgment, or decree of any court or government agency or instrumentality (in the case of officers or Directors, such as would affect the Company). There is no action, suit, proceeding, or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings, or investigations pending or threatened in writing (or any basis therefor to the Company's Knowledge) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

2.8 Intellectual Property.

(a) The Company owns or possesses, or believes it can acquire on commercially reasonable terms, sufficient legal rights to all Company Intellectual Property without any known conflict with, or infringement of, the rights of others, including prior employees or consultants. The Company has not received any communications alleging that the Company has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other Person.

(b) To the Company's Knowledge, no product or service marketed or sold (or proposed to be marketed or sold) by the Company violates or will violate any license or infringes or will infringe any intellectual property rights of any other Person.

(c) Other than with respect to commercially available software products under standard end-user object code license agreements, there are no outstanding options, licenses, agreements, claims, encumbrances, or shared ownership interests of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, inbound or outbound licenses, or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other Person.

(d) The Company has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with the Company's business.

(e) Each employee and consultant of the Company and their respective Affiliates has assigned, or as of the Closing, will have assigned, to the Company all intellectual property rights such Person owns that are related to the Company's business as now conducted and as presently proposed to be conducted. To the Company's knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or Persons it currently intends to hire) made prior to their employment by the Company, including prior employees or consultants.

(f) Section 2.8(f) of the Disclosure Schedule lists all patents, patent applications, registered trademarks, trademark applications, service marks, service mark applications, tradenames, registered copyrights, and licenses to and under any of the foregoing, in each case owned by the Company.

(g) To the Company's Knowledge, the Company has not embedded any open source, copyleft, or community source code in any of its products generally available or in development, including, but not limited to, any libraries or code licensed under any General Public License, Lesser General Public License, or similar license arrangement.

2.9 Compliance with Other Instruments. The Company is not in violation or default (a) of any provisions of its Certificate of Formation, the Stockholders' Agreement, or any other organizational document, each as may have been amended; (b) of any instrument, judgment, order, writ or decree; (c) under any note, indenture or mortgage; (d) under any lease, agreement, contract, or purchase order to which it is a party or by which it is bound that is required to be listed on the Disclosure Schedule; or (e) of any provision of any Applicable Law, the violation of which would have a Material Adverse Effect. The execution, delivery, and performance of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement; or (ii) an event which results in the creation of any lien, charge, or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

2.10 ~~Agreements; Actions~~.

(a) Except for the Transaction Agreements and as set forth in ~~Section 2.10(a)~~ of the Disclosure Schedule, there are no agreements, understandings, instruments, contracts, or proposed transactions to which the Company is a party or by which it is bound that involve: (i) obligations

(contingent or otherwise) of, or payments to, the Company in excess of $10,000; (ii) the license of any patent, copyright, trademark, trade secret, or other proprietary right to or from the Company; (iii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit the Company's exclusive right to develop, manufacture, assemble, distribute, market, or sell such products or services; or (iv) indemnification by the Company with respect to infringements of proprietary rights.

(b) Except as set forth in Section 2.10(b) of the Disclosure Schedule, the Company has not: (i) declared or paid any dividends, or authorized or made any distribution, upon or with respect to any ~~class or series~~ of its securities; (ii) incurred any indebtedness for money borrowed or incurred any other liabilities either (A) individually in excess of $10,000 or (B) in excess of $50,000 in the aggregate; (iii) made any loans or advances to any Person, other than ordinary advances for travel expenses; or (iv) sold, exchanged, or otherwise disposed of any of its assets or rights, other than the sale of inventory in the ordinary course of business. For the purposes of subsections (a) and (b) of this Section 2.10, all indebtedness, liabilities, agreements, understandings, instruments, contracts, and proposed transactions involving the same Person (including Persons the Company has reason to believe are affiliated with each other) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsection.

(c) The Company is not a guarantor or indemnitor of any indebtedness of any other Person.

(d) The Company has not engaged in the past three (3) months in any discussion with any representative of any Person regarding (i) a sale or exclusive license of all or substantially all of the Company's assets, or (ii) any merger, consolidation or other business combination transaction of the Company with or into another Person.

2.11 Certain Transactions.

(a) Other than (i) standard employee benefits generally made available to all employees; and (ii) the Transaction Agreements, there are no current agreements, understandings, or proposed transactions between the Company and any of its officers, Directors, consultants, or any Affiliate thereof.

(b) The Company is not indebted, directly or indirectly, to any of its Directors, officers, or employees or to their respective spouses or children or to any Affiliate of any of the foregoing other than in connection with expenses or advances of expenses incurred in the ordinary course of business. None of the Company's Directors, officers, or employees, or any stockholders of their immediate families, or any Affiliate of the foregoing are, directly or indirectly, indebted to the Company or, to the Company's Knowledge, have any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable, or familial relationship with any of the Company's customers, suppliers, service providers, joint venture partners, licensees and competitors; (ii) direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company except that Directors, officers, employees or Stockholders of the Company may own securities in (but not exceeding two percent (2%) of the outstanding securities of) publicly traded companies that may compete with the Company; or (iii) financial interest in any contract with the Company.

2.12 ~~Voting Rights~~. Except for the Stockholders' Agreement, no Stockholder of the Company has entered into any agreements with respect to the voting of Stock of the Company.

2.13 Property. The property and assets that the Company owns are free and clear of all mortgages, deeds of trust, liens, loans, and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets. With respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims, or encumbrances other than those of the lessors of such property or assets. The Company does not own any real property.

2.14 Material Liabilities. The Company has no liability or obligation, absolute or contingent (individually or in the aggregate), except (i) obligations and liabilities incurred after the date of formation in the ordinary course of business that are not material, individually or in the aggregate, and (ii) obligations under contracts made in the ordinary course of business that would not be required to be reflected in financial statements prepared in accordance with generally accepted accounting principles.

2.15 Changes. To the Company's Knowledge, since its formation, there have been no events or circumstances of any kind that have had or could reasonably be expected to result in a Material Adverse Effect.

2.16 Employee Matters.

(a) None of its employees is obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, which would materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. Neither the execution or delivery of the Transaction Agreements, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as now conducted and as presently proposed to be conducted, will conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

(b) The Company is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for the Company to the date hereof or amounts required to be reimbursed to such employees, consultants, or independent contractors. The Company has complied in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification, and collective bargaining. The Company has withheld and paid to the appropriate governmental entity or is holding for payment not yet due to such governmental entity all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties, or other sums for failure to comply with any of the foregoing.

(c) The employment of each employee of the Company is terminable at the will of the Company. Except as set forth in Section 2.16(c)(i) of the Disclosure Schedule or as required by Applicable Law, upon termination of the employment of any such employees, no severance or other payments will become due. Except as set forth in ~~Section 2.16(c)(ii)~~ of the Disclosure Schedule, the Company has no policy, practice, plan or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.

(d) The Company has not made any representations regarding equity incentives to any officer, employees, Director, or consultant that are inconsistent with the amounts and terms set forth in the Stockholders' Agreement.

(e) Section 2.16 of the Disclosure Schedule sets forth each employee benefit plan maintained, established, or sponsored by the Company, or which the Company participates in or contributes to, which is subject to the Employee Retirement Income Security Act of 1974, as amended ("~~ERISA~~"). The Company has made all required contributions and has no liability to any such employee benefit plan, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied in all material respects with all Applicable Laws for any such employee benefit plan.

(f) The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment, or arrangement with any labor union, and no labor union has requested or has sought to represent any of the employees, representatives, or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the Company's Knowledge, threatened, which would have a Material Adverse Effect, nor is the Company aware of any labor organization activity involving its employees.

(g) To the Company's Knowledge, no Director of the Company has been (i) subject to voluntary or involuntary petition under the federal bankruptcy laws or any state insolvency law or the appointment of a receiver, fiscal agent or similar officer by a court for his or her business or property; (ii) convicted in a criminal proceeding or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (iii) subject to any order, judgment, or decree (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him or her from engaging, or otherwise imposing limits or conditions on his or her engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (iv) found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated any federal or state securities, commodities, or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

2.17 Tax Returns and Payments. There are no federal, state, county, local, or foreign taxes dues and payable by the Company which have not been timely paid. There are no accrued and unpaid federal, state, county, local or foreign taxes of the Company which are due, whether or not assessed or disputed. There have been no examinations or audits of any tax returns or reports by any applicable federal, state, local, or foreign governmental agency. The Company has duly and timely filed all federal, state, county, local, and foreign tax returns required to have been filed by it, and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

2.18 Insurance. The Company has in full force and effect insurance policies concerning such casualties as would be reasonable and customary for companies like the Company, with extended coverage, sufficient in amount (subject to reasonable deductions) to allow it to replace any of its properties that might be damaged or destroyed.

2.19 Employee Agreements. Each current and former employee, consultant and officer of the Company has executed an agreement with the Company regarding confidentiality and proprietary information substantially in the form or forms delivered to the Purchasers or their respective counsel (the "Confidential Information Agreements"). No current or former employee has excluded works or inventions from his or her assignment of inventions pursuant to such employee's Confidential Information Agreement.

2.20 Permits. The Company has all franchises, permits, licenses, and any similar authority necessary for the conduct of its business, the lack of which would reasonably be expected to have a Material Adverse Effect. The Company is not in default in any material respect under any of such franchises, permits, licenses, or other similar authority.

2.21 ~~Company Documents~~. The Company's Certificate of Formation and Stockholders' Agreement are in the form provided to the Purchaser. The Company has provided to the Purchaser copies of any actions by written consent without a meeting of the Board of Directors and the Stockholders.

2.22 ~~Data Privacy~~. In connection with its collection, storage, use and/or disclosure of any information that constitutes "personal information," "personal data" or "personally identifiable information" as defined in Applicable Laws (collectively "Personal Information") by or on behalf of the Company, the Company is and has been in compliance with (i) all Applicable Laws (including, without limitation, laws relating to privacy, data security, telephone and text message communications, and marketing by email or other channels) in all relevant jurisdictions, (ii) the Company's privacy policies, and (iii) the requirements of any contract or codes of conduct, by which the Company is bound. The Company maintains and has maintained reasonable physical, technical, and administrative security measures and policies designed to protect all Personal Information owned, stored, used, maintained or controlled by or on behalf of the Company from and against unlawful, accidental or unauthorized access, destruction, loss, use, modification and/or disclosure. The Company is and has been in compliance in all material respects with all laws relating to data loss, theft and breach of security notification obligations. To the Company's knowledge, there has been no occurrence of (x) unlawful, accidental or unauthorized destruction, loss, use, modification or disclosure of or access to Personal Information owned, stored, used, maintained or controlled by or on behalf of the Company such that Privacy Requirements require or required the Company to notify government authorities, affected individuals or other parties of such occurrence or (y) unauthorized access to or disclosure of the Company's confidential information or trade secrets that reasonably would be expected to result in a Material Adverse Effect.

2.23 ~~Governmental Approvals and Compliance~~. The Company possesses all permits, licenses, registrations, certificates, authorizations, orders and approvals from the appropriate federal, state or foreign regulatory authorities necessary to conduct its business, including all such permits, licenses, registrations, certificates, authorizations, orders and approvals required by the U.S. Food and Drug Administration ("FDA") or any other Governmental Authority engaged in the regulation of drugs, pharmaceuticals, medical devices or biohazardous materials. The Company has not received any notice of proceedings relating to the suspension, modification, revocation or cancellation of any such permit, license, registration, certificate, authorization, order or approval. Neither the Company nor, to the Company's Knowledge, any officer, employee or agent of the Company has been convicted of any crime or engaged in any conduct that has previously caused or would reasonably be expected to result in (i) disqualification or debarment by the FDA under 21 U.S.C. Sections 335(a) or (b), or any similar law, rule or regulation of any other Governmental Authority, (ii) debarment, suspension, or exclusion under any federal healthcare programs or by the General Services Administration, or (iii) exclusion under 42 U.S.C. Section 1320a-7 or any similar law, rule or regulation of any Governmental Authority. The Company is and has been in compliance with all applicable laws administered or issued by the FDA or any similar Governmental Authority, including the Federal Food, Drug, and Cosmetic Act and all other laws regarding developing, testing, manufacturing, marketing, distributing or promoting the products of the Company, or complaint handling or adverse event reporting.

2.24 ~~Disclosure~~. The Company has made available to the Purchaser all the information reasonably available to the Company that the Purchaser has requested for deciding whether to acquire the Purchased Stock. It is understood that this representation is qualified by the fact that the Company has not delivered to the Purchaser, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

3. Representations and Warranties of the Purchaser. If the Closing occurs, the Purchaser hereby represents and warrants to the Company that, as of the Closing:

3.1 Authorization. The Purchaser has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which the Purchaser is a party, when executed and delivered by the Purchaser (and assuming the execution and delivery thereof by the Company), will constitute valid and legally binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; or (b) to the extent the indemnification provisions contained in the Stockholders' Agreement may be limited by applicable federal or state securities laws.

3.2 Purchase Entirely for Own Account. This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms, that the Purchased Stock to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement, or arrangement with any Person to sell, transfer, or grant participations to such Person or to any third Person, with respect to the Purchased Stock. The Purchaser has not been formed for the specific purpose of acquiring the Purchased Stock.

3.3 ~~Disclosure of Information~~. The Purchaser has had an opportunity to discuss the Company's business, management, financial affairs, and the terms and conditions of the offering of the Purchased Stock with the Company's management and has had an opportunity to review the Company's facilities. In addition, the Company has made available to the Purchaser all information and documents requested by the Purchaser. The foregoing, however, does not limit or modify the representations and warranties of the Company in ~~Section 2~~ of this Agreement or the right of the Purchaser to rely thereon.

3.4 Restricted Securities. The Purchaser understands that the Purchased Stock has not been, and will not be, registered under the Securities Act and State Securitities Law Lw, by reason of a specific exemption from the registration provisions of the Securities Act or State Securities Laws,which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Purchased Stock is a "restricted security" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Purchaser must hold the Purchased Stock indefinitely unless it is registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Purchaser acknowledges that the Company has no obligation to register or qualify the Purchased Stock. The Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements, including, but not limited to, the time and manner of sale, the holding period for the Purchased Stock, and on requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

3.5 No Public Market. The Purchaser understands that no public market now exists for the Purchased Stock, and that the Company has made no assurances that a public market will ever exist for the Purchased Stock.

3.6 Legends. The Purchaser understands that, if certificated the Purchased Stock may bear one or all of the following legends:

(a) "THE STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE STOCKHOLDERS AGREEMENT BY AND AMONG THE STOCKHOLDERS OF THE COMPANY, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, GIFT, PLEDGE, ENCUMBRANCE, HYPOTHECATION, OR OTHER DISPOSITION OF THE STOCK REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH STOCKHOLDERS AGREEMENT.

THE STOCK REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, GIFTED, PLEDGED, ENCUMBERED, HYPOTHECATED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER."

(b) Any legend set forth in, or required by, the other Transaction Agreements; and

(c) Any legend required by the securities laws of any state to the extent such laws are applicable to the Purchased Stock represented by the certificate so legended.

3.7 Accredited Investor. The Purchaser is an "accredited investor," as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.8 No General Solicitation. Neither the Purchaser, nor any of its equity holders, directors, managers, officers, employees, agents, or partners has either directly or indirectly, including through a broker or finder, (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Purchased Stock.

3.9 Residence. The address of the principal place of business of the Purchaser is set forth on the signature page hereto.

3.10 Cannabis Activity. The Purchaser acknowledges that (i) cannabis and THC-related products are identified as a Schedule I Drug under the United States Controlled Substances Act and are therefore illegal under federal law, and that the Company's business is directly or indirectly engaging in, the cultivation, manufacture, distribution, processing, and/or transportation of cannabis, (ii) activities relating to cannabis are highly regulated in jurisdictions which provide a regulatory structure for the legal (for their jurisdiction) ownership and operation of a business operating in the cannabis business, and (iii) certain regulations may require disclosure of personal information about the owners of, and others with a financial interest in, a cannabis business.

3.11 ~~Litigation~~. There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to the Purchaser's Knowledge, currently threatened in writing or verbally (a) against the Purchaser or any officer or Director of the Purchaser arising out of their employment or managerial relationship with the Purchaser; (b) that questions the validity of the Transaction Agreements

or the right of the Purchaser to enter into or to consummate the transactions contemplated by the Transaction Agreements; or (c) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither the Purchaser, nor any of its officers or Directors is a party or is named as subject to the provisions of any order, writ, injunction, judgment, or decree of any court or government agency or instrumentality (in the case of officers or Directors, such as would affect the Purchaser). There is no action, suit, proceeding, or investigation by the Purchaser pending or which the Purchaser intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings, or investigations pending or threatened in writing (or any basis therefor to the Purchaser's Knowledge) involving the prior employment of any of the Purchaser's employees, their services provided in connection with the Purchaser's business, any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

3.12 Confidentiality of Company's Documents. If the transactions contemplated by this Agreement shall not be consummated, confidence shall be maintained and, upon written request from the Company to Purchaser, all documents furnished to Purchaser in connection with the Agreement shall immediately be returned to the Party which furnished the particular document to Purchaser.

3.13 ~~Financial Capacity~~. At the Closing, Purchaser will have sufficient capitalization and the financial ability to perform fully its obligations under this Agreement.

3.14 Indebtedness. Purchaser has no Knowledge of any past, current, or pending indebtedness that would prevent Purchaser from fully performing its payment obligations under this Agreement. The Purchaser is current on all payment of all its existing indebtedness and the Purchaser has no Knowledge of any current or pending defaults under any of its indebtedness.

3.15 ~~Company Permits~~. Purchaser represents that Purchaser knows of no reason that Purchaser will not qualify for the Company Permits.

3.16 Disclosure. The Purchaser has made available to the Company all the information reasonably available to the Purchaser that the Company has requested for deciding whether to acquire the Purchased Stock. It is understood that this representation is qualified by the fact that the Purchaser has not delivered to the Company, and has not been requested to any written disclosure of the types of information customarily furnished to the seller of securities.

4. Conditions to the Purchaser's Obligations at Closing. The obligation of the Purchaser to purchase the Purchased Stock at the Closing is subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Section 2 shall be true and correct in all respects as of the Closing.

4.2 Performance. The Company shall have performed and complied with all covenants, agreements, obligations, and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before the Closing.

4.3 ~~Qualifications~~. All authorizations, approvals or permits of any Governmental Authority of the United States or of any state that are required in connection with the lawful issuance and sale of the Purchased Stock pursuant to this Agreement including, without limitation, the CRC Approval, shall be obtained and effective as of the Closing.

4.4 Stockholders' Agreement. The Company and its Stockholders shall have executed the Stockholders' Agreement on or prior to the Closing, which shall continue to be in full force and effect as of the Closing.

4.5 Proceedings and Documents. All company and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchaser, and the Purchaser (or its counsel) shall have received all such counterpart original and certified or other copies of such documents as reasonably requested. Such documents shall include a good standing certificate for the Company.

5. Conditions of the Company's Obligations at Closing. The obligations of the Company to sell the Purchased Stock to the Purchaser at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

5.1 Representations and Warranties. The representations and warranties of the Purchaser contained in Section 3 shall be true and correct in all respects as of the Closing.

5.2 Performance. The Purchaser shall have performed and complied with all covenants, agreements, obligations, and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

5.3 Qualifications. All authorizations, approvals or permits of any Governmental Authority of the United States or of any state that are required in connection with the lawful issuance and sale of the Purchased Stock pursuant to this Agreement including, without limitation, the CRC Approval, shall be obtained and effective as of the Closing.

5.4 Transaction Agreements. The Purchaser shall have executed and delivered the Transaction Agreements.

6. Miscellaneous.

6.1 ~~Survival of Warranties~~. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and the Purchaser contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of the Purchaser or the Company.

6.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the Parties hereto, whether by operation of law or otherwise; provided, however, that upon notice to the Seller and without releasing Buyer from any of its obligations or liabilities hereunder Purchaser may assign or delegate any or all of its rights or obligations under this Agreement to any Affiliate of Purchaser or any Person with or into which Purchaser or any parent company of Purchaser merges or consolidates. In the event of such an assignment, the provisions of this Agreement shall inure to the benefit of and be binding on the Parties. Any attempted assignment in violation of this Section 6.2 shall be null and void.

6.3 Governing Law. This Agreement is governed by and will be construed, interpreted and enforced in accordance with the laws of the State of New Jersey without giving effect to any choice or conflict of law provision or rule. Each Party agrees and acknowledges that it is not making, will not make, nor shall be deemed to make or have made, any representation or warranty of any kind regarding the compliance of this Agreement with any Federal Cannabis Laws (as defined below). Neither Party shall have any right of rescission, to declare a breach or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws unless such non-compliance also constitutes a violation of

applicable state law. "~~Federal Cannabis Laws~~" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale or possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960, and the regulations and rules promulgated under any of the foregoing.

6.4 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.5 ~~Interpretation~~. This Agreement may be executed and delivered in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. The headings of this Agreement are for convenience of reference only and are not part of the substance of this Agreement. Whenever used in this Agreement the singular shall include the plural, and vice versa, and the use of any gender shall include all genders and the neuter, whenever appropriate. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties hereto and their respective successors and assigns any rights, remedies, obligation or liabilities under or by reason of this Agreement. No provision of this document is to be interpreted for or against any Party because that Party or Party's legal representative drafted it. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

6.6 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective Parties at their address as set forth on the signature page, or to such e-mail address or address as subsequently modified by written notice given in accordance with this ~~Section 6.6~~. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Stuart H. Sorkin, Business and Legal Advisors, LLC, 7811 Montrose Road Suite 500, Potomac, Maryland 20816 (stuart@businessandlegaladvisors.com), and if notice is given to the Purchaser, a copy (which copy shall not constitute notice) shall also be given to Greenspoon Marder LLP, 227 West Monroe Street, Suite 3950, Chicago, IL 60606, Attn: Irina Dashevsky, Esq. (irina.dashevsky@gmlaw.com).

6.7 No Finder's Fees or Commissions. Except as set forth in Section of the Disclsoure Schedule, each Party represents that, in connection with the Company or this transaction, it neither is nor will be obligated for any finder's fee, commission or any other payment or compensation in the form of equity or any other interest in the Company (collectively, a "Transaction Payment"). The Purchaser agrees to indemnify and to hold harmless the Company from any liability for any Transaction Payment (and the costs and expenses of defending against such liability or asserted liability) for which the Purchaser or any of its officers, members, stockholders, directors, managers, employees, or representatives is responsible. The Company agrees to indemnify and hold harmless the Purchaser from any liability for any Transaction Payment (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, members, stockholders, directors, managers, employees or representatives is responsible.

6.8 Fees and Expenses. Each Party shall be responsible for the payment of any and all fees and expenses incurred by such Party in connection with this Agreement and the transactions contemplated hereby.

6.9 Attorneys' Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing Party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such Party may be entitled, provided, however, if a decision is partially in favor of both Parties, then the Parties will each pay a pro rata portion of the costs and expenses based upon such partial award.

6.10 ~~Amendments and Waivers~~. Any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the Purchaser. Any amendment or waiver effected in accordance with this Section 6.10 shall be binding upon the Purchaser and each transferee of the Purchased Stock, each future holder of all such securities, and the Company. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

6.11 Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or incapable of being enforced under any rule of applicable law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein are consummated as originally contemplated to the fullest extent possible.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement upon any breach or default of any other Party under this Agreement shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not

alternative. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence. Whenever a period of time is herein prescribed for action to be taken by either Party, such Party shall not be in default or incur any liability to the other Party for any losses or damages of any nature for any failure or delay in the performance of their obligations under this Agreement arising out of or caused by, directly or indirectly due to epidemics/pandemics (including COVID-19); quarantines; governmental declaration(s) of emergency; closings of or delays in related government and business services such as land records, lenders and title/escrow, strikes, riots, acts of God, war or any other causes of any kind which are beyond the reasonable control of such Party (collectively "Unforeseeable Event**")**.

6.13 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties are expressly canceled.

6.14 Termination of Closing Obligations. The Purchaser shall have the right to terminate its obligations to complete the Closing, if prior to the occurrence thereof, the ~~Company applies for or consents to~~ the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (ii) becomes subject to the appointment of a receiver, trustee, custodian or liquidator of itself or substantially all of its property, (iii) makes an assignment for the benefit of creditors, (iv) institutes any proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, or files a petition or answer seeking reorganization or an arrangement with creditors to take advantage of any insolvency law, or files an answer admitting the material allegations of a bankruptcy, reorganization or insolvency petition filed against it, or (v) becomes subject to any involuntary proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, which proceeding is not dismissed within thirty (30) days of filing, or have an order for relief entered against it in any proceedings under the United States Bankruptcy Code.

6.15 ~~Dispute Resolution~~.

(a) In the event of any dispute or disagreement between the Parties as to the interpretation of any provision of this Note, the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement. If the Parties do not resolve such dispute or disagreement within thirty (30) calendar days, each Party shall be free to exercise the remedies available to it specifically provided by this Note.

(b) The Parties agree that jurisdiction and venue in any action brought by any Party pursuant to this Note shall properly and exclusively lie in any state court located in the State of New Jersey, County of Gloucester. By execution and delivery of this Note, each Party irrevocably submits to the jurisdiction of such courts for itself and in respect of its property with respect to such action. The Parties irrevocably agree that venue would be proper in any such court, and hereby waive any objection that any such court is an improper or inconvenient forum for the resolution of such action. The Parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court shall constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS NOTE OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING.

6.16 Limitation of Liability. Notwithstanding any provision of this Agreement to the contrary, neither Party will be entitled in connection with any breach or violation of this Agreement to recover any punitive, exemplary or other special damages or any indirect, incidental or consequential damages, including without limitation damages relating to loss of profit, business opportunity or business reputation, except in each case if and to the extent such damages are claimed by a third party in connection with a matter that is the subject of an indemnification claim asserted under this Agreement. Each Party, as a material inducement to the other Party to enter into and perform its obligations under this Agreement, hereby expressly waives its right to assert any claim relating to such damages and agrees not to seek to recover such damages in connection with any claim, action, suit or proceeding relating to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of the Company.

6.17 ~~Further Assurances~~. Each Party agrees to execute and deliver, after the date hereof, without additional consideration, such further assurances, instruments and documents, and to take such further actions, as the other Party may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby.

6.18 Public Announcements. Neither Party nor any of its Affiliates or representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or otherwise communicate with the media, concerning the existence of this Agreement or the subject matter hereof, without the prior written approval of the other Party (which shall not be unreasonably withheld, conditioned or delayed), except if and to the extent that such Party is required to make any public disclosure or filing regarding the subject matter of this Agreement (i) by Applicable Law, (ii) pursuant to any rules or regulations of any securities exchange on which the securities of such Party or any of its Affiliates are listed or traded, or (iii) in connection with enforcing its rights under this Agreement.

[Remainder of Page Left Blank – Signatures Follow]

IN WITNESS WHEREOF, the Parties have executed this Stock Purchase Agreement as of the date first written above.

COMPANY:

ABCO GARDEN STATE LLC,
a New Jersey limited liability company

By: _____
Name: Caitlin Blackwell
Title: Director

Address: 5 N. Cambridge Ave.
Ventnor, NJ 08406
Email: ~~cateblackwell@gmail.com~~

PURCHASER:

GROWN ROGUE UNLIMITED, LLC,
an Oregon limited liability company

By: _____
Name: J. Obie Strickler
Title: Director

Address: 550 Airport Road
Medford, OR 97501
Email: obie@grownrogue.com

[Signature Page to Stock Purchase Agreement]

EXHIBIT A

~~Stockholders' Agreement of ABCO Garden State LLC~~

[Attached]

Execution Version

STOCKHOLDERS' AGREEMENT
OF
ABCO GARDEN STATE LLC

This STOCKHOLDERS' AGREEMENT ("~~Agreement~~") of ABCO Garden State LLC, a New Jersey limited liability company (the "~~Company~~"), is entered into as of _____ __, 20__ (the "Effective Date"), by and among the Company and the Parties are set forth on Schedule 1 to this Agreement (the "Stockholders Schedule") (each, a "Stockholder" and collectively, the "Stockholders"). The Company and the Stockholders are collectively referred to as "Parties" and in the singular "Party".

RECITALS

A. The then-existing members have previously entered into that certain Operating Agreement for ABCO Garden State LLC, dated as of March 25, 2023 (the "Previous Agreement").

B. The then-existing members have determined it is in the best interest of the Company to elect for the Company to be taxed as a C corporation by filing IRS Form 8832 on _____ __, 20__ ("Election").

C. The Company and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "Investor Stockholder") have heretofore entered into that certain Stock Purchase Agreement, dated as of _____ __, 20__ (together with any purchase agreement subsequently entered into by the Company and the Investor Stockholder, the "Purchase Agreement"), pursuant to which the Company is issuing and selling to the Investor Stockholder Voting Stock (as defined below) in the Company which shall represent forty-nine percent (49%) of the Company's issued and outstanding Stock (as defined below) on a fully diluted basis (together with any Stock subsequently purchased by the Investor Stockholder, the "Purchased Stock").

D. The Stockholders desire to enter into this Agreement to amend and restate the Previous Agreement, to provide for the management of the business and affairs of the Company and to define the rights and obligations of the Stockholders.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and representations set forth herein, and intending to be legally bound, the Parties hereto set forth the agreement for the Company under the laws of the State of New Jersey upon the terms and subject to the conditions of this Agreement.

ARTICLE 1
DEFINITIONS

The following terms shall have the meanings set forth below for purposes of this Agreement:

"Accounting Period" shall mean, for the first Accounting Period, the period commencing on the Effective Date and ending on the next Adjustment Date; and for each subsequent Accounting Period shall mean the period commencing on the day after an Adjustment Date and ending on the next Adjustment Date; provided, ~~however~~, that an Accounting Period shall end and a new Accounting Period shall commence on any date on which an Additional Stockholder or Substitute Stockholder is admitted to the Company or a Stockholder ceases to be a Stockholder for any reason.

"Act" shall mean, as applicable, the New Jersey Revised Uniform Limited Liability Company Act, as amended from time to time prior to the date of Election, or the New Jersey Business Corporation Act, as amended from time to time after the date of Election.

"~~Additional Stockholder~~" shall mean any Person who has been admitted to all the rights of a Stockholder pursuant to ~~Section 4.2~~ of this Agreement.

"Adjustment Date" shall mean the last day of each Fiscal Year or any other date that the Board determines to be appropriate for an interim closing of the Company's books.

"Affected Stockholder" shall mean, as applicable, (i) in connection with an Uncured Regulatory Problem, a Stockholder for which an Uncured Regulatory Problem exists (or might reasonably be expected to exist); (ii) in connection with a Financial Action, a Stockholder that is the subject of a Financial Action; and (iii) in connection with a Divorce Action, a Stockholder that is the subject of a Divorce Action, provided, however, in the event that the equity owner of CMB INVESTCO 609 LLC shall divorce, then Quinn Blackwell shall have a first right to purchase CMB INVESTCO 609 LLC and become the owner of CMB INVESTCO 609 LLC and the Company and the Stockholders acknowledge and agree that they shall approve him as a Substitute Stockholder pursuant to Section 4.4.

"Affiliate" shall mean, with respect to any specified Person, (a) any other Person directly or indirectly controlling, controlled by or under common control with such specified Person; or (b) with respect to any natural person, any Family Member or any partnership or trust established for the benefit of a Family Member so long as such entity is controlled by the transferring Stockholder. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Stockholders' Agreement, as amended from time to time.

"Annual Budget" shall have the meaning given to such term in Section 4.15.3.

"Applicable Law" shall mean all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority, in each case, including, without limitation, Regulatory Laws. For purposes of this Agreement, Applicable Law does not include the Controlled Substances Act, 21 U.S.C. §§ 801, et. seq. or any other federal law or regulation concerning marijuana.

"Assignee" shall mean a Transferee of Stock who has not been admitted as a Substitute Stockholder. An Assignee of Stock shall be deemed to be a holder of Non-Voting Stock only, and as such, shall have no right to vote on, consent to, approve, or participate in the determination of any matter, or to otherwise participate in the management of the business and affairs of the Company or to become a Stockholder. An Assignee is only entitled to receive distributions attributable to the Non-Voting Stock transferred to the Assignee.

"Bankruptcy" shall mean, with respect to any Person: (a) that a petition has been filed by or against such Person as a "debtor" and the adjudication of such Person as bankrupt under the provisions of the bankruptcy laws of the United States of America has commenced and, in the case of an involuntary bankruptcy, such petition shall not have been dismissed within sixty (60) calendar days from the date of filing; (b) that such Person has made an assignment for the benefit of its creditors generally; (c) that a receiver has been appointed for substantially all of the property and assets of such Person; or (d) the voluntary or involuntary acceleration of any Indebtedness of such Person.

"Board" shall have the meaning given to such term in Section 6.1.

"Book Value" shall mean, with respect to any asset of the Company, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Book Value of any asset contributed by a Stockholder to the Company shall be such asset's gross fair market value at the time of such contribution, as determined by the Board;

(b) The Book Value shall be adjusted in the same manner as would the asset's adjusted basis for federal income tax purposes, except that the depreciation deduction taken into account each Period for purposes of adjusting the Book Value of an asset shall be the amount of Depreciation with respect to such asset taken into account for purposes of computing Taxable Income (Loss) for the Period;

(c) The Book Value of any asset distributed to a Stockholder by the Company shall be such asset's gross fair market value at the time of such distribution, as determined by the Board; and

"Bring-Along Sale" shall have the meaning given to such term in ~~Section 12.4.1~~.

"Bring-Along Stock" shall have the meaning given to such term in ~~Section 12.4.1~~.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New Jersey are authorized or obligated by law or executive order to close.

"Buyer" shall have the meaning given to such term in Section 12.4.1.

"Call FMV" means the fair market value of the Company calculated in accordance with Section 12.7 or the mutually agreed to price at which the Investor Stockholder having all relevant knowledge would purchase, and another Stockholder would sell, the Company, taken as a whole, in an arm's length transaction (including any cash or cash equivalents held by the Company, but net of any Indebtedness), as a going concern as of the date of determination in an orderly sale transaction, based on standard valuation techniques, including discounted cash flows, valuation of comparable companies, and comparable transactions (a) taking into account the expected amount of distributions to be made to the Stockholders prior to consummation of the sale of the applicable Stock, (b) assuming that any Additional Stock Payments theretofore required to be funded have been funded prior to the time of the valuation (and then backed out, as applicable) and (c) without regard to (i) any compulsion to sell or the impact of an immediate sale, (ii) the presence or absence of a market, or (iii) any discount or premium from differences in the Stockholders' proportionate Stock.

"Cash Available for Distribution" shall mean the gross cash proceeds from Company operations (including sales and dispositions of Company assets in the ordinary course of business) less the portion thereof used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements and contingencies, all as determined by the Board. Cash Available for Distribution shall not include cash proceeds from any other sources, including, but not limited to, sales and dispositions of Company assets other than in the ordinary course of business.

"Cause" with respect to a Director shall mean (a) the reasonable determination by unanimous vote of the other Directors that such Director has willfully and materially breached this Agreement and failed to cure such breach within thirty (30) days following written notice thereof, to the extent such breach is capable of being cured; (b) commission or omission of any act constituting fraud or embezzlement in respect of the Company as determined by a judgment by any court or governmental body of competent jurisdiction; or (c) the Disability of such Director.

"Certificate" shall mean the Certificate of Formation of the Company originally filed with the Secretary of State of the State of New Jersey, as the same may be amended from time to time.

"Co-Sale Notice" shall have the meaning given to such term in Section 12.2.2.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Company" shall have the meaning given to such term in the preamble.

"Confidential Information" shall have the meaning given to such term in Section 9.3.

"Convertible Securities" shall mean equity interests, evidences of Indebtedness or other securities that are at any time directly or indirectly convertible into or exchangeable for Stock.

"Covered Person" shall mean (i) any Stockholder, any Affiliate of a Stockholder, any officers, directors, trustees, shareholders, members, managers, beneficiaries, partners, employees, representatives or agents of the Company, any Stockholder or their respective Affiliates, or (ii) any Person who is elected to serve as a Director.

"CRC" means the New Jersey Cannabis Regulatory Commission.

"~~Deemed Liquidation Event~~" shall mean (a) a sale, lease or other transfer of all or substantially all of the assets of the Company, (b) a reorganization, merger or consolidation of the Company with or into any other limited liability company or entity, or an acquisition of the Company effected by an exchange of outstanding securities of the Company, in which transaction the Company's Stockholders immediately prior to such transaction own immediately after such transaction less than Fifty Percent (50%) of the equity securities of the surviving limited liability company or entity (or its parent), (c) any sale of voting control or other transaction similar to those described in clause (b) above following which the Stockholders immediately prior to such transaction no longer hold effective control of the Company following such transaction, whether through voting power, ownership, ability to elect Board, or otherwise or (d) liquidation, dissolution, shut down, cessation of business, whether voluntary or involuntary or other winding up of the Company. For the avoidance of doubt, a Bring-Along Sale shall be deemed a Deemed Liquidation Event

"Depreciation" shall mean an amount equal to the depreciation, amortization or other cost-recovery deduction allowable with respect to an asset for the Period, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of the Period, Depreciation will be an amount which bears the same ratio to the beginning Book Value as the Federal income tax depreciation, amortization or other cost-recovery deduction for the Period bears to the beginning adjusted tax basis; provided, however, that if the Federal income tax depreciation, amortization or other cost-recovery deduction for the Period is zero, Depreciation will be determined by reference to the beginning Book Value using any reasonable method selected by the Board.

"Director" shall have the meaning given to such term in Section 6.1.

"Directors Schedule" shall have the meaning given to such term in Section 6.2.

"Disability" with respect to a Director shall mean such Director's (i) Incapacity, or (ii) his or her reasonably documented physical or mental illness that is reasonably expected to prevent him or her from performing his or her duties for more than 180 days out of any 365-day period.

"Disassociated Stockholder" shall mean a Stockholder who has ceased to be a Stockholder as a result of such Stockholder's death.

"Dissolution" of a Stockholder which is not a natural person shall mean that such Stockholder, whether partnership, limited liability company or corporation, has terminated its existence, wound up its affairs and dissolved; provided, however, that a change in the ownership of any Stockholder that is a partnership or limited liability company shall not be deemed or constitute a "~~Dissolution~~" hereunder, whether or not the Stockholder is deemed technically dissolved for partnership or limited liability company law purposes, so long as the business of the Stockholder is continued.

"Divorce" shall mean any legal proceeding to terminate, dissolve, or separate the Marital Relationship of a Stockholder, and includes an action for annulment, legal separation, or similar proceeding that involves a judicial division of community or quasi-community property of the Stockholder and the Stockholder's Spouse.

"Divorce Action" shall mean a property settlement in a Divorce proceeding or the Marital Relationship of a Stockholder terminating by Divorce or death of the Stockholder's Spouse, in each case where the Stockholder does not succeed to all of the Spouse's interest in the Stock held by the Stockholder at such time.

"Effective Date" shall have the meaning given to such term in the Recitals.

"Encumbrances" shall mean any liens, claims, mortgages, pledges, charges, security interests, title defects, objections, encumbrances, leases, options to purchase, rights of first refusal, material restrictions or adverse claims of any nature whatsoever.

"Equity Incentive Plan" shall mean an equity incentive plan or plans to be adopted following the Effective Date upon the approval of the Board, which plan or plans shall provide that the Company may grant, sell or otherwise transfer Stock.

"Fair Market Value" shall mean the value that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm's length transaction, as determined in good faith by the Board including the Investor Director based on such factors as the Board, in the exercise of its reasonable business judgment, considers relevant.

"Family Member" shall mean a parent, spouse, any natural or adoptive sibling or any spouse thereof, and any direct lineal descendant (natural or adoptive) of any of the foregoing.

"Financial Action" shall mean the Dissolution of a Stockholder, a Stockholder being subject to a Bankruptcy Action or court order or mandate of any kind under any other circumstances whereby a Stockholder would be deprived of such Stockholder's ownership of its Stock on an involuntary basis, including without limitation on account of the foreclosure of any pledge with respect to such Stock.

"Fiscal Year" shall mean the Company's fiscal year as determined by the Board from time to time, which shall originally be the calendar year (except as otherwise required by law), and any partial year with respect to the fiscal years in which the Company is organized and dissolved or terminated.

"Founding Director" shall have the meaning given to such term in Section 6.1.

"Governmental Authority" shall mean any federal, state, local or foreign government or political subdivision thereof, or any agency, board, official or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction including, without limitation, any Regulatory Authority.

"Incapacity" or "Incapacitated" shall mean (a) with respect to any individual, the entry of a court order declaring such individual legally incompetent or incapable of handling his affairs, the appointment by court order of a guardian or conservator for such individual upon an adjudication of such individual's incompetence or his death or (b) with respect to any other Person, the dissolution or termination of such Person (other than by merger or consolidation).

"Indebtedness" shall mean all (a) obligations for borrowed money, (b) notes, bonds, debentures, mortgages and similar obligations, (c) guaranties and contingent obligations for the debts or obligations of another Person, (d) obligations in respect of letters of credit, bonds, guaranties, reimbursement agreements and similar instruments, (e) obligations in respect of futures contracts, forward contracts, swaps, options or similar arrangements, and (f) off-balance sheet financing transactions.

"Initial Stockholders" means CMB INVESTCO 609 LLC and GARDEN STATE GOLD 609 LLC.

"Investor Director" shall have the meaning given to such term in Section 6.1.

"Investor Stockholder" shall have the meaning given to such term in the Recitals.

"Involuntary Transfer" shall mean any actual or potential Transfer of Stock in connection with (a) an Uncured Regulatory Problem, (b) a Financial Action, or (c) a Divorce Action.

"Joinder Agreement" shall have the meaning given to such term in Section 4.2.

"Majority-in-Interest" shall mean, with respect to Stockholder(s), that such Stockholder(s) hold(s) in the aggregate more than fifty percent (50%) of the issued and outstanding Stock.

"Marital Relationship" shall mean a civil union, registered domestic partnership, marriage, or any other similar relationship that is legally recognized in any jurisdiction.

"Non-Voting Stock" shall mean the Company's non-voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company on a pro-rata basis of the number of shares of Non-Voting Stock divided by the total amount of issued and outstanding Stock and any other rights, duties and obligations of a Stockholder who holds Non-Voting Stock as described in the Company's organizational documents or this Agreement, but shall not include any other rights of a Stockholder, including, without limitation, the right to vote or participate in management of the Company or, except as required by the Act, to receive information concerning the Company.

"~~Permitted Transfer~~" shall mean any Transfer of Stock (i) to an Affiliate of such Stockholder, (ii) upon the death of a Stockholder who is a natural person, pursuant to testament or the laws of descent and distribution, (iii) in connection with the consummation of the transactions contemplated by the Purchase Agreement, or (iv) otherwise approved by the Board, including the Investor Director.

"Person" shall mean a natural person, partnership (whether general or limited and whether domestic or foreign), limited liability company, foreign limited liability company, trust, estate, association, corporation, custodian, nominee or any other individual or entity in its own or representative capacity.

"Previous Agreement" shall have the meaning given to such term in the Recitals.

"Proposed Transferee" shall have the meaning given to such term in Section 12.1.1.

"Purchase Agreement" shall have the meaning given to such term in the Recitals.

"Regulatory Authority" shall mean those Governmental Authorities responsible for or involved in the regulation of the testing, analysis, quality control, cultivation, sale, distribution, import and/or export of, and all other matters and activities with respect to, marijuana and tetrahydrocannabinols in any jurisdiction.

"Regulatory Laws" shall mean those laws and the rules, regulations, policies or orders (to the extent they have the force of law) promulgated by any Regulatory Authority under such laws.

"Regulatory License" shall mean all licenses, permits, approvals, authorizations, registrations, findings of suitability, franchises and entitlements issued by any Regulatory Authority necessary for the lawful conduct of activities by the Company under Regulatory Laws.

"Regulatory Problem" shall mean (a) a determination by any Regulatory Authority that any Stockholder or Director of the Company does not satisfy any suitability, eligibility or other qualification criteria pursuant to any applicable Regulatory Laws with respect to a Regulatory License, including any character or suitability criteria thereunder; (b) a determination by any Regulatory Authority that a Stockholder or Director must divest itself of any direct or indirect interest in, or disassociate itself from the Company or any Stockholder, or any of their respective Affiliates; (c) the failure by any Stockholder or Director to promptly provide all information or signatures required or requested by any Regulatory Authority of said Stockholder or Director, or (d) circumstances exist such that any Stockholder or Director is deemed likely, in the reasonable discretion of the Board (excluding the affected Director, if applicable), based on verifiable information received from any Regulatory Authority or otherwise, to preclude or materially delay, impede or impair the ability of the Company to conduct its business or obtain, retain or renew a Regulatory License, or may result in the imposition of materially burdensome terms and conditions on, or the revocation or suspension of, such Regulatory License. For the avoidance of doubt, the imposition of monetary fines by a Regulatory Authority will not generally constitute a "Regulatory Problem" unless accompanied by one of the four (4) factors set forth in the preceding sentence.

"~~Remaining Stock~~" shall have the meaning given to such term in Section 12.1.3.

"Representative" shall mean, with respect to any Person, any and all managers, directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person

"Right of Co-Sale" shall have the meaning given to such term in Section 12.2.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Spousal Consent" shall have the meaning given to such term in Section 13.13.2.

"Spouse" shall mean a spouse, a party to a civil union, a registered domestic partner, a same-sex spouse or partner, or any person in a Marital Relationship with a Stockholder.

"Stockholder" shall mean each Stockholder who is a signatory hereto as of the Effective Date, any Substitute Stockholder and any Additional Stockholder admitted pursuant to this Agreement, but does not include Assignees.

"Stock" shall mean all of the Voting Stock and Non-Voting Stock which is either authorized or issued and outstanding as the context requires and includes any class of stock subsequently established by this Agreement.

"Stockholder Percentage Interest" shall mean with respect to a Stockholder at any time with the number of issued and outstanding shares held by each Stockholder over the total number of issued and outstanding shares of the Company held by all Stockholders, The Stockholder Percentage Interests of all Stockholders shall at all times equal one hundred percent (100%).

"Stock Purchase Price" of the Stock shall mean that amount of cash and/or the agreed upon net value of other property actually paid by such Stockholder to the Company for the issuance of such Stock.

"Stock Sale Election Period" shall have the meaning given to such term in Section 12.5.2.

"Stock Sale Notice" shall have the meaning given to such term in Section 12.5.2.

"Stockholders Schedule" shall have the meaning given to such term in the Recitals.

"Subsidiary" shall mean any corporation, partnership, joint venture, limited liability company, or other entity in which the Company either, directly or indirectly, owns capital stock or is a partner or is in some other manner affiliated through an investment or participation in the equity of such entity.

"Substitute Stockholder" shall mean an Assignee who has been admitted to all the rights of a Stockholder pursuant to this Agreement.

"Supermajority-in-Interest of the Stockholders" shall mean Stockholders holding in the aggregate sixty-six and two-thirds percent (66 2/3 %) or more of the issued and outstanding Stock entitled to vote.

"Taxable Income (Loss)" shall mean, for any period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with the Code.

"Transfer" shall mean to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Stock owned by a Person or any interest (including a beneficial interest) in any Stock owned by a Person. "Transfer" when used as a noun shall have a correlative meaning. "Transferor" and "Transferee" mean a Person who makes or receives a Transfer, respectively.

"Transfer Notice" shall have the meaning given to such term in Section 12.1.1.

"Transferring Stockholder" shall have the meaning given to such term in Section 12.1.

"Uncured Regulatory Problem" shall have the meaning given to such term in Section 4.9.

"Voting Stock" shall mean the Company's voting common stock where such Stockholder who has a right to receive dividends and other distributions from the Company on a pro-rata basis of the number of shares of Voting Stock divided by the total amount of issued and outstanding Stock vote on all actions requiring a vote of the Stockholders based upon the number of shares of Voting Stock divided by the total amount of issued and outstanding Voting Stock, and any other rights, duties and obligations of a Stockholder who holds Voting Stock as described in the Company's organizational documents or this Agreement.

ARTICLE 2
FORMATION AND CONTINUATION OF COMPANY

2.1 Formation and Continuation. The Company was formed as a limited liability company pursuant to the provisions of the Act upon the filing of the Certificate with the Office of the Secretary of State of the State of New Jersey on April 12, 2021. The Board is hereby authorized to file and record any amendments to the Certificate and such other documents as may be required or appropriate under the Act or the laws of any other jurisdiction in which the Company may conduct business or own property. On _____, the Company has filed file IRS Form 8832, making an election to be taxed as a C corporation (the "Election").

2.2 Name; Principal Place of Business. Unless and until amended in accordance with this Agreement and the Act, the name of the Company will be "ABCO Garden State LLC." The principal place of business of the Company shall be 5 N. Cambridge Ave., Ventnor City, NJ 08406, or such other place or places as the Board from time to time determines.

2.3 ~~Agent for Service of Process~~. The Company's initial agent for service of process required by the Act is as set forth in the Certificate and may be changed if and as determined by the Board.

2.4 Business. Subject to Section 9.2, The purpose of the Company is to engage in any activity in which a limited liability company is permitted to engage in under the Act.

2.5 Tax Treatment. It is the intent of the Stockholders that the Company be operated in a manner consistent with its treatment as a "C corporation" for Federal income tax purposes. As such, the Company has elected out of pass-through partnership taxation and will be required to file and pay its own taxes, and all distributions from the Company to its Stockholders shall be treated as dividends. In addition, the Stockholders and the Company acknowledge and agree that since the Company has filed the Election prior to the date that the Purchased Stock is being issued to the Investor Stockholder, then the Purchased Stock and any subsequently issued stock shall be treated as originally issued stock pursuant to Code Section 1202.

2.6 Term. The term of the Company commenced upon the filing of the Certificate with the New Jersey Secretary of State and its existence shall be perpetual, unless its existence is sooner terminated pursuant to ARTICLE 10 of this Agreement.

ARTICLE 3
STOCK

3.1 ~~Generally~~. The Company shall be authorized to issue two (2) classes of Stock, Voting Stock and Non-Voting Stock. The Stock may be further subdivided in the Board's discretion into separate series or subclasses of Stock, with rights, preferences and privileges as set forth in this Agreement, an amendment to this Agreement or in a separate certificate of designations of the rights, preferences and privileges of such series or subclass of Stock duly adopted and unanimously approved by the Board and all Stockholders with applicable approval rights, each of which will be attached as an exhibit to this Agreement. Stock may be issued, as authorized by the Board, only in accordance with the terms of this Agreement. The names of the Stockholders and the Stock held by such Stockholders, among other things, shall be as set forth on the Stockholders Schedule, as such schedule may be amended from time to time in accordance with the terms of this Agreement.

3.2 Certificate of Stock. Unless the Board determines otherwise, the Stock shall not be certificated. In the event that Stock are certificated, such certificates shall, in addition to any other legend required by Applicable Law, bear a legend substantially in the following form:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE STOCKHOLDERS' AGREEMENT AMONG THE COMPANY AND ITS STOCKHOLDERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, GIFT, PLEDGE, ENCUMBRANCE, HYPOTHECATION, OR OTHER DISPOSITION OF THE STOCK REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH STOCKHOLDERS' AGREEMENT.

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, GIFTED, PLEDGED, ENCUMBERED, HYPOTHECATED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER.

ARTICLE 4
STOCKHOLDERS

4.1 ~~No Management or Control~~. Except as otherwise provided in this Agreement, no Stockholder shall, in its capacity as a Stockholder, take part in or interfere in any manner with the management of the business and affairs of the Company or have any right or authority to act for or bind the Company.

4.2 ~~Additional Stockholders~~. Additional Stockholders may be admitted to the Company upon the unanimous approval of the Board; ~~provided~~ that each such Person (a) shall execute a Joinder Agreement in the form attached as Exhibit A hereto ("Joinder Agreement") agreeing to be bound by the terms of this Agreement and any other agreements or instruments by which a Stockholder is bound, and (b) is qualified under applicable Regulatory Laws to possess an ownership interest in a cannabis business and its ownership of Stock does not create a Regulatory Problem.

4.3 ~~Restrictions on Transfers~~.

4.3.1 ~~General Restriction~~. Except with respect to Permitted Transfers or as otherwise provided in this Agreement, no Stockholder or Assignee shall Transfer its Stock, as applicable, whether in whole or in part, without the approval of the Board which shall include the Investor Director.

4.3.2 Requirements for Transfer. Notwithstanding ~~Section 4.3.1~~, no Transfer of Stock shall be permitted (regardless of whether the Board approves such a Transfer) if it would, or would reasonably be likely to:

(a) result in violation of Regulatory Laws or otherwise create a Regulatory Problem;

(b) result in violation of the Securities Act, any applicable state law or the applicable securities laws of any other jurisdiction;

(c) result in the Transfer of Stock of a Stockholder to a direct or indirect competitor of the Company as reasonably determined by the Board (provided that this Section 4.3.2(c) shall not apply to a Transfer by a Stockholder of all of such Stockholder's Stock in connection with a Deemed Liquidation Event);

(d) result in a violation of any other Applicable Law by the Stockholder, any other Stockholder, any Director or the Company; or

(e) cause the termination or dissolution of the Company.

4.3.3 ~~Transfers of Non-Voting Stock Only~~. In the event of any Transfer made in accordance with this ~~Section 4.3~~, to the extent the Transferor Transferred Voting Stock, the Transferee shall be deemed to receive only Non-Voting Stock, and the Transferee shall not have any right as a result of such Transfer to participate in the affairs of the Company as a Stockholder holding Voting Stock, unless such Transferee is admitted as a Stockholder holding Voting Stock in accordance with ~~Section 4.4~~.

4.3.4 Void Transfers. Any voluntary or involuntary Transfer in violation of this Section 4.3 or the requirements of ARTICLE 12 shall be null and void ab initio, and shall not operate to Transfer any portion of any Stock in the Company to the purported Transferee.

4.4 ~~Admission of Substitute Stockholders~~. An Assignee of Stock shall be admitted as a Substitute Stockholder only upon the unanimous approval of the Board and execution of a Joinder Agreement. If so admitted, the Substitute Stockholder shall have all the rights and powers, and shall be subject to all the restrictions and liabilities of, the Stockholder who assigned such Stock to the extent that such rights powers, restrictions and liabilities resulted from such assigning Stockholder's ownership of the assigned Stock. The admission of a Substitute Stockholder shall not release any Stockholder who assigned such Stock from liabilities or obligations to the Company, the other Stockholders or any other Person that may have arisen prior to the Transfer.

4.5 Rights of Assignees. Unless an Assignee is admitted as a Substitute Stockholder, such Assignee shall be the holder only of Non-Voting Stock and, as such, shall have no right to vote on, consent to, approve or participate in the determination of any matter, or to otherwise participate in the management of the business and affairs of the Company or to become a Stockholder, which rights shall be retained by the Stockholder or Substitute Stockholder who Transferred the applicable Stock to the Assignee.

4.6 Resignation or Withdrawal of a Stockholder. Except as specifically provided in this Agreement, no Stockholder shall have the right to resign or withdraw from the Company or withdraw its interest in the capital of the Company; provided, however, that any Involuntary Transfer shall not be deemed a breach of this Section 4.6.

4.7 ~~Compliance with Regulatory Laws~~. Each Stockholder acknowledges that (i) cannabis and THC-related products are identified as a Schedule I Drug under the United States Controlled Substances Act, and that the Company's business is directly or indirectly engaging in, the cultivation, manufacture, distribution, processing, and/or transportation of cannabis, (ii) activities relating to cannabis are highly regulated in jurisdictions which provide a regulatory structure for the legal (for their jurisdiction) ownership and operation of a business operating in the cannabis business, and (iii) certain regulations may require disclosure of personal information about the owners of, and others with a financial interest in, a cannabis business. Each Stockholder agrees to comply with all Regulatory Laws and authorizes the Company to disclose such personal information of such Stockholder to such persons as the Board deems appropriate in furtherance of compliance with Regulatory Laws.

4.8 Affected Stockholders. If any Stockholder or Director becomes aware of the fact that such Stockholder or Director or another Stockholder or Director is an Affected Stockholder (whether as a result of a Regulatory Problem, a Financial Action or a Divorce Action), such Stockholder or Director shall provide prompt written notice of the relevant details to the Board and, as applicable, the Affected Stockholder.

4.9 Regulatory Problems. In the event that a Stockholder shall experience a Regulatory Problem which causes such Stockholder to become an Affected Stockholder, the Affected Stockholder shall promptly take all actions necessary or advisable to eliminate, terminate, discontinue or otherwise cure the Regulatory Problem within ninety (90) days (or such shorter period of time as may be required by Regulatory Law or Regulatory Authorities), including: (i) terminating the activity, relationship or other circumstances giving rise to the Regulatory Problem; (ii) effecting the Transfer of its Stock as permitted hereunder in accordance with Section 4.10; (iii) immediately providing the applicable Regulatory Authority with all information required or requested of the Affected Stockholder; and (iv) taking all other actions as may be necessary or appropriate to remedy the Regulatory Problem. If the foregoing are not able to resolve the Regulatory Problem within such period (such Regulatory Problem, an "~~Uncured Regulatory Problem~~"), then the Affected Stockholder's Stock shall be Transferred or otherwise redeemed in accordance with the applicable terms and provisions of Section 4.10.

4.10 Involuntary Transfer; Repurchase Rights. Notwithstanding anything to the contrary in this Agreement, subject to Applicable Law:

4.10.1 Upon the occurrence of any Involuntary Transfer (whether an Uncured Regulatory Problem, Financial Action or Divorce Action), the Affected Stockholder and/or, as applicable, his/her Spouse or other holder of Stock, if any, shall be deemed an Assignee hereunder, and the Board shall take such actions as it deems reasonably necessary to effectuate the provisions of this Section 4.10.1. Notwithstanding anything to the contrary, Transfers in connection with an Involuntary Transfer shall not be subject to the provisions of ~~ARTICLE 12~~.

4.10.2 In connection with a Divorce Action, (a) first, the Affected Stockholder shall have the right and option to repurchase all or any portion of the subject Stock, provided, however, in the event that the Divorce Action is regarding Caitlin Blackwell ownership of CMB INVESTCO 609 LLC, then Quinn Blackwell shall have the right to purchase all of the membership interests in CMB INVESTCO 609 LLC from Caitlan Blackwell and the Company and the Stockholders acknowledge and agree that they shall approve him as a Substitute Stockholder pursuant to ~~Section 4.4~~ and entitled to own the Stock, provided, he then meets the requirements of Section 4. 3.2, then (b) if and to the extent such Affected Stockholder does not elect to repurchase all of such Stock, the Company shall have the right and option to repurchase all or the remainder of the subject Stock, then, (c) if and to the extent the Company does not elect to repurchase all or the remainder of such Stock, the other Stockholders shall have the right and option to repurchase all or the remainder of the subject Stock on a *pro rata* basis, and then (d) if and to the extent the Stockholders do not elect to repurchase all or the remainder of such Stock, the Board shall have the right to assign to a third party selected by the Stock, the right to purchase all or the remainder of the subject Stock.

4.10.3 In connection with an Uncured Regulatory Problem or Financial Action, (a) first, the Company shall have the right and option to repurchase all or any portion of the subject Stock, provided, however, in the event that Uncured Regulatory Problem or Financial Action occurs regarding CMB INVESTCO 609 LLC, then Quinn Blackwell shall have right to purchase all of the membership interests in CMB INVESTCO 609 LLC from Caitlan Blackwell and the Stockholders acknowledge and agree that they shall approve him as a Substitute Stockholder pursuant to ~~Section 4.4~~ and he shall be entitled to own the Stock, provided, he then meets the requirements of Section 4.3.2 then, (b) if applicable, if and to the extent Quinn Blackwell does not elect to repurchase all of such Stock, the Company shall have the right and option to repurchase all or the remainder of the subject Stock, then (c) if and to the extent the Company does not elect to repurchase all of such Stock, the other Stockholders shall have the right and option to repurchase all or the remainder of the subject Stock on a *pro rata* basis, and then (d) if and to the extent the Stockholders do not elect to repurchase all or the remainder of such Stock, the Board shall have the right to assign to a third party selected by the Board, the right to purchase all or the remainder of the subject Stock.

4.10.4 The purchase price for the subject Stock shall be (a) in connection with a Divorce Action, the lesser of the Fair Market Value and the price used to value the subject Stock in the Divorce, or (b) in connection with an Uncured Regulatory Problem, the Fair Market Value of the subject Stock, and (c) in connection with a Financial Action, the lesser of the Fair Market Value and the price used to value the subject Stock in the Financial Action. Within ten (10) days of a final determination of the Fair Market Value, the purchaser(s) of the subject Stock shall pay the purchase price thereof by, in the discretion of such purchaser(s) subject to Applicable Law, (x) offsetting and canceling any Indebtedness then owed by the Affected Stockholder to the purchaser(s), (y) cash in a lump sum, and/or (z) by promissory note, which shall be payable in equal annual installments of principal plus accrued interest over a five (5) year term, commencing on the first anniversary of the end of the ten-day period, with no pre-payment penalty, and shall bear interest compounded semi-annually at the prime rate announced by Citibank, N.A. (or its successors) as published in The Wall Street Journal at the time of delivery of such promissory note.

4.11 Disassociation of a Stockholder. The death of a Stockholder or the Person controlling the Stockholder will cause such Stockholder to become a Disassociated Stockholder; provided, that the executor, administrator or other legally authorized personal representative of such Stockholder or the Person controlling the Stockholder shall have all of the rights of a Stockholder for the sole purpose of settling or managing his/her estate and shall have only such power as the Stockholder possessed to make a Permitted Transfer in accordance with the terms hereof. If such Permitted Transfer does not occur within sixty (60) days after the death of the Stockholder or the Person controlling the Stockholder, the Disassociated Stockholder or its legal representative, successor or assign shall thereafter have only those rights of an Assignee under this Agreement; provided, that the Disassociated Stockholder or its legal representative, successor or assign may thereafter request admission to the Company as a Substitute Stockholder pursuant to Section 4.4. Notwithstanding the foregoing, if Caitlan Blackwell has died, then, Quinn Blackwell shall have right to purchase all of the membership interests in CMB INVESTCO 609 LLC from Caitlan Blackwell and shall become the owner of CMB INVESTCO 609 LLC and shall be deemed to be Substitute Stockholder for the ownership of CMB INVESTCO 609 LLC unless he fails to comply with Section 4.3.2

4.12 Voting Rights. Except for the election of Directors upon a vacancy or as otherwise required by Applicable Law or as provided in this Agreement, Stockholders shall have no voting, approval or consent rights. Except as otherwise required by Applicable Law or as provided in this Agreement, in matters on which Stockholders are entitled to vote (other than any matters where certain specified Stockholders have a separate approval right hereunder), the vote of each Stockholder shall be counted based upon the number of shares of Voting Stock held by such Stockholder.

4.13 No Authority as Agent. No Stockholder shall have the authority in its capacity as a Stockholder to enter into any transaction on behalf of the Company or to otherwise bind the Company.

4.14 Interest in Property of the Company. Each Stockholder's Stock shall for all purposes be deemed personal property. All property of the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Stockholder, individually, shall have any direct ownership in such property.

4.15 Information Rights. The Company shall deliver to each Stockholder:

4.15.1 Within forty-five (45) calendar days after the end of each fiscal quarter during the Company's Fiscal Year, unaudited summary financial statements of the Company consisting of (i) a statement of income and cash flows of the Company for such quarterly period, and (ii) a balance sheet of the Company as of the end of such quarter, prepared in accordance with the Company's books and records consistent with past practice;

4.15.2 Within one hundred twenty (120) calendar days after the end of each Fiscal Year, unaudited financial statements of the Company (including comparisons to the applicable Annual Budget)

consisting of (i) a statement of income and cash flows of the Company for such Fiscal Year, and (ii) a balance sheet of the Company as of the end of such Fiscal Year, prepared in accordance with the Company's books and records consistent with past practice; and

4.15.3 Not later than January 31st of each year, a summary of the operating budget (the "Annual Budget") for the operation of the Company for the ensuing year beginning as of January 1st of such ensuing year.

4.16 Inspection Rights. Subject to Applicable Law, upon reasonable written notice (but no less than 24 hours' notice) from a Stockholder, the Company shall afford each Stockholder and its Representatives access during normal business hours and in such a manner as to not unreasonably interfere with the normal operations of the Company, to (i) the Company's properties, offices and other facilities; (ii) the corporate, financial and similar records, reports and documents of the Company, including, without limitation, all books and records, the operating plan and budget, minutes of proceedings, internal management documents, reports of operations, reports of adverse developments and copies of any management letters, and to permit each Stockholder and its Representatives to examine such documents and make copies thereof; and (iii) management personnel of the Company.

4.17 Representations and Warranties. By execution and delivery of this Agreement or a Joinder Agreement, as applicable, each of the Stockholders, whether admitted as of the Effective Date or otherwise, represents and warrants to the Company and each other Stockholder and acknowledges that:

4.17.1 Stock: (i) has not been registered under the Securities Act or the securities laws of any other jurisdiction; and (ii) is issued in reliance upon federal and state exemptions for transactions not involving a public offering and cannot be disposed of unless: (a) it is subsequently registered or exempted from registration under the Securities Act; and (b) the provisions of this Agreement have been complied with;

4.17.2 Such Stockholder's Stock is being acquired for its own account solely for investment and not with a view to resale or distribution thereof;

4.17.3 Such Stockholder has conducted its own independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Company, and such Stockholder acknowledges that it has been provided adequate access to the personnel, properties, premises and records of the Company for such purpose;

4.17.4 By reason of such Stockholder's business or financial experience, the Stockholder has the capacity to protect its own interests in connection with the transactions contemplated hereunder, is able to bear the risk of investment in the Company, and at the present time could afford a complete loss of such investment. The Stockholder is an "accredited investor" as such term is defined in Rule 501 promulgated under the Securities Act.

4.17.5 The execution, delivery and performance of this Agreement (i) have been duly authorized by such Stockholder and do not require such Stockholder to obtain any consent or approval that has not been obtained; and (ii) do not contravene and will not result in a default in any material respect under any provision of any Applicable Law or other governing documents or any agreement or instrument to which such Stockholder is a party or by which such Stockholder is bound;

4.17.6 The ownership of Stock by such Stockholder does not, and is not reasonably expected to, create, a Regulatory Problem;

4.17.7 Such Stockholder does not have any business interests in enterprises that may compete with the Company or that may otherwise present a conflict of interest with respect to such Stockholder's Stock in the Company;

4.17.8 This Agreement is valid, binding and enforceable against such Stockholder in accordance with its terms, except as may be limited by Bankruptcy, insolvency, reorganization, moratorium,

and other similar laws of general applicability relating to or affecting creditors' rights or general equity principles (regardless of whether considered at law or in equity); and

4.17.9 If applicable, neither the issuance of any Stock to any Stockholder nor any provision contained herein will entitle the Stockholder to remain in the employment of the Company or affect the right of the Company to terminate the Stockholder's employment at any time for any reason, other than as otherwise provided in such Stockholder's employment agreement or other similar agreement with the Company, if applicable.

4.17.10 The Company and the Stockholders acknowledge and agree that the Voting Stock being issued to the Investor Stockholder was originally issued by the Company to the Investor Stockholder.

4.18 Additional Licenses Awarded to Company. The Investor Stockholder acknowledges and agrees that the CRC may issue an additional license for the manufacture of cannabis products based upon the Company's cannabis cultivation license and that Investor Stockholder shall pay the sum of One Hundred Thousand Dollars ($100,000) to the Founding Stockholders as additional consideration for the award of a manufacturing license, which shall be paid as follows: Fifty Thousand Dollars ($50,000) upon award and an additional Fifty Thousand Dollars ($50,000) on the first anniversary of the issuance of the manufacturing license. The Investor Stockholder acknowledges and agrees that the CRC may issue an additional license for retail sales of cannabis based upon the Company's cannabis cultivation license. The Investor Stockholder shall not be required to make any additional payments to the Founding Stockholders for the award of a retail cannabis license, however, the Investor Stockholder agrees to lend the Company up to One Million Dollars ($1,000,000) per retail location to prepare such retail location for opening and providing the necessary working capital for such retail location (each such loan, a "Retail Loan"). Each Retail Loan shall bear interest at the rate of 12.5% per annum and shall have a single balloon payment of the principal and accrued interest thereon due in a single payment on the second anniversary of the Retail Loan.

4.19 Non-Dilution of Investor Stockholder. The Company and the Stockholders acknowledge and agree that so long as the Investor Stockholder holds any Purchased Stock, the Company shall take such actions as are necessary to ensure that no dilution to the Purchased Stock (and accordingly the Stockholder Percentage Interest of the Investor Stockholder) shall occur without the prior written consent of the Investor Director, it being understood that any issuance of Stock by the Company in connection with any agreement or other arrangement between any Stockholder other than the Investor Stockholder (a "Non-Investor Stockholder") and any Person including, without limitation, any other Non-Investor Stockholder (a "Non-Investor Dilution Event"), shall only dilute the Stock held by the Non-Investor Stockholders, and not the Purchased Stock. Upon the occurrence of a Non-Investor Dilution Event, the Company shall provide written notice thereof to the Investor, and upon the approval of the Investor, the Company shall take such actions as are necessary to ensure compliance with the provisions of this ~~Section 4.19~~ which may include, without limitation, issuing additional Stock to the Investor for no additional consideration so that the Stockholder Percentage Interest of the Investor is not decreased, and such additional Stock shall be deemed to be Purchased Stock for all purposes hereunder. The Investor may waive the rights provided under this Section 4.19 in its sole and absolute discretion. Unless otherwise agreed by the Investor Stockholder in writing, the Non-Investor Stockholders, jointly and severally, shall indemnify, defend and hold the Investor Stockholder, its Affiliates and their respective directors, officers, shareholders, employees, agents, successors and assigns (collectively, the "Indemnified ~~Parties~~") harmless from and against any and all settlements, judgments, awards, fines, penalties, interest, liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees, audit expenses and disbursements and court costs) (collectively, "Costs") sustained or incurred by any of the Indemnified Parties based upon, relating to or arising from, any and all claims, demands, actions, suits, proceedings or investigations arising out of or pertaining to any commitments, arrangements, rights or other obligations of the Company and/or any Non-Investor Stockholder including, without limitation, any warrant (each, a "Commitment") (i) to share in the profits or revenues of the Company, (ii) to issue or sell, or caused to be issued or sold, any additional equity

interests of, or any security convertible or exchangeable for any equity interests of, the Company, (iii) to issue or sell, or caused to be issued or sold any equity equivalents, restricted stock units, stock appreciation rights, phantom stock ownership interests or similar rights pertaining to the Company or any Non-Investor Stockholder or (iv) to repurchase, redeem or otherwise acquire any equity interests of the Company, or any security convertible or exchangeable therefor. For the avoidance of doubt, any Costs payable by the Company arising out of any Commitment and any equity interest or equity equivalent issued or issuable in connection with a warrant and any other Commitment, shall be borne solely by the Non-Investor Stockholders, and the Stockholder Percentage Interest of the Investor Stockholder shall not be diluted or otherwise affected thereby.

ARTICLE 5
STOCK PURCHASE AND CAPITAL CALLS

5.1 ~~Stock Purchase Price~~. Each Stockholder has paid the Stock Purchase Price to the Company and, in exchange for the payment of such Stock Purchase Price, each Stockholder shall have the rights set forth in this Agreement.

5.2 Additional Stock Payments.

5.2.1 The Stockholders shall purchase additional Stock in cash, in proportion to their respective Stockholder's Percentage Interests, as determined by the Board from time to time to be reasonably necessary to pay any operating or other expenses relating to the business of the Company (such additional payments for Stock, the "Additional Stock Payments"); provided, that the amount of such Additional Stock Payment shall not exceed the corresponding amounts expressly provided for in the then-~~current Annual Budget. Upon~~ the Board making a unanimous determination to call for the purchase of additional Stock, the Board shall deliver to the Stockholders a written notice of the Company's need for Additional Stock Payments, which notice shall specify in reasonable detail (i) the purpose for such Additional Stock Payments, (ii) the aggregate amount of such Additional Stock Payments, (iii) each Stockholder's *pro rata* share of such aggregate amount of Additional Stock Payments (based upon such Stockholder's Percentage Interest) and (iv) the date (which date shall not be less than twenty (20) Business Days following the date that such notice is given) on which such Additional Stock Payments shall be required to be made by the Stockholders ("~~Call Notice~~").

5.2.2 If any Stockholder shall fail to timely make, or notifies the other Stockholders that it shall not make, all or any portion of any Additional Stock Payments which such Stockholder is obligated to make under ~~Section 5.2.1~~, then such Stockholder shall be deemed to be a "~~Non-Contributing Stockholder~~." Each Stockholder that is not a Non-Contributing Stockholder (a "Contributing Stockholder") shall be entitled, but not obligated, to loan to the Non-Contributing Stockholder, by contributing to the Company on its behalf, all or any part of the amount (the "Default Amount") that the Non-Contributing Stockholder failed to contribute to the Company (each such loan, a "Default Loan"); provided, that such Contributing Stockholder shall have contributed to the Company its *pro rata* share of the applicable Additional Stock Payments. Such Default Loan shall be treated as Additional Stock Payments by the Non-Contributing Stockholder. Each Default Loan shall bear interest on the unpaid principal amount thereof from time to time remaining from the date advanced until repaid, at the lesser of (i) the prime rate as published the date advanced in the Western Edition of The Wall Street Journal plus 2% per annum, and (ii) the maximum rate permitted under applicable law (the "Default Rate"). Each Default Loan shall be recourse debt. Default Loans shall be repaid out of the distributions that would otherwise be made to the Non-Contributing Stockholder hereunder. So long as a Default Loan is outstanding, the Non-Contributing Stockholder shall have the right to repay it (together with interest then due and owing) in whole or in part. Upon a repayment in full of a Default Loan made to a Non-Contributing Stockholder (prior to its conversion pursuant to a Cram-Down Contribution (as defined below)), such Non-Contributing Stockholder (so long as it is not otherwise a Non-Contributing Stockholder with respect to any other Additional Stock Payments) shall cease to be a Non-Contributing Stockholder.

5.2.3 At any time after the first anniversary of the date that the Call Notice is given, at the option of the Contributing Stockholder, (i) such Default Loan (if not previously paid in full) shall be converted into Additional Stock Payments of the Contributing Stockholder in an amount equal to the unpaid principal and unpaid interest on such Default Loan pursuant to this Section 5.2.3, (ii) the Non-Contributing Stockholder shall be deemed to have received a distribution of an amount equal to the unpaid principal and interest on such Default Loan, (iii) such distribution shall be deemed paid to the Contributing Stockholder in repayment of the Default Loan, and (iv) such amount shall be deemed contributed by the Contributing Stockholder as Additional Stock Payments (a "~~Cram-Down Contribution~~"). A Cram-Down Contribution shall be deemed Additional Stock Payments by the Contributing Stockholder making (or deemed making) such Cram-Down Contribution as of the date such Cram-Down Contribution is made or the date on which such Default Loan is converted to a Cram-Down Contribution. At the time of a Cram-Down Contribution, the Contributing Stockholder's Percentage Interest shall be increased proportionally by the amount of such contribution, thereby diluting the Non-Contributing Stockholder's Percentage Interest, and the Board shall update the Stockholders Schedule accordingly without the need for any consent or approval by the Stockholders. Once a Cram-Down Contribution has been made (or deemed made), (x) no subsequent payment or tender in respect of the Cram-Down Contribution shall affect the Stock of the Stockholders, as adjusted in accordance with this Section 5.2.3 and (y) the Non-Contributing Stockholder as to which the Cram-Down Contribution is made (or deemed made) shall (so long as it is not otherwise a Non-Contributing Stockholder with respect to any other Additional Stock Payments) cease to be a Non-Contributing Stockholder.

5.2.4 Notwithstanding any other provisions of this Agreement, any amount that otherwise would be paid or distributed to a Non-Contributing Stockholder pursuant to ~~Section 7.1~~ or otherwise shall not be paid to the Non-Contributing Stockholder but shall be deemed paid and applied on behalf of such Non-Contributing Stockholder (i) first, to accrued and unpaid interest on all Default Loans (in the order of their original maturity date), (ii) second, to the principal amount of such Default Loans (in the order of their original maturity date) and (iii) third, to any Additional Stock Payments of such Non-Contributing Stockholder that has not been paid and is not deemed to have been paid.

5.2.5 Notwithstanding the foregoing, if a Non-Contributing Stockholder fails to make its Additional Stock Payments in accordance with ~~Section 5.2.1~~, without limitation of any other available rights or remedies that may be available, the Contributing Stockholder may:

(a) institute proceedings against the Non-Contributing Stockholder, either in the Contributing Stockholder's own name or on behalf of the Company, to obtain payment of the Non-Contributing Stockholder's portion of the Additional Stock Payments, together with interest thereon at the Default Rate from the date that such Additional Stock Payments was due until the date that such Additional Stock Payments are made, at the cost and expense of the Non-Contributing Stockholder; or

(b) purchase the Stock of the Non-Contributing Stockholder at a price equal to Call FMV, provided, however, for each month that the Non-Contributing Stockholder fails to make its Additional Stock Payments, which is after the first annual anniversary date of the Default Loan, Call FMV shall be reduced by two and one half percent (2.5%) per month with the maximum reduction in the Call FMV of fifteen percent (15%) of the Call FMV and after the six (6) month anniversary of the first annual anniversary date of the Default Loan, then the Contributing Stockholder shall receive the increase in the Contributing Stockholder's Percentage Interest based upon the Cram-Down Contribution effective on the six (6) month anniversary of the first annual anniversary date of the Default Loan.

5.2.6 Each Stockholder acknowledges and agrees that it would be impracticable or extremely difficult to determine the actual damages incurred by a Contributing Stockholder as a result of a failure of a Stockholder to fund its portion of an Additional Stock Payments, and that the entitlement of a Contributing Stockholder to exercise the remedies described in this Section 5.2 is fair and reasonable.

5.2.7 Except as set forth in this ~~Section 5.2~~, no Stockholder shall be required to make Additional Stock Payments or make loans to the Company.

ARTICLE 6
MANAGEMENT

6.1 Establishment of the Board. Subject to the provisions of this Agreement and/or the Act relating to actions required to be approved by the Stockholders, the business, property and affairs of the Company shall be managed by, and all powers of the Company shall be exclusively exercised by or under the direction of, a Board of Directors (the "Board") comprised of natural person (each, a "Director"). Each Director shall be deemed to be a "director" within the meaning of the Act. The Board shall act collectively by majority vote in all matters, unless otherwise expressly required by the Act or this Agreement. The Board shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by directors under the laws of the State of New Jersey. Without limiting the foregoing, each Director shall have the ability and the authority to execute and deliver contracts instruments binding upon the Company, and the Board may delegate such authority to officers of the Company, but, in each case, solely to the extent such Director or such officers are authorized and directed by the Board including the Investor Director to do so or are otherwise authorized pursuant to the terms of this Agreement.

6.2 Board Composition. The Board shall be comprised of three (3) persons designated as follows: (i) as long as the Initial Stockholders hold a Majority-in-Interest, the Initial Stockholders shall have the right to designate two (2) Directors (each, a "~~Founding Director~~"); provided, that at such time as the Initial Stockholders do not hold a Majority-in-Interest, the Initial Stockholders shall have the right to designate one (1) Director; and (ii) as long as the Investor Stockholder holds less than a Majority-in-Interest, the Investor Stockholder shall have the right to designate one (1) Director (an "Investor Director"); provided, that at such time as the Investor Stockholder holds a Majority-in-Interest, the Investor Stockholder shall have the right to designate two (2) Directors. The Founding Director(s) and the Investor Director(s) shall be set forth on Schedule 2 attached hereto (the "Directors Schedule"), which shall be amended from time to time in accordance herewith. It is an express condition precedent to the designation and election of any Director that such Director covenant and agree to observe and comply with the obligations and responsibilities of a Director required by the Act and this Agreement.

6.3 Meetings. Regular meetings of the Board shall be held at least once during each quarter of the Company's Fiscal Year unless otherwise agreed by the Board including the Investor Director. Special meetings of the Board may be called by one (1) of the Directors designated pursuant to Section 6.1. All meetings shall be held upon four (4) Business Days' notice by mail or two (2) Business Days' notice (or upon such shorter notice period if necessary under the circumstances) delivered personally or by telephone or email. A notice need not specify the purpose of any meeting. Notice of a meeting need not be given to any Director who signs a waiver of notice or a consent to holding the meeting, which waiver or consent need not specify the purpose of the meeting, or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting. A majority of the Board present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment shall be given prior to the time of the adjourned meeting to the Directors who are not present at the time of the adjournment. Meetings of the Board may be held at any place within or without the State of New Jersey which has been designated in the notice of the meeting or at such place as may be approved by the Board. Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Participation in a meeting in such manner constitutes a presence in person at such meeting. A majority of the authorized number of Directors and the presence of at least one (1) Investor Director and at least one (1) Founding Director constitutes a quorum of the Board for the

transaction of business. Except to the extent that this Agreement expressly requires the unanimous approval of all Directors or the approval of the Investor Director, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of one (1) or more Directors, if any action taken is approved by at least a majority of the required quorum for such meeting. Any action required or permitted to be taken by the Board may be taken by the Board without a meeting subject to the applicable approval rights of the Directors. Such action by written consent shall have the same force and effect as an action taken at a meeting of the Board. If the written consent is not delivered to all Directors more than forty-eight (48) hours prior to the time of the taking of such action, the action shall not be taken until forty-eight (48) hours have elapsed from the time notice of the approval of the written consent was given to all Directors.

6.4 Unanimous Director Approval Rights. The Company shall not, without the prior written approval of all of the Directors:

(a) amend its Certificate or, except as otherwise set forth herein, this Agreement;

(b) (i) issue any ownership or other equity securities of the Company and permit the admission of Additional Stockholders pursuant to Section 4.2; (ii) issue any securities convertible into or exercisable for any equity securities of the Company; (iii) issue any debt convertible into equity securities of the Company; or (iv) enter into any agreement obligating the Company to issue any securities of the Company;

(c) change the number of Directors authorized hereunder;

(d) pay any dividend or distribution to its Stockholders or repurchase any capital securities of any of its Stockholders other than on a *pro rata* basis or otherwise in accordance with the terms of this Agreement;

(e) approve the annual budget;

(f) enter into any transaction with any holder of the Company's capital securities or an Affiliate or a family member of the Company or any Stockholder;

(g) (1) liquidate, wind-up or dissolve itself, or (2) sell, convey, transfer, assign, lease, abandon or otherwise dispose (including in a sale and leaseback) (in one transaction or in a series of transactions), voluntarily or involuntarily, substantially all of its assets;

(h) conduct any business activity other than operating a cannabis business in New Jersey; and

(i) fail to comply with Applicable Law (including, without limitation, CRC regulations).

6.5 Investor Director Approval Rights. The Company shall not, without the prior written approval of the Investor Director:

(a) declare, make, or pay any dividend or distribution to Stockholders on account of their Stock or otherwise (other than normal salaries consistent with the Company's past practices);

(b) enter into or be a party to any transaction with any Affiliate of the Company or any Stockholder other than any transaction which is made on an arms-length basis, as reasonably determined by the Investor Director;

(c) authorize Additional Stock Payments;

(d) permit the Transfer of any Stock to any third party other than a Permitted Transfer;

(e) authorize or effect a Deemed Liquidation Event;

(f) delegate the authority to execute and deliver contracts and instruments binding upon the Company to any Director or officer of the Company;

(g) enter into or amend any agreements (whether written or oral) involving consideration in excess of One Thousand Dollars ($1,000), individually, or Ten Thousand Dollars ($10,000), in the aggregate;

(h) incur any Indebtedness or other liabilities outside of the ordinary course of business, or in excess of One Thousand Dollars ($1,000), individually, or Ten Thousand Dollars ($10,000), in the aggregate;

(i) adopt or amend any Equity Incentive Plan, phantom equity plan, or other incentive plan of the Company;

(j) guarantee any Indebtedness except for (i) purchase order financing or factoring in connection with the sale of the Company's products, or (ii) trade accounts of the Company or any Subsidiary arising in the ordinary course of business;

(k) change the cash compensation of any employee or executive by more than five percent (5%) per annum or approve or issue any equity or phantom equity to any Person employed or engaged by the Company;

(l) materially change the principal business of the Company or enter into a line of business that is unrelated to cannabis;

(m) move or relocate any of its assets to any location outside the Company's current location;

(n) sell, lease, assign, transfer or otherwise dispose of any of its assets, any part thereof or any interest therein, to any Person, and any attempted sale, lease, transfer or other disposition in violation of this provision shall be null and void;

(o) grant, create, incur, assume or permit to exist on any of its assets any liens, security interests, mortgages, claims, rights, encumbrances or restrictions of any kind;

(p) make any loan to, or any investment in, any Person or provide any Person with a cash payment in exchange for capital securities, indebtedness or any other security (including, without limitation, any security convertible or exchangeable into or exercisable for any capital securities);

(q) create any subsidiary or Affiliate of the Company;

(r) fail to preserve and maintain all of its licenses and permits, and take such further action as is reasonably necessary to obtain all licenses necessary to conduct the business of the Company;

(s) transfer to any Person any conditional or other license or enter into any agreement or understanding to transfer any of the economic benefits of such licenses to any Person, including without limitation, through a management services or similar agreement;

(t) repurchase any capital securities of any of its Stockholders;

(u) fail to obtain property and liability insurance in amounts and with coverage customary for similar businesses similarly situated or fail to keep in full force and effect such insurance;

(v) fail to pay required fees, taxes and other amounts due other than amounts being contested in good faith by appropriate proceedings;

(w) (1) enter into any merger or consolidation or joint venture, (2) sell, convey, transfer, assign, lease, abandon or otherwise dispose (including in a sale and leaseback) (in one transaction or in a series of transactions), voluntarily or involuntarily, any of its assets (tangible or intangible (including but not limited to sale, assignment, discount or other disposition of accounts, contract rights, chattel paper

or general intangibles with or without recourse) other than sales of inventory in the ordinary course of business, or (3) acquire all or substantially all of the assets constituting a business, division, branch or other unit of operation of any Person;

(x) make or commit to make any capital expenditures other than capital expenditures made in the ordinary course of business or approved in the annual budget;

(y) create, or hold capital securities in, any subsidiary, or sell, transfer or otherwise dispose of any capital securities of any direct or indirect subsidiary, grant any right to acquire any capital securities or voting interest in any direct or indirect subsidiary, or permit any direct or indirect subsidiary to issue any capital securities or sell, lease, transfer, exclusively license or otherwise dispose of (in a single transaction or series of related transactions) all or substantially all of the assets of such subsidiary to any Person;

(z) through any representative or otherwise, (1) provide any information or make any proposal or request to any Person other than the Investor concerning the sale of any Stock or other security of the Company or any assets of the Company, or (2) solicit, discuss, consider, or accept any proposal or request from any Person other than the Investor Stockholder concerning such an acquisition; and

(aa) use the proceeds from payment of the Stock Purchase Price for any purpose other than (i) to fund the construction and operating expenses of the Facility or payment of expenses of the Company, which were approved in the annual budget, or (ii) to reimburse Caitlin Blackwell in the amount of $100,000 for expenses previously incurred in connection with the Company.

6.6 Additional Obligations of the Founding Directors. Notwithstanding anything to the contrary, the Founding Directors shall (a) cause the Company to diligently pursue all licensing and other governmental or regulatory approvals that are necessary or desirable in connection with the business of the Company; (b) do all things reasonably necessary to preserve and to keep in full force and effect the Company's existence, rights, and privileges; (c) inform the Investor Stockholder of: (i) all material adverse changes in the Company's financial condition; and (ii) all existing and all threatened litigation, claims, investigations, administrative proceedings, or similar actions affecting the Company; (d) accurately maintain the Company's books and records to present fairly, on a consistent basis, and in all material respects, the financial condition of the Company, and furnish the Investor Stockholder with such financial and additional information and statements, including confirmation of paid obligations (e.g., tax obligations), as the Investor Stockholder may request from time to time; (e) cause the Company to pay and discharge when due all of its indebtedness and obligations, including, without limitation, all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon the Company or its properties, income or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of the Company's properties, income or profits; and (f) cause the Company to comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities, applicable to the conduct of the Company's business and operations including, without limitation the CRC.

6.7 Reimbursement; Equity Incentive Plans. Each Director shall be reimbursed by the Company for reasonable travel and other expenses incurred in attending or participating in meetings of the Board or otherwise fulfilling such Director's duties as a Director and each Director shall be eligible to participate in any Equity Incentive Plans as agreed by the Board.

6.8 Limitations on Powers of Stockholders. The Stockholders shall have no power to participate in the management of the Company except as expressly authorized by this Agreement or the Certificate and except as expressly required by the Act. No Stockholder, acting solely in the capacity of a Stockholder, is an agent of the Company, nor does any Stockholder, unless expressly authorized in writing to do so by the Board, have any right, power or authority to bind or act on behalf of the Company in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

6.9 Committees of the Board. The Board may from time to time establish committees of the Board for specific purposes and delegate the power to take actions and make decisions with respect to specific matters to the Directors comprising any such committee, subject to the requirements of Applicable Law.

6.10 Term; Removal, Replacement of Directors. Each Director elected hereunder shall serve as a Director until such Director dies, resigns or is removed as provided herein. Any Director may be removed at any time by the other Directors for Cause or by the Person(s) then entitled to elect such Director pursuant to ~~Section 6.2~~ in the manner set forth therein. A Director shall be replaced by the Person(s) then entitled to elect a Director pursuant to Section 6.2, provided that any Director removed for Cause may not be reelected.

6.11 Officers. Subject to this ARTICLE 6, the Board may appoint officers at any time. The officers of the Company may include a Chief Executive Officer and such other officers as may be deemed necessary by the Board from time to time. Any individual may hold any number of offices. The officers shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Subject to the rights, if any, of an officer under a contract of employment, any officer may be removed, either with or without cause, by the Board at any time

ARTICLE 7
DISTRIBUTIONS

7.1 Distributions. Subject to Article 10 (which governs distributions made following the dissolution of the Company) and Section 11.1 (which governs distributions following a Deemed Liquidation Event), all distributions shall be made from Cash Available for Distribution in amounts determined by the Board in the following order to the Stockholders based upon the terms and condition for each class of Stock held by each Stockholder but absent any special allocation among the classes of Stock all distributions to Stockholders shall be made in the following priority: (i) first to repayment of any Default Loans in accordance with the terms of Section 5.2.2, first to accrued but unpaid interest, then to principal, then (ii) to the Stockholders *pro rata* in accordance Stockholder's Percentage Interest.

7.2 Restrictions on Distributions. The following restrictions on distributions shall apply:

7.2.1 The Company shall not make any distribution to the Stockholders unless, immediately after giving effect to the distribution, that: (i) the Company would not be able to pay its debts as they became due in the usual course of business, or (ii) the Company's total assets would be less than the sum of its total liabilities plus, unless this Agreement provides otherwise, the amount that would be needed if the Company were to be dissolved at the time of the distribution to satisfy the preferential rights upon dissolution of Stockholders, whose preferential rights are superior to the rights of Stockholders receiving the distribution.

7.2.2 The Company shall not make any distribution to the Stockholders unless, immediately after giving effect to the distribution, the Company shall have sufficient cash available to meet the reasonably anticipated needs of the Company, as such needs are determined in the sole discretion of the Board.

7.2.3 The Company shall not make any distribution to the Stockholders to the extent such distribution would result in a default under, or a violation of or cause the acceleration of any Indebtedness under, any credit or loan agreement with the Company.

7.2.4 The Company and the Directors may base a determination that a distribution is not prohibited under Section 7.2 either on: (i) financial statements prepared based on accounting practices and principles that are reasonable in the circumstances or (ii) a fair evaluation or other method that is reasonable in the circumstances.

7.3 Return of Distributions. Stockholders and Assignees who receive distributions made in error or in violation of the Act or this Agreement shall hold such improper distributions in trust for, and promptly return such improper distributions to, the Company. Except for such improper distributions, no Stockholder or Assignee shall be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company or to any creditor of the Company.

7.4 No Other Withdrawals. Except as provided in this Agreement, no withdrawals or distributions shall be required or permitted.

ARTICLE 8
ACCOUNTING AND RECORDS

8.1 Books and Records. The books and records of the Company shall be maintained in a fashion that facilitates income tax reporting. The books and records of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business. The Company shall maintain at its principal office all of the following:

8.1.1 A current list of the full name and last known business or residence address of each Stockholder and Assignee set forth in alphabetical order, together with the Stock Purchase Price and Stock of each Stockholder and Assignee;

8.1.2 A current list of the full name and business or residence address of each Director;

8.1.3 A copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed;

8.1.4 Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

8.1.5 A copy of this Agreement and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed;

8.1.6 Copies of the financial statements of the Company, if any, for the four (4) most recent Fiscal Years; and

8.1.7 The books and records of the Company as they related to the internal affairs of the Company for at least the current and last four (4) Fiscal Years.

8.2 Delivery to Stockholders and Inspection. Upon the request of any Stockholder or Assignee, for purposes solely related to the interest of that Person as a Stockholder or Assignee, the Board shall make available to the requesting Stockholder or Assignee, during the Company's regular business hours and at the expense of such Stockholder or Assignee, the information required to be maintained pursuant to Section 8.1. Any information so obtained or copied shall be kept and maintained in strict confidence except as required by law.

8.3 Reliance on Books and Records. Any Stockholder shall be fully protected in relying in good faith upon the records and books of account of the Company and upon such information, opinions, reports or statements presented to the Company by any of its other Stockholders or employees, or by any other Person, as to matters the Stockholder reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company,

including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to the Stockholders might properly be paid.

ARTICLE 9
LIABILITY, EXCULPATION AND INDEMNIFICATION; COVENANTS

9.1 Liability, Exculpation and Indemnification.

9.1.1 Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

9.1.2 Exculpation. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement so long as such action or omission does not constitute fraud or willful misconduct by such Covered Person. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which distributions to Stockholders might properly be paid.

9.1.3 Duties and Liabilities of Covered Persons. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Parties hereto to replace such other duties and liabilities of such Covered Person.

9.1.4 Indemnification. To the fullest extent permitted by Applicable Law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of (a) any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company or its subsidiaries and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, or (b) the conduct of the business of the Company; provided, however, that any indemnity under this Section 9.1.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof. Notwithstanding the foregoing, nothing in this Section 10.4 shall in any way invalidate, preempt or otherwise terminate any indemnification obligations of any Party contained in the Purchase Agreement.

9.1.5 Expenses. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this ARTICLE 9.

9.1.6 Insurance.

(a) The Company may purchase insurance, to the extent and in such amounts as the Board shall deem reasonable, on behalf of Covered Persons and such other Persons as the Board shall determine, against any liability that may be asserted against or expenses that may be incurred by any such Person in connection with the activities of the Company or its subsidiaries or such indemnities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement. The Board and the Company may, and upon the request of Investor Stockholder shall, enter into indemnity agreements with Covered Persons and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under Section 9.1.5 and containing such other procedures regarding indemnification as are appropriate. Upon the occurrence of a Deemed Liquidation Event in which the Company merges with another entity and is not the surviving entity, or the Company transfers all of its assets, proper provisions shall be made so that successors of the Company assume the Company's obligations with respect to indemnification of the Board.

(b) In addition to the foregoing, the Company shall purchase and at all times maintain (i) insurance for general liability and property damage in coverage amounts deemed reasonably acceptable to the Board and (ii) director's and officer's insurance with a carrier and in an aggregate coverage amount deemed reasonably acceptable to the Board.

9.1.7 Permissive Indemnification. The Company (with the approval of the Board) may, but shall not be obligated to, indemnify any Person who was or is a party or is threatened to be made a party to, or otherwise becomes involved in, any action or proceeding by reason of the fact that such Person was or is a Stockholder, Director, officer, employee, or agent of the Company, to the same extent as provided in Section 9.1.4 with respect to the Covered Persons set forth therein or to such lesser extent and upon such terms and conditions as the Board deems appropriate.

9.1.8 Savings Clause. If this Section 9.1 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered to the fullest extent permitted by Applicable Law.

9.2 ~~Corporate Opportunities; Non-Solicitation~~.

9.2.1 Corporate Opportunities. Except as set forth in this Section 9.2, nothing in this Agreement shall be deemed to restrict in any way the rights of any Stockholder, or of any Affiliate of any Stockholder, to conduct any other business or activity whatsoever, and no Stockholder shall be accountable to the Company or to any other Stockholder with respect to that business or activity. The organization of the Company shall be without prejudice to the Stockholders' (except as set forth in Section 9.2) respective rights (or the rights of their respective Affiliates) to maintain, expand, or diversify such other interests and activities and to receive and enjoy profits or compensation therefrom. Each Stockholder waives any rights the Stockholder might otherwise have to share or participate in such other interests or activities of any other Stockholder or the Stockholder's Affiliates.

9.2.2 Non-Competition. Unless otherwise approved by the Board including the Investor Director, at any time that a Founding Director is a Director or an Affiliate of a Founding Director is a Stockholder, and for a period of twelve (12) months following termination of such status and/or ownership for any reason, such Person will not, directly or indirectly, own, manage, operate, control, finance, be employed by, serve as an independent contractor to, or participate in the ownership, management, control or financing of, or be connected as a principal, representative, investor, owner, partner, manager, director, employee or independent contractor, with, any business or enterprise that engages in the business of cultivation of cannabis in the State of New Jersey; provided, however, that nothing in this ~~Section 9.2.2~~ will restrict any Person from owning less than five percent (5%) of any publicly traded corporation.

9.2.3 ~~Non-Solicitation~~. Unless otherwise approved by the Board including the Investor Director, at any time that a Person is a Stockholder or Director, and for a period of twelve (12) months after termination of such ownership for any reason, such Person will not, directly or indirectly (a) solicit, divert, or take away, or attempt to solicit, divert, or take away, any Person that was or is at the time of such termination a customer, client, supplier, lessor, licensor, or other business associate or relationship of the Company, or (b) solicit the employment or services of any Person that is employed by, or provides services to, the Company during such non-solicitation period.

9.2.4 Acknowledgement of Reasonableness. The Stockholders acknowledge and agree that the duration and scope of the obligations described in this Section 9.2, are fair, reasonable and necessary in order to protect the Company's goodwill and legitimate business interests. If, however, any court of competent jurisdiction determines for any reason that the duration or scope of any of these obligations is unreasonable, or that such provision is unenforceable for any reason, such provision may be modified or rewritten by such court to the extent that such obligations will be deemed valid and enforceable.

9.3 Confidential Information.

9.3.1 Each Stockholder acknowledges that during the term of this Agreement, such Stockholder and its Affiliates will have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company and its Affiliates that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Agreement, trade secrets, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists and other business information and documents which the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, "Confidential Information"). In addition, each Stockholder acknowledges that: (i) the Company has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Stockholder is subject, no Stockholder shall, directly or indirectly, disclose or use (other than solely for the purposes of such Stockholder monitoring and analyzing its investment in the Company or performing its duties as a Director, officer, employee, consultant or other service provider of the Company) at any time, including, without limitation, use for personal, commercial or proprietary advantage or profit, either during its association or employment with the Company or thereafter, any Confidential Information of which such Stockholder is or becomes aware. Each Stockholder in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

9.3.2 The restrictions of ~~Section 9.3.1~~ shall not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by a Stockholder in violation of this Agreement; (ii) is or becomes available to a Stockholder or any of its Representatives on a non-confidential basis prior to its disclosure to the receiving Stockholder and any of its Representatives in compliance with this Agreement; (iii) is or has been independently developed or conceived by such Stockholder without use of Confidential Information; or (iv) becomes available to the receiving Stockholder or any of its Representatives on a non-confidential basis from a source other than the Company, any other Stockholder or any of their respective Representatives; provided, however, that such source is not known by the recipient of the Confidential Information to be bound by a confidentiality agreement with the disclosing Stockholder or any of its Representatives.

9.3.3 Return of Confidential Information. Any Stockholder or Director whose Interest is terminated shall at such time deliver to the Company all memoranda, notes, plans, records, reports (including, without limitation, all business plans, financial projections and financial models), computer files,

software and other documents and data relating to the Confidential Information which such Stockholder has in its/his/her possession or under such Stockholder's control.

9.3.4 Non-Disclosure and Proprietary Rights Agreement. Each current Stockholder (including, without limitation, the Founder and the Investor Stockholder), Director, employee and independent contractor of the Company shall enter into a binding, written agreement whereby such Person (i) agrees to the obligation set forth in ~~Section 9.3.1~~, (i) assigns to the Company any ownership interest and right they may have in the intellectual property of the Company; and (ii) acknowledges the Company's exclusive ownership of all such intellectual property.

9.3.5 Disclosure of any such information of Company shall not be prohibited if such disclosure is directly pursuant to a valid and existing order of a court or other governmental body or agency within the United States; provided, however, that (i) any Stockholder or Director shall first have given prompt notice to the Company of any such possible or prospective order (or proceeding pursuant to which any such order may result); (ii) the Company shall have been afforded a reasonable opportunity to prevent or limit any such disclosure; and (iii) the Company is present at any time any such disclosure is made.

9.3.6 Each Stockholder and Director understands that nothing contained in this Agreement, limits such Person's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, or any other federal, state or local governmental agency or commission ("Government Agencies"). Each Stockholder and Director further understands that this Agreement does not limit such Person's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit a Stockholder's or Director's right to receive an award for information provided to any Government Agencies.

9.3.7 Notice of Immunity under the *Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016 ("DTSA")*. Notwithstanding any other provision of this Agreement: An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

9.3.8 The provisions of this Agreement including those provisions of Sections 9.2 – 9.3 shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof. Each Party agrees that the breach or alleged breach by the Company of (i) any covenant contained in another agreement (if any) between the Company and Stockholders and Directors or (ii) any obligation owed to any Stockholder or Director, shall not affect the validity or enforceability of the covenants and agreements of Stockholder or Director set forth herein. In the event that a court or arbitrator finds this Agreement, or any of its restrictions, to be ambiguous, unenforceable, or invalid, the Stockholders, Directors, and the Company agree that the court or arbitrator shall read this Agreement as a whole and interpret the restriction(s) at issue to be enforceable and valid to the maximum extent allowed by law. If the court or arbitrator declines to enforce this Agreement in the manner provided in the preceding sentence, the Stockholders, Directors, and the Company agree that this Agreement will be automatically modified to provide the Company with the maximum protection of its business interests allowed by law and the Stockholders, Directors, and the

Company agree to be bound by this Agreement as modified. Furthermore, the Parties agree that the market for the company's products and services is the geographic area inclusive of the State of New Jersey.

ARTICLE 10
DISSOLUTION AND TERMINATION

10.1 Termination. The Company shall be dissolved, its property disposed of and its affairs wound up upon the first to occur of the following:

(a) the entry of a decree of judicial dissolution under the Act; or

(b) any Deemed Liquidation Event, after the final distribution of any proceeds thereof to the Persons entitled thereto.

10.2 Authority to Wind Up. The Board shall have all necessary power and authority required to marshal the assets of the Company, to pay the Company's creditors, to establish reasonable reserves for contingent liabilities of the Company, to distribute assets and otherwise wind up the business and affairs of the Company. In particular, the Board shall have the authority to continue to conduct the business and affairs of the Company insofar as such continued operation remains consistent, in the judgment of the Board, with the orderly winding up of the Company.

10.3 Winding Up; Articles of Dissolution. The winding up of the Company shall be completed when all debts, liabilities and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and all of the remaining property and assets of the Company have been distributed to the Stockholders. Upon the completion of winding up of the Company, Articles of Dissolution shall be filed with the New Jersey Secretary of State.

10.4 Distribution of Property. Upon dissolution and winding up of the Company, the affairs of the Company shall be wound up and the Company liquidated by the Stockholders. The assets of the Company shall be applied to pay creditors of the Company in the order of priority provided by law. Any remaining assets shall be distributed to the Stockholders in accordance with ~~ARTICLE 11~~.

ARTICLE 11
DEEMED LIQUIDATION EVENTS

11.1 Deemed Liquidation Event Distributions. In the event of a Deemed Liquidation Event, all proceeds received or deemed received (which shall be the aggregate consideration payable to Stockholders or received by the Company together with all other available assets of the Company in connection with any Deemed Liquidation Event) by the Company in connection with such Deemed Liquidation Event (after the full payment of any creditors of the Company and the establishment of reasonable reserves for contingent liabilities of the Company, to the extent required by law or in the Board's reasonable discretion in accordance with ARTICLE 10) shall, promptly after the Company's receipt or deemed receipt thereof, be distributed to the Stockholders based upon the terms and condition for each class of Stock held by each Stockholder but absent any special allocation among the classes of Stock all distributions to Stockholders shall be *pro rata* in accordance with each Stockholder's Percentage Interest.

11.2 Distribution of Non-Cash Proceeds. To the extent that the proceeds from a Deemed Liquidation Event are in a form other than cash, such non-cash proceeds shall be, in the Board's discretion, either (a) reduced to cash or some other easily divisible and reasonably liquid asset for subsequent distribution among Stockholders in accordance with ~~Section 11.1~~ or (b) distributed among Stockholders in accordance with ~~Section 11.1~~. To the extent that non-cash proceeds from a Deemed Liquidation Event are not reduced to cash or other liquid asset and are distributed to the Stockholders, distributions under Section 11.1 shall be made in a manner such that the Stockholders receive based upon the terms and condition for each class of Stock held by each Stockholder but absent any special allocation among the classes of Stock all distributions to Stockholders shall be *pro rata* in accordance with each Stockholder's Percentage

Interest. The value of such non-cash proceeds shall be equal to the Fair Market Value of the non-cash proceeds at the time of the distribution as determined in good faith by the Board.

11.3 Distribution of Unused Reserves. To the extent any proceeds of a Deemed Liquidation Event are set aside as a reserve against contingent liabilities and are not used to satisfy such liabilities and are subsequently distributed, such unused proceeds shall be distributed to the Stockholders in accordance with Section 11.1, as if such amounts had been distributed immediately following the receipt of the proceeds of the Deemed Liquidation Event and no such reserves had been established, but taking into account all other distributions made prior to or contemporaneously with such distribution of unused reserves.

ARTICLE 12
ADDITIONAL RIGHTS REGARDING THE TRANSFER OF STOCK

12.1 Rights of First Refusal. Other than in the case of any Permitted Transfer, each time any Stockholder that owns less than forty-nine percent of the issued and outstanding Stock (or its Permitted Transferee) (the "~~Transferring Stockholder~~") proposes to transfer all or any portion of its Stock (or is required to do so by operation of law or other involuntary means except as otherwise set forth in this Agreement), such Stockholder shall first comply with the following provisions and the provisions of Section 12.2 below:

12.1.1 The Transferring Stockholder shall deliver a written notice (the "Transfer Notice") to the other Stockholders and the Company stating (i) the Transferring Stockholder's bona fide intention to transfer such Stock, (ii) the Stockholder's Percentage Interest to be transferred, (iii) the purchase price and terms of payment for which the Transferring Stockholder proposes to transfer such Stock, and (iv) the name and address of the proposed transferee (the "Proposed Transferee").

12.1.2 For a period of thirty (30) Business Days after receipt of the Transfer Notice, the Company shall have the right, but not the obligation, to elect to purchase all or any portion of the Stock upon the price and terms of payment designated in the Transfer Notice. If the Transfer Notice provides for the payment of non-cash consideration, the Company may elect to pay the consideration in cash equal to the good faith estimate of the present Fair Market Value of the non-cash consideration offered as determined by the Board. Within thirty (30) Business Days after receipt of the Transfer Notice, the Board on behalf of the Company, to the extent the Company is electing to purchase the Stock pursuant to this Section 12.1.2, shall notify the Transferring Stockholder and the non-Transferring Stockholders in writing of the Company's intent to purchase all or any portion of the Stock proposed to be so transferred. The failure of the Company to submit a notice within the applicable period shall constitute an election on the part of the Company not to purchase any of the Stock which may be so transferred.

12.1.3 If the Company does not elect to purchase all of the Stock proposed to be transferred within the thirty (30)-day period described in Section 12.1.2, the other Stockholders shall have the right, but not the obligation, to elect to purchase any remaining portion of such Stock (the "Remaining Stock") upon the price and terms of payment designated in the Transfer Notice. If the Transfer Notice provides for the payment of non-cash consideration, the other Stockholders each may elect to pay the consideration in cash equal to the good faith estimate of the present Fair Market Value of the non-cash consideration offered as determined by the Board. Within fifteen (15) Business Days following the expiration of the thirty (30)-day period described in ~~Section 12.1.2~~, each Stockholder electing to purchase the Remaining Stock pursuant to this Section 12.1.3 shall notify the Board and the Transferring Stockholder in writing of such Stockholder's desire to purchase a portion of the Remaining Stock. The failure of any Stockholder to submit a notice within the applicable period shall constitute an election on the part of that Stockholder not to purchase any of the Remaining Stock. The Stockholder's Percentage Interest that each Stockholder shall be entitled to purchase pursuant to this Section 12.1.3 shall be determined based upon the proportion that the Stockholder's Percentage Interest of such Stockholder bears to the aggregate of the all of the Stockholders' Percentage Interests electing to purchase the Remaining Stock. In the event any

Stockholder elects to purchase none or less than all of such Stockholder's *pro rata* share of such Remaining Stock, then the other Stockholders may elect to purchase more than their *pro rata* share.

12.1.4 If the Company and the other Stockholders elect to purchase or obtain any or all of the Stock designated in the Transfer Notice, then (a) the closing of such purchase shall occur no later than ninety (90) calendar days after the date of the Transfer Notice and (b) the Transferring Stockholder, the Company, and the other Stockholders, as applicable, shall execute such documents and instruments and make such deliveries as may be reasonably required to consummate such purchase.

12.1.5 Subject to ~~Section 12.2~~ below, if the Company and the other Stockholders elect not to purchase or obtain, or default in their obligation to purchase or obtain, the Stock which they have elected to purchase, then the Transferring Stockholder may transfer any such Stock not so purchased to the Proposed Transferee; provided that such Transfer (a) is completed within sixty (60) calendar days after the expiration of the Company's, and the other Stockholders' rights to purchase such Stock (as set forth in ~~Sections 12.1.2, 12.1.3~~ and 12.1.4 above), (b) is made on terms not more materially favorable to the Proposed Transferee than as designated in the Transfer Notice, and (c) complies with Sections 4.3, 4.4 and 12.2. If the Stock described in the Transfer Notice is not so transferred, the Transferring Stockholder must give notice in accordance with this Section 12.1 prior to any other or subsequent transfer of such Stock.

12.2 Right of Co-Sale. Other than in the case of any Permitted Transfer, and subject to prior compliance with Section 12.1, each Transferring Stockholder shall, prior to consummating any transfer of Stock to a Proposed Transferee, offer each Stockholder the opportunity (the "Right of Co-Sale") to sell their Stock pursuant to this Section 12.2.

12.2.1 With respect to any transfer by a Transferring Stockholder to a Proposed Transferee, each Stockholder shall have the right to require the Proposed Transferee to purchase from such Stockholder (in lieu of a portion of the Stock to be transferred by the Transferring Stockholder) a *pro rata* portion of its Stock, based on the aggregate Stockholder's Percentage Interest held by such Stockholder, as compared with the Stockholder's Percentage Interest held by the Transferring Stockholder. Any Stock transferred by a Stockholder pursuant to this Section 12.2 shall be paid for at the same price and upon the same terms and conditions as those in the proposed Transfer. Such terms and conditions shall not include the making of any representations and warranties, indemnities or other similar agreements other than representations and warranties with respect to title of the Stock being sold and authority to sell such Stock and indemnities directly related thereto.

12.2.2 The Right of Co-Sale may be exercised by each Stockholder by delivery of a written notice to the Transferring Stockholder (the "~~Co-Sale~~ Notice") within sixty (60) calendar days following such Stockholder's receipt of the Transfer Notice pursuant to Section 12.1.1. The Co-Sale Notice shall state the Stockholder's Percentage Interest that such Stockholder proposes to include in the proposed transfer and the additional Stockholder's Percentage Interest, if any, that such Stockholder wishes to transfer to the Proposed Transferee if the other Stockholders elect not to fully exercise such right. If the Co-Sale Notice is received by the Transferring Stockholder during the sixty (60)-day period referred to above and the Proposed Transferee does not purchase all of the Stock set forth therein on the same terms and conditions as specified in the Notice of Transfer, then the Transferring Stockholder shall not be permitted to sell any Stock to the Proposed Transferee in the proposed transfer. If no Co-Sale Notice is received by the Transferring Stockholder during the sixty (60)-day period referred to above, the Transferring Stockholder shall have the right, for a period of thirty (30) calendar days after the expiration of such sixty (60)-day period, to transfer the Stock specified in the Transfer Notice substantially on the terms and conditions stated therein (and, if such Stock are not so transferred, the Transferring Stockholder must give notice in accordance with Section 12.1 prior to any other or subsequent transfer of such Stock). If a Co-Sale Notice is received by the Transferring Stockholder during the sixty (60)-day period referred to above and the Proposed Transferee has agreed to purchase all of the Stock proposed to be transferred pursuant to such Co-Sale Notice, the

Stockholder who delivered such Co-Sale Notice shall timely deliver to the Proposed Transferee, against payment of the total purchase price for the securities to be purchased, the appropriate instruments of transfer.

12.2.3 No Adverse Effect. The exercise or non-exercise by any Party of such Party's rights pursuant to Section 12.2 shall not adversely affect the rights of such Party to participate in any subsequent Transfer of Stock by any Stockholder.

12.3 Permitted Transactions. Notwithstanding any other provision of this Agreement, the provisions of Section 12.1 and Section 12.2 shall not apply to any Permitted Transfer; provided, however, that in the case of any Permitted Transfer, (a) the transferring Party shall inform the Company of such Transfer prior to effecting such Permitted Transfer, and (b) the transferee shall agree in writing to be bound by and comply with the terms and conditions of this Agreement as a condition to the effectiveness of any such Transfer. Notwithstanding the foregoing, if at any time a transferee ceases to be an Affiliate of the transferring Stockholder that is wholly-owned, directly or indirectly, by the ultimate parent of such transferring Stockholder, the Company, such transferring Stockholder and such transferee shall take such action as is necessary to cause there to be an immediate and unconditional reconveyance of the Stock to either (in the sole discretion of such transferring Stockholder) the ultimate parent of such transferring Stockholder or any wholly-owned Affiliate of such ultimate parent entity.

12.4 Bring-Along Right.

12.4.1 Sale of Stock. In the event that (a) any Person who is not an Affiliate of any Stockholder (a "Buyer") makes a bona fide offer to effect a Deemed Liquidation Event, and (b) the Board including the Investor Director determines to accept such offer, then each Stockholder shall sell, transfer or exchange all of the Bring-Along Stock (as defined below) beneficially owned by such Stockholder to the Buyer on the same terms and conditions as each other Stockholder or, if applicable, shall agree to a sale of all or substantially all of the assets of the Company to the Buyer (any of the foregoing, a "Bring-Along Sale"). For purposes of this Section 12.4, the term "~~Bring-Along Stock~~" shall mean all Stock including, without limitation, all Stock issued or issuable upon the exercise of any warrant or option or upon the conversion of any Convertible Securities (and, in the case of any warrant or option to acquire Convertible Securities, the Stock issuable upon the exercise of such warrant or option and conversion of such Convertible Securities).

12.4.2 Consideration for Sale of Stock. The proceeds from a Bring-Along Sale shall be distributed in accordance with the distribution waterfall set forth in ~~ARTICLE 11~~ as if the transaction were a Deemed Liquidation Event. Subject to the foregoing, each Stockholder shall receive the same form and amount of consideration for each Bring-Along Stock sold in a Bring-Along Sale. In the case of any Bring-Along Stock issuable upon the exercise of a right or option to acquire Stock or Convertible Securities, the exercise price required to be paid to exercise such right or option shall be deducted from the consideration to be received in the Bring-Along Sale; ~~provided~~, however, that if such exercise price is greater than the consideration to be received, the right or option shall be canceled without any payment to the holder.

12.4.3 Further Actions. Each Stockholder hereby agrees to execute such agreements, powers of attorney, voting proxies or other documents and instruments as may be necessary to consummate any proposed Bring-Along Sale. Each Stockholder shall be obligated to make customary and lawful representations and warranties with respect to any proposed Bring-Along Sale, including representations and warranties regarding such Stockholder's authority to transfer the Bring-Along Stock subject to the Bring-Along Sale, the absence of conflicts with other agreements that would prevent such transfer and such Stockholder's title to the Bring-Along Stock transferred. Each Stockholder will make such representations, warranties and covenants as may be reasonably required by the Buyer, and shall be obligated to indemnify the Buyer with respect to breaches of such representations, warranties and covenants. Each Stockholder further agrees to timely take such other actions as the Board may request to enforce such Stockholder's obligation to sell its Bring-Along Stock, and shall execute all documents and take all actions necessary in connection therewith as are otherwise requested by the Board in connection with the approval and

consummation of the Bring-Along Sale, including voting such Stockholder's Stock in favor of such Bring-Along Sale and waiving any appraisal or dissenters rights, and causing, to the extent lawfully permissible, the Board designated by such Stockholder, if any, to approve of or consent to the Bring-Along Sale. Notwithstanding the foregoing, a Stockholder will not be required to comply with the provisions of this Section 12.4.3 in connection with any Bring-Along Sale unless such Stockholder's liability is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Stockholder of any of identical representations, warranties and covenants provided by all Stockholders) and is *pro rata* in proportion to, and does not exceed, the amount of consideration paid to such Stockholder in connection with such Bring-Along Sale.

12.4.4 Payments. Each Stockholder shall pay its *pro rata* portion (based on the total value of the consideration received by such Stockholder compared to the aggregate consideration received by all Parties in the transaction) of the costs of any Bring-Along Sale to the extent that such costs are incurred for the benefit of all Stockholders and are not otherwise paid by the Company or the Buyer.

12.5 Pre-Emptive Rights.

12.5.1 Generally. Each Stockholder shall be entitled to receive notice of, and participate in, at the same price and on the same terms, any sales by the Company of newly issued Stock for value from and after the Effective Date so that each such holder may maintain its then current Stockholder's Percentage Interest in the Company; provided, however, that the issuance of Stock upon the exercise of options granted under any Equity Incentive Plan or arrangement adopted by the Company in accordance with the terms of this Agreement shall not be deemed to be "sales" within the meaning of this ~~Section 12.5~~.

12.5.2 Notice of Sales. If the Company proposes to sell newly issued Stock for value from and after the Effective Date, the Company must first provide written notice of such proposed sale (the "~~Stock Sale Notice~~") to each Stockholder. The Stock Sale Notice shall state the Stock proposed to be sold, the Stockholder's Percentage Interest proposed to be sold, the purchase price thereof and any other material terms or conditions of the offering. Each recipient of Stock Sale Notice shall be entitled to elect to purchase up to Stockholder's Percentage Interest proposed to be sold as shall be required to maintain such Stockholder's Percentage Interest in the Company plus such recipient's *pro rata* share of any offered securities subject to the pre-emptive rights granted under this Section 12.5 which are not purchased by other Stockholders by providing written notice to the Company within fifteen (15) Business Days after the date of the Stock Sale Notice (the "Stock Sale Election Period").

12.5.3 Consummation of Sales. The Company must consummate the sale of the Stock to those recipients of the Stock Sale Notice who elect to purchase the Stock within twenty (20) Business Days after the expiration of the Stock Sale Election Period unless the Company and the recipient mutually agree to a different schedule for closing. After the Company has sold all of the Stock requested by the recipients of the Stock Sale Notice, the Company shall be entitled to sell any Stock referenced in the Stock Sale Notice not otherwise purchased by the recipients of the Stock Sale Notice; provided, however, that if the Company does not consummate the sale of all such remaining Stock within thirty (30) Business Days after the expiration of the Stock Sale Election Period, the Company must first again comply with the requirements of this Section 13.6 before selling any Stock which is unsold (or for which the Company has not received an irrevocable written purchase commitment) at the end of such thirty (30)-day period.

12.6 Call Option.

12.6.1 At any time after the second anniversary of the date that Investor Stockholder has exercised its option to purchase an additional twenty-one percent (21%) of the equity of the Company and therefore holds a Stockholder Percentage Interest of no less than seventy percent (70%), then the Investor Stockholder shall have the right, but not the obligation, to deliver to the other Stockholders (the "Selling Stockholders") a written notice to purchase the Selling Stockholders' entire Stock for a purchase price equal to the Call FMV (as determined in accordance with Section 12.7) multiplied by each Selling Stockholders' Percentage Interest (the "Call ~~Price~~").

12.6.2 Each of the Selling Stockholders shall, at the closing of such sale ("Call Closing"), represent and warrant to the Investor Stockholder (the "Purchasing Stockholder") that (i) each Selling Stockholder has full right, title and interest in and to such Stock, (ii) each Selling Stockholder has all necessary power and authority and has taken all necessary action to sell such Stock as contemplated by this Section 12.6, and (iii) such Stock is free and clear of any Encumbrance other than those arising as a result of or under the terms of this Agreement.

12.6.3 Subject to ~~Section 12.6.4~~, the Call Closing shall take place no later than sixty (60) Business Days following receipt by the Selling Stockholder or the Investor Stockholder of the notice under Section 12.6.1 on a date specified by the Purchasing Stockholder (the "Call Closing Date"); provided that the Purchasing Stockholder shall give the Selling Stockholders at least ten (10) Business Days' written notice of the Call Closing Date.

12.6.4 The Purchasing Stockholder shall, in its sole and absolute discretion, have the right to select one of the following alternatives to pay the Call Price: (a) one hundred percent (100%) in cash or other same day funds, or (b) (i) wire transfer of immediately available funds of at least 60% of the Call Purchase Price to an account designated in writing by the Selling Stockholder, and (ii) causing Grown Rogue International, Inc. to issue to the Selling Stockholder shares of its common stock with a value equal to the portion of the Call Purchase Price not paid in cash pursuant to subsection (b)(i) (using for this purpose a per share price of the 20-day VWAP of Grown Rogue International, Inc. for the twenty day period prior to the Call Closing; provided that (x) if the Selling Stockholder is a Non-Contributing Stockholder, the Call Purchase Price shall be decreased by the amount of any unpaid Additional Stock Payments or Default Loan, including any accrued but unpaid interest thereon, owed by the Selling Stockholder; and (y) if the Selling Stockholder has funded any Default Loan that remains outstanding, it shall be paid in full by the Purchasing Stockholder, including any accrued but unpaid interest thereon, at the Call Closing. Subject to regulatory limitation including, without limitation, the rules and regulations of any applicable securities exchange, the Selling Stockholder shall have the unbridled right to immediately sell all or any portion of the Grown Rogue International, Inc. without restriction upon the Selling Stockholders receipt of such stock.

12.6.5 At the Closing, the Selling Stockholder shall deliver to the Purchasing Stockholder (i) a certificate or certificates (if any) representing the Stock to be sold, accompanied by an assignment of the certificate to the Purchasing Stockholder or its assignee; (ii) the resignation of each of the Directors the Selling Stockholder appointed to the Board; and (iii) a certificate meeting the requirements of IRS Notice 2018-29 and Treasury Regulations Section 1.1445-2(b) (modified to take into account Code Section 1446(f)) that Selling Stockholder is not a foreign person within the meaning of Code Section 1446(f) or Code Section 1445.

12.6.6 Notwithstanding anything herein to the contrary, each Stockholder agrees that, to preserve the character of the Company and consummate the purchase of the Selling Stockholder's entire Stock, the Purchasing Stockholder may assign its purchase right or obligation under this Section 12.6 in whole or in part to any Affiliate who, upon the Call Closing, shall become a Stockholder, and that such purchase right or obligation shall be assignable by the Purchasing Stockholder without the consent of the Selling Stockholder.

12.6.7 Without limitation of the other provisions of this Section 12.6, each Stockholder agrees to cooperate and take, and to cause its Affiliates to cooperate and take, all actions and execute all documents reasonably necessary or appropriate to reflect the purchase of the Selling Stockholder's Stock by the Purchasing Stockholder pursuant to this Section 12.6.

12.6.8 At any time after the second anniversary of the date that Investor Stockholder has exercised its option to purchase an additional twenty-one percent (21%) of the Company and therefore holds

a Stockholder Percentage Interest of no less than seventy percent (70%), then the Founding Stockholders (the "Offeror") may offer to sell all of the Stock owned by Founding Stockholders to the Investor Stockholder (the "Offeree"). The Offeror shall do so by making a written offer to sell all of the Offeror's Stock ("Offer to Sell") at the price and any other terms and conditions contained in the Offer to Sell. Upon the receipt by the Offeree of the Offer to sell, the Offeree can either: (i) accept the Offer to Sell, (ii) reject the Offer to Sell, or (iii) within sixty (60) days make a written offer itself to sell all of the Offeree's Stock ("Counteroffer to Sell") at the price per share as stated in the Offer to Sell and upon the terms contained in the Offer to Sell. If the Offeree shall make a Counteroffer to Sell, the Offeror shall buy Offeree's Stock upon the terms contained in the Counteroffer to Sell. However, in order to prevent the Investor Stockholder from taking advantage of the Founding Stockholder's then financial condition, the Investor Stockholder agrees that the Founding Stockholder's payment of the purchase price in the Counteroffer to Sell shall be paid as follows:

(i) seventy-five percent (75%) of the Purchase Price under the Counteroffer to Sell shall be paid to the Investor Stockholder in cash or other same day funds by the Founding Stockholders at the closing of the Counteroffer to Sell; and

(ii) the balance of twenty-five percent (25%) of the Purchase Price shall be in the form of a two (2) year promissory note with the payment of monthly interest at 12.5% and a single balloon payment of the principal and any accrued and unpaid interest thereon. The promissory note shall be secured by a stock pledge agreement for all of the Offeror Stock, including the Stock purchased by the Offeror, provided, however, such note shall be subordinated to any outstanding third-party financing. Any such note or notes shall provide for acceleration of all balances upon default. This note can be paid in full at any time without discount or premium. In the event of a sale of assets of the Company outside the ordinary course of the Company's business, then the Offeror shall make a principal payment on the note in an amount equal to the lower of: (i) the Offeree's Percentage Interest in the issued and outstanding Stock prior to sale pursuant to this Section multiplied by the net proceeds received on such sale, or (ii) the remaining balance of the note. The terms herein established may be modified if mutually agreeable by and between the Offeree and Offeror.

A failure to accept the Offer to Sell within the time period described above shall be deemed to be a rejection of the Offer to Sell. If a Stockholder shall fail to perform his/her obligations under this Section, then the aggrieved Party may seek specific performance in any court of competent jurisdiction, and the successful Party in such action shall be entitled to an award of costs and reasonable attorneys' fees.

12.7 ~~Call FMV~~. The Stockholders may unanimously agree to the Call FMV, however, if the Stockholders cannot unanimously agree to the Call FMV, then the Call FMV shall be determined by the following process:

12.7.1 No later than ten (10) days after the delivery of a notice under ~~Section 12.6.1~~, the Stockholders shall each engage one independent investment banking, accounting or valuation firm with experience in the valuation of businesses similar to the business of the Company (each, a "Valuation Firm") for purposes of determining Call FMV. All fees and expenses of each such Valuation Firm shall be the responsibility of the Stockholder that engaged such Valuation Firm. Each such Valuation Firm shall determine Call FMV in good faith and deliver its calculation of Call FMV not later than the first Business Day that is at least thirty (30) days after the date of delivery of such Call FMV request; provided, that both Valuation Firms shall agree on a date on which to both deliver their calculations and Call FMV shall be determined as of such date (the "~~FMV Determination Date~~"). If the higher of the two calculations of Call FMV submitted by the two Valuation Firms is not more than 110% of the lower calculation, then Call FMV shall be the average of the Call FMV calculations of the two Valuation Firms.

12.7.2 If the higher of the two calculations of Call FMV is more than 110% of the lower calculation, then the two Valuation Firms shall jointly select a third Valuation Firm who is independent of,

and not affiliated with, the first two Valuation Firms, and who is not affiliated with, and who has not provided any significant services within the two (2) years preceding the date of the FMV determination request to, any Stockholder or its Affiliates (an "~~Independent Valuation Firm~~"), to determine Call FMV. If the two Valuation Firms are unable to agree upon a third Valuation Firm by the tenth (10th) day immediately following the date on which they have both delivered a calculation of Call FMV pursuant to Section 12.7.1 (the "Initial Calculation Date"), the third Valuation Firm shall be selected as follows: Each of the first two Valuation Firms will suggest two (2) potential third Valuation Firms, each of whom shall be an Independent Valuation Firm, for a total of four (4). Each of the first two Valuation Firms shall be entitled to veto one (1) of the other Valuation Firm's two (2) suggested Valuation Firms. The third Valuation Firm will then be chosen from the remaining two (2) suggested names by a fair and random process. The third Valuation Firm shall be selected no later than fifteen (15) days after the Initial Calculation Date and engaged pursuant to a customary engagement letter no later than twenty (20) days after the Initial Calculation Date. All fees and expenses of the third Valuation Firm shall be shared equally by the Stockholders. The final Call FMV shall be the average of the two of the three Call FMV calculations delivered pursuant to Section 12.7.1 and Section 12.7.2 that are closest in amount.

12.7.3 Any determination of Call FMV pursuant to ~~Section 12.7.1~~ or ~~Section 12.7.2~~ shall be final, conclusive and binding on the Stockholders.

12.7.4 To enable the Valuation Firms to conduct the valuations, the Stockholders and the Company shall furnish to the Valuation Firms such information as they may reasonably request regarding the Company, and its assets, properties, financial condition, earnings and prospects.

12.8 ~~Conversion to Corporation~~. Upon the approval of the including the Investor Director and prior to the closing under the Purchase Agreement, the Company shall be converted (by merger, consolidation, share exchange, transfer of assets or equity or otherwise, as determined by the Board) into a newly formed corporation so as to convert the Company to a corporation, which shall be a Subchapter C corporation for income tax purposes. Such corporation shall have a certificate of incorporation and bylaws which the Board determines are customary for corporations comparable to the Company at the time preserving to the greatest extent possible (a) the relative voting rights, liquidation rights, and other rights, preferences and privileges that exist with respect to the Stock and (b) the liability, exculpation and indemnification provisions set forth in ARTICLE 9 with respect to Covered Persons. The outstanding equity capitalization of the corporation upon consummation of such conversion shall, to the fullest extent possible, be identical to that of the Company immediately prior to such conversion. Upon any conversion of the Company to a corporation pursuant to this Section 12.8, this Agreement shall terminate except as provided in this Section 12.6 and with respect to ARTICLE 9 and any other section hereof that by its terms survives the termination of this Agreement. The Stockholders hereby consent to the conversion of the Company to corporation pursuant to the terms of this Section 12.6 and agree to exchange their Stock for stock in the corporation formed in connection with such corporation as provided herein and to take any actions and execute any documents reasonably requested by the Board in connection with any such conversion.

ARTICLE 13
MISCELLANEOUS

13.1 ~~Amendments~~. Any amendment to this Agreement shall be adopted and be effective as an amendment hereto if approved unanimously by the Board; provided, however, that no amendment which has a disproportionate and materially adverse effect on any Stockholder shall be approved without the consent of such Stockholder. Notwithstanding the foregoing, the Board may (x) amend the Stockholders Schedule and the Directors Schedule to reflect any changes thereto, and (y) amend this Agreement to cure any ambiguity or correct or supplement any provision hereof that may be incomplete or inconsistent with any other provision hereof provided such amendment under this clause (y) does not adversely affect the interests of the Stockholders.

13.2 Assignment. Except as otherwise permitted herein, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party hereto (whether by operation of law or otherwise) without the prior written consent of the other Parties hereto.

13.3 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Stockholder shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions, as reasonably requested by the Board.

13.4 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, (a) the Stockholders and their respective successors and permitted assigns and (b) the Company's successors and assigns (including, to the extent applicable, any corporation formed upon the conversion of the Company from a limited liability company to a corporation pursuant to the terms hereof).

13.5 Severability. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the Parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. Should there ever occur any conflict between any provision contained in this Agreement and any present or future Applicable Law contrary to which the Parties have no legal right to contract, the latter shall prevail, but the provision of this Agreement affected thereby shall be curtailed and limited only to the extent necessary to bring it into compliance with such Applicable Law, and all of the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

13.6 Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications shall be sent to the respective Parties at the addresses set forth on the signature pages hereto and/or the Stockholders Schedule (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 13.6).

13.7 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement and understanding of the Parties with respect to the terms and conditions of the transactions referred to herein and therein and supersede all prior or contemporaneous oral or written agreements and understandings between the Parties relating to such subject matter.

13.8 Waiver. No term, condition or provision of this Agreement may be waived except by an express written instrument to such effect signed by the Party hereto to whom the benefit of such term, condition or provision runs. No such waiver of any term, condition or provision of this Agreement shall be deemed a waiver of any other term, condition or provision, irrespective of similarity, or shall constitute a continuing waiver of the same term, condition or provision, unless otherwise expressly provided. No failure or delay on the part of any Party hereto in exercising any right, power or privilege under any term, condition or provision of this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege.

13.9 Partition. Each Stockholder irrevocably waives any right which it may have to maintain an action for partition with respect to property of the Company.

13.10 Interpretation. Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. All references herein to "Articles" and "Sections" shall refer to corresponding provisions of this Agreement. Whenever the words "including," "includes" or words of similar import appear in this Agreement, they shall be deemed to be followed by the words "without limitation." Words in the singular shall be deemed to include the plural and *vice versa*.

13.11 Governing Law. This Agreement shall, in all respects, be construed in accordance with and governed by the laws of the State of New Jersey as applied to agreements among New Jersey residents entered into and to be performed entirely within the State of New Jersey.

13.12 Dispute Resolution.

13.12.1 In the event of any dispute or disagreement between the Parties as to the interpretation of any provision of this Agreement, the Parties shall promptly meet in a good faith effort to resolve the dispute or disagreement. If the Parties do not resolve such dispute or disagreement within thirty (30) calendar days, each Party shall be free to exercise the remedies available to it specifically provided by this Agreement.

13.12.2 ~~Limitation of liability~~. Notwithstanding any provision of this Agreement to the contrary, neither Party will be entitled in connection with any breach or violation of this Agreement to recover any punitive, exemplary or other special damages or any indirect, incidental or consequential damages, including without limitation damages relating to loss of profit, business opportunity or business reputation, except in each case if and to the extent such damages are claimed by a third party in connection with a matter that is the subject of an indemnification claim asserted under this Agreement except for a breach of Section 9.2 – 9.3. Each Party, as a material inducement to the other Party to enter into and perform its obligations under this agreement, hereby expressly waives its right to assert any claim relating to such damages and agrees not to seek to recover such damages in connection with any claim, action, suit or proceeding relating to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the purchaser and the Company indemnitees any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of the Company.

13.13 Jurisdiction; Waiver of Jury Trial.

13.13.1 It is the intent of the Parties that any disputes or controversies arising under or in connection with this Agreement be resolved pursuant to mediation and arbitration in accordance with Section 13.12; provided, however, that, to the extent that Section 13.12 is held to be invalid or unenforceable for any reason, and the result is that the Parties hereto are precluded from resolving any claim arising under or in connection with this Agreement pursuant to the terms of Section 13.12, the following provisions shall govern the resolution of all disputes or controversies arising under this Agreement: Any suit, action or proceeding seeking to enforce any provision of, or based on any dispute or matter arising out of or in connection with, this Agreement must be brought in the courts of the State of New Jersey, in Gloucester County. Each of the Parties (a) consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding, (b) irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum, (c) will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (d) will not bring any action relating to this Agreement in any other court, and (e) to the fullest extent permitted by law, voluntarily, knowingly, irrevocably and unconditionally waives any right to have a jury participate in the resolution of any such dispute or matter. Process in any such suit, action or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party agrees that service of process on such Party in accordance with the notice provisions hereof will be deemed effective service of process on such Party.

13.13.2 Spousal Consent. Each Stockholder who has a Spouse on the date of this Agreement shall cause such Stockholder's Spouse to execute and deliver to the Company a ~~spousal consent~~ in the form of ~~Exhibit B~~ hereto (a "Spousal Consent"), pursuant to which the Spouse acknowledges that he or she has read and understood this Agreement and agrees to be bound by its terms and conditions. If any Stockholder should marry or engage in a Marital Relationship following the date of this Agreement, such Stockholder shall cause his or her Spouse to execute and deliver to the Company a Spousal Consent within thirty (30) days thereof. A Spousal Consent shall not be deemed to confer or convey to a Spouse any rights in a Stockholder's Interest that do not otherwise exist by operation of law or agreement between the Stockholder and his or her Spouse

13.13.3 Third Party Beneficiaries. The Parties agree that the provisions of this Agreement are intended for the benefit of, and are enforceable by, each Stockholder and their respective successors and permitted assigns and transferees. Except for the provisions of ~~ARTICLE 9~~, nothing in this Agreement shall be construed as giving any other Person any right, remedy or claim under or in respect of this Agreement or any provision hereof.

13.13.4 ~~Advice of Counsel~~. Each Party to this Agreement acknowledges that, in executing this Agreement, such Party has had the opportunity to seek the advice of independent legal counsel, and has read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any Party by reason of the drafting or preparation thereof.

13.13.5 Counterparts. This Agreement may be executed in any number of counterparts (each of which may be transmitted via electronic means) with the same effect as if all Parties ~~had signed~~ the same document, all counterparts shall be construed together and shall constitute the same instrument, and all signatures need not appear on any one counterpart.

[*Remainder of Page Intentionally Left Blank -- Signature Pages Follow*]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties hereto as of the date first written above.

STOCKHOLDERS:

CMB INVESTCO 609 LLC

By: _____
Caitlin Blackwell, Manager

Address: _____

_____

Email: _____

GARDEN STATE GOLD 609 LLC

By: _____
Ashley Bohan, Manager

Address: _____

_____

Email: _____

Grown Rogue Unlimited, LLC

By: _____
J. Obie Strickler, Manager

Address: _____

_____

Email: _____

SCHEDULE 1

Stockholders Schedule

As of the Effective Date

Stockholder	Percentage Interest
CMB INVESTCO 609 LLC ("Founding Stockholder")	43.35%
GARDEN STATE GOLD 609 LLC ("Founding Stockholder")	7.65%
Grown Rogue Unlimited, LLC ("Investor Stockholder")	49.00%
Total	**100.00%**

SCHEDULE 2

~~Directors Schedule~~

As of the Effective Date

Founding Directors:	Caitlin Blackwell Ashley Bohan
Investor Director:	J. Obie Strickler

EXHIBIT A

Form of Joinder Agreement

The undersigned is executing and delivering this Joinder Agreement pursuant to that certain Stockholders' Agreement of ABCO Garden State LLC, a New Jersey limited liability company (the "Company"), dated as of _____ __, 20__ (as the same may be amended or amended and restated from time to time, the "Agreement"). Capitalized terms used but not defined in this Joinder Agreement shall have their respective meanings ascribed to them in the Agreement.

By executing and delivering this Joinder Agreement to the Agreement, the undersigned hereby agrees to be admitted as a Stockholder of the Company and to become a Party to, to be bound by, and to comply with the provisions of the Agreement in the same manner as if the undersigned were an original signatory to such agreement as a Stockholder. In connection therewith and without limiting the foregoing, effective as of the date hereof the undersigned hereby makes the representations and warranties contained in the Agreement.

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of the __ day of _____, 20___.

Name: _____

Address: _____

_____

_____

Fax Number: (____) ____- _____

Email: _____

For individual Stockholder:

_____
Signature

_____
Print or type name of Stockholder

For Stockholders other than individuals:

_____
Print or type name of Stockholder

By: _____
Name:
Title:

Acknowledged and accepted:
ABCO Garden State LLC

By: _____
Name:
Title: Director

EXHIBIT B

Form of Spousal Consent

I, the undersigned, spouse of _____, acknowledge that I have read and understand the terms of that certain Stockholders' Agreement of ABCO Garden State LLC, a New Jersey limited liability company (the "Company"), dated as of _____ __, 20__ (as the same may be amended, restated, modified or otherwise supplemented from time-to-time, the "Agreement").

I am aware that by its provisions, my spouse has agreed to certain restrictions on the transfer or sale of Stock (as such terms are defined in the Agreement) owned by my spouse, and that upon the legal separation or dissolution of my marriage to my spouse, I must comply with certain provisions of the Agreement with regard to such Stock.

I am aware that the legal, financial and related matters contained in the Agreement are complex and that I have had the opportunity to retain independent professional guidance and/or legal counsel with respect to this Spousal Consent. I have either sought such guidance or counsel or have made a conscious decision, after reviewing the Agreement carefully, not to seek such guidance or counsel. I hereby represent and warrant that I fully understand (i) the terms of the Agreement (including, without limitation, the provisions of Section 4.10 therein), (ii) the rights and obligations of the Stockholders of the Company under the Agreement, and (iii) the significance of my execution of this Spousal Consent.

I hereby agree that my interest, if any, in any Stock of my Spouse are irrevocably bound by the Agreement and further agree that any community property interest I may have in any such Stock shall be similarly bound by the Agreement. I further agree that if I predecease my Spouse, any interest I may have in any Stock that passes by will or as a result of intestacy, shall pass subject to the terms of the Agreement.

Executed on _____ ____, 20___.

_____

Print Name: _____

Address: _____

_____

_____

Fax Number: _____

Email: _____

EXHIBIT B

~~Disclosure Schedule~~

[Attached]

EXHIBIT B

DISCLOSURE SCHEDULE TO
STOCK PURCHASE AGREEMENT

This Disclosure Schedule ("**Disclosure Schedule**") is referred to in, and is part of, the Stock Purchase Agreement, dated as of _____ __, 20__ (the "**Agreement**"), by and between ABCO Garden State LLC, a New Jersey limited liability company (the "**Company**"), and Grown Rogue Unlimited, LLC, an Oregon limited liability company (the "**Purchaser**"). The Company and the Purchaser may be referred to herein individually as a "**Party**" and collectively, as the "**Parties**". Unless the context otherwise requires, all capitalized terms used in this Disclosure Schedule shall have the respective meanings assigned to them in the Agreement.

The inclusion of any item in any section ("**Section**") of this Disclosure Schedule shall not constitute evidence of the materiality of such item or evidence that such item is required to be disclosed in these Disclosure Schedule. Matters disclosed pursuant to any Section shall be deemed to supplement the information set forth as a representation and warranty in the particular section of the Agreement to which such Section relates, and such representation and warranty shall be deemed to be inclusive of all facts set forth in such Section. Items included in these Disclosure Schedule with respect to any section or subsection of the Agreement shall be deemed to be disclosed for any other section or subsection of the Agreement if the relevance of the disclosure to such other section or subsection would be readily apparent on its face to a reasonable person who has read the disclosure and such section or subsection of the Agreement to which it corresponds.

No disclosure in this Disclosure Schedule relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission by any party to the agreement to any other party or to any third person or indication that any such breach or violation exists or has actually occurred. This Disclosure Schedule and the information and disclosures contained in this Disclosure Schedule are intended only to qualify and limit the representations, warranties, and covenants of the Company contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties or covenants.

The contents of all documents referred to in this Disclosure Schedule are incorporated by reference in this Disclosure Schedule as though fully set forth in this Disclosure Schedule. The headings contained in this Disclosure Schedule are included for convenience only, and are not intended to limit the effect of the disclosures contained in this Disclosure Schedule or to expand the scope of the information required to be disclosed in this Disclosure Schedule and do not form a part of the disclosures in this Disclosure Schedule or a part of the Agreement.

Section 2.2(a)

Capitalization of the Company immediately prior to the Closing

Stockholder	Percentage Interest
CMB INVESTCO 609 LLC ("Initial Stockholder")	85.00%
GARDEN STATE GOLD 609 LLC ("Initial Stockholder")	15.00%
Total	**100.00%**

All Stock issued and outstanding is Voting Stock. There are no shares of Non-Voting Stock issued and outstanding.

Section 2.2(b)

Capitalization of the Company immediately following the Closing

Stockholder	Shares issued and outstanding
CMB INVESTCO 609 LLC ("Initial Stockholder") of Class B Voting Stock	44,217
GARDEN STATE GOLD 609 LLC ("Initial Stockholder") of Class B Voting Stock	6,783
Grown Rogue Unlimited, LLC ("Investor Stockholder") of the Class A Voting Stock	49,000
Total	**100,000**

The stock that will be issued and outstanding immediately after the Closing, which shall only occur after CRC approval occurs will be a combination of Class A Voting Stock and Class B Voting Stock.

In connection with that certain Note and Warrant Purchase Agreement, dated as of October 3, 2023, the Company has issued to Iron Flag, LLC a Warrant (the "Warrant") to purchase 1,474,000 shares of the Company's Class B Voting Stock. The Stock issued upon exercise of the Warrant shall only dilute the Class B Stockholders and the Investor Stockholder shall receive warrants for Class A Common Stock which will allow the Investor Stockholder to receive seven (7) shares of the Company's Class A Stock for every three (3) shares of Class B Stock issued by the Company to Iron Flag, LLC.

In addition to the fees paid to Moriconi Flowers LTD's for services rendered to the Company as described in Section 2.10(b), Moriconi Flowers LTD also shall receive a beneficial interest ("Beneficial Interest") in the Company as a third-party contractor. The Beneficial Interest constitutes six percent (6%) of the value attributed to the Stock of the Initial Stockholders (and their Affiliates) for all purposes including distributions and in connection with the sale of the Company or its assets, or any combination thereof, not to exceed six percent (6%) of the total amount paid to the Initial Stockholders (and their Affiliates). In other words, Moriconi Flowers LTD has a 1.8% Beneficial Interest in the Company because the 6% relates solely to the 30% held by the Initial Stockholders. For the avoidance of doubt, this Beneficial Interest DOES NOT AFFECT Investor Stockholder**.** For example, if the Initial Stockholders (and their Affiliates) are intended to receive distributions of $100,000 from the Company, then Moriconi Flowers LTD will receive $6,000, and the Initial Stockholders will receive $94,000.

2.2(c)

Stock Purchase Obligations

None.

Section 2.8(f)

Lists All Patents

None.

Section 2.10(a)

Agreements

Lease, dated June 1, 2023, by and between the Company and FIVF-III-NJ1, LLC.

Moriconi Agreement

Section 2.10(b)

Payment Obligations

The Company owes $100,000 to Caitlin Blackwell for expenses previously incurred in connection with the Company.

BLA has deferred all of its invoices for the Company, which are anticipated to be approximately $75,000. This amount will need to be adjusted through the Closing Date based upon final invoice.

Moriconi Flowers LTD is owed $25,000 for the Class 1 adult-use cultivation application. The balance is accrued starting September 15, 2023.

Moriconi Flowers LTD is owed $25,000 for the Class 2 adult-use manufacturing application. The balance is accrued starting October 15, 2023.

Moriconi Flowers LTD such time as the Class 5 adult-use retail application is available for submission, Moriconi shall be owed $25,000. The anticipated date for this payment is November 15, 2023.

See Section 2.2(b) of this Disclosure Schedule.

Section 2.10(d)

Mergers and Consolidations

The Company has not engaged in the past three (3) months in any discussion with any representative of any Person regarding (i) a sale or exclusive license of all or substantially all of the Company's assets, or (ii) any merger, consolidation or other business combination transaction of the Company with or into another Person.

Section 2.16(c)(i)

Employment of each employee of the Company

David Goldstein, Caitlin Blackwell, and Ashley Bohan (collectively the "**Employees**") with duties, compensation, etc. to be mutually agreed upon between the Parties and the Employees under an employment agreement. The Employees agree that the employment contemplated will be bona fide employment with active day-to-day roles requiring a significant commitment of time, and further agree that such employment will be consistent with Buyer's operations in other states. Employees further acknowledge that they have been provided prospective job descriptions and indicative salary ranges by Investor. Each employment agreement provides for a five-year term; however, the Employee is only guaranteed employment for six months (but terminable for cause), and thereafter each Employee will be terminable at will by the Company.

Section 2.16(c)(ii)

Severance Compensation

The employment agreements for the Employees will provide that, in the event of a change in control of the Company prior to the 2nd anniversary of such Employee's employment, if the acquirer chooses not to retain an Employee, a one-time bonus of six months' salary will be payable to such Employee.

Section 2.16

Benefit Plan Maintained which subject to ERISA

No employee, including David Goldstein, Caitlin Blackwell, and Ashley Bohan, has a benefit plan subject to ERISA regulations.

Exhibit 4.43

UNLESS PERMITTED UNDER APPLICABLE SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE FEBRUARY 7, 2024.

WARRANT CERTIFICATE

Warrant Certificate No.: **2023-10-05**

Issue Date: October 5, 2023

Representing 10,000,000 Warrants to purchase Subordinate Voting Shares

THIS CERTIFIES THAT, for value received, Grown Rogue International Inc., a company existing under the laws of the Province of Ontario (the "**Holder**"), is entitled, at any time prior to the Expiry Time, to purchase, at the Strike Price, one (1) duly authorized, validly issued, fully paid and non-assessable Subordinate Voting Share in the share capital of GOODNESS GROWTH HOLDINGS, INC. (the "**Company**"), a company existing under the laws of the Province of British Columbia, for each Warrant, all in the manner and subject to the terms set forth in this Warrant. Certain capitalized terms used herein are defined in ~~Section 1~~.

1. **Definitions**. As used in this Warrant, the following terms have the respective meanings set forth below:

"**Applicable Securities Legislation**" means all applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day, except a Saturday, Sunday or legal holiday, on which banking institutions in the city of Minneapolis, Minnesota or Vancouver, British Columbia are authorized or obligated by law or executive order to close.

"**Capital Reorganization**" has the meaning set forth in Section 4(e).

"**Company**" has the meaning set forth in the Preamble.

"**Convertible Securities**" means any securities of the Company (other than this Warrant), directly or indirectly, convertible into or exchangeable for Subordinate Voting Shares.

"**CSE**" means the Canadian Securities Exchange or such other exchange upon which the Subordinate Voting Shares of the Company may become listed for trading.

"**Current Market Price**" means, at any date of determination, the average closing price of the Subordinate Voting Shares on the CSE (and in such case translated into U.S. dollars using the daily average exchange rate reported by the Bank of Canada as of such date) for the 10 consecutive trading days immediately prior to such date of determination or, if the Subordinate Voting Shares are not listed on the CSE, then on such other stock exchange or over-the-counter market on which the Subordinate Voting Shares are then listed; provided that, if there is no market for the Subordinate Voting Shares, then the Current Market Price in respect of a Subordinate Voting Shares shall be determined by a nationally

recognized investment banking, accounting or valuation firm jointly selected by the Board and the Holder, with the Company being responsible for all fees and expenses payable to such firm.

"**Exercise Date**" means, for any given exercise of this Warrant, the date on which the conditions to such exercise as set forth in ~~Section 3~~ shall have been satisfied at or prior to 5:00 p.m., Minneapolis, Minnesota time on a Business Day, including the receipt by the Company of the Exercise Form, this Warrant and the Exercise Price.

"**Exercise Form**" has the meaning set forth in Section 3(a)(i).

"**Exercise Price**" means at any time, an amount equal to (a) the number of Warrant Shares to be purchased by the Holder as indicated in the Exercise Form multiplied by (b) the Strike Price.

"**Expiry Time**" means 5:00 p.m., Minneapolis, Minnesota time on October 6, 2028.

"**Holder**" has the meaning set forth in the Preamble.

"**Offered Shares**" has the meaning set forth in Section 4(b).

"**Original Issue Date**" has the meaning set forth in the Preamble.

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"**Rights Offering**" has the meaning set forth in Section 4(b).

"**Special Distribution**" has the meaning set forth in Section 4(c).

"**Strike Price**" means **C$0.317 (US$0.233)** per Subordinate Voting Share, unless such price shall have been adjusted in accordance with the provisions of Section 4, in which case it shall mean the adjusted price in effect at such time.

"**Subordinate Voting Shares**" means the subordinate voting shares in share capital of the Company, as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or redesignated pursuant to any of the events set out in ~~Section 4~~.

"**Subordinate Voting Share Reorganization**" has the meaning set forth in ~~Section 4(a)~~.

"**Warrant**" means this Warrant Certificate and all warrants issued in substitution for this Warrant.

"**Warrant Shares** " means the Subordinate Voting Shares then purchasable upon exercise of this Warrant in accordance with the terms of this Warrant.

2. **Term of Warrant**. Subject to the terms and conditions hereof, at any time, or from time to time, prior to the Expiry Time, the Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares purchasable hereunder (subject to adjustment as provided herein).

3. **Exercise of Warrant**.

(a) Exercise Procedure. This Warrant may be exercised from time to time on any Business Day prior to the Expiry Time, for all or any part of the unexercised Warrant Shares, upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with an Exercise Form in the form attached hereto as Exhibit A (each, an "**Exercise Form**"), duly completed (including specifying the number of Warrant Shares to be purchased) and executed;

(ii) delivery of a certificate of the Holder, or, if the Holder is an entity, an officer of the Holder repeating the representations set forth in ~~Section 10(b)~~ as of the date of such exercise; and

(iii) payment to the Company of the Exercise Price in accordance with ~~Section 3(b)~~.

(b) Payment of the Exercise Price. Payment of the Exercise Price shall be made, at the option of the Holder as expressed in the Exercise Form, by delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company in U.S. dollars, in the amount of such Exercise Price.

(c) ~~Delivery of Share Certificates~~. At Holder's request, upon receipt by the Company of the Exercise Form, surrender of this Warrant and payment of the Exercise Price (in accordance with Section 3(b)), the Company shall, as promptly as practicable, and in any event within five Business Days thereafter, cause to be delivered to the Holder a certificate or certificates or direct registration system (DRS) advice(s) representing the Warrant Shares issuable upon such exercise. The share certificate or certificates or DRS advice(s) so delivered shall be, to the extent possible, in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Form and shall be registered in the name of the Holder. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) Fractional Shares. The Company shall not be required to issue a fractional Warrant Share upon exercise of any Warrant. Any fractional Warrant Share shall be rounded down to the nearest whole number and the Holder shall not be entitled to any compensation in respect of any fractional Warrant Share which are not issued.

(e) ~~Delivery of New Warrant~~. Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, the Company shall, at the time of delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with Section 3(c), deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) ~~Representations, Warranties and Covenants~~. With respect to the exercise of this Warrant, the Company hereby represents, covenants and agrees:

(i) This Warrant is, and any Warrant issued in substitution for or in replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(ii) All Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be, upon issuance, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, validly issued, fully paid and non-assessable, and free and clear of all taxes, liens and charges.

(iii) The Company shall use its reasonable commercial efforts to ensure that all such Warrant Shares are issued without violation by the Company of any applicable law or governmental regulation (including Applicable Securities Legislation) or any rules and policies of the CSE. The Holder shall reasonably cooperate with the Company in connection with any such actions, provided that any failure to do so shall not be a breach of this Warrant or permit the Company to not comply with this Warrant.

(iv) The Company shall use its reasonable commercial efforts to maintain the listing and posting for trading of its Subordinate Voting Shares on the CSE.

(g) Conditional Exercise. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with a sale of the Company (pursuant to a merger, sale of equity securities, or otherwise) or any other reorganization, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(h) Reservation of Warrant Shares. So long as any Warrants evidenced hereby remain outstanding, the Company shall at all times reserve and keep available out of its authorized but unissued Subordinate Voting Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant in order to enable the Company to meet its obligations hereunder. The Company shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Warrant Shares upon the exercise of this Warrant without violating the Company's governing documents, any agreements to which the Company is a party on the date thereof, any requirements of any securities exchange upon which shares of any securities of the Company may be listed or any applicable laws or regulations. If at any time prior to the Expiry Time the number and kind of authorized but unissued shares of the Subordinate Voting Shares shall not, for any reason, be sufficient to permit exercise in full of this Warrant, the Company will promptly take such corporate action as may be reasonably necessary (including seeking stockholder approval, if required) to increase its authorized but unissued shares to such number of shares as shall be sufficient for such purposes.

4. **Adjustment to Strike Price and Number of Warrant Shares Issuable upon Exercise of Warrants**. The Strike Price and the number of Warrant Shares issuable to the Holder upon exercise of the Warrants shall be subject to adjustment from time to time as follows:

(a) If, at any time prior to the Expiry Time, the Company shall:

(i) subdivide, redivide or change its then outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares;

(ii) consolidate, reduce or combine its then outstanding Subordinate Voting Shares into a lesser number of Subordinate Voting Shares; or

(iii) fix a record date for the issue of, or issue, Subordinate Voting Shares or Convertible Securities to all or substantially all of the holders of Subordinate Voting Shares as a stock dividend or other distribution (other than a dividend paid in the ordinary course or Subordinate Voting Shares received, at the holder's option, in lieu of a cash dividend paid in the ordinary course);

(any such event being referred to as a "**Subordinate Voting Share Reorganization**"), the Strike Price shall be adjusted, effective immediately after the effective date or record date at which holders of Subordinate Voting Shares are determined for purposes of the Subordinate Voting Share Reorganization, by multiplying the Strike Price in effect immediately prior to such effective date or record date, by a fraction of which:

(A) the numerator shall be the total number of Subordinate Voting Shares outstanding on such date before giving effect to such Subordinate Voting Share Reorganization; and

(B) the denominator shall be the number of Subordinate Voting Shares outstanding immediately after giving effect to such Subordinate Voting Share Reorganization (including, in the case of a distribution of Convertible Securities, the number of Subordinate Voting Shares that would have been outstanding if such Convertible Securities had been exchanged for or converted into Subordinate Voting Shares on such date).

To the extent that any adjustment in the Strike Price occurs pursuant to Section 4(a)(iii) as a result of the fixing by the Company of a record date for the distribution of Convertible Securities, the Strike Price shall be readjusted after the expiration of any relevant exchange or conversion right to the number of Subordinate Voting Shares which would then be in effect based upon the number of Subordinate Voting Shares actually issued and remaining issuable after such expiration.

(b) If, at any time prior to the Expiry Time, the Company fixes a record date for the issuance of rights, options or warrants to all or substantially all the holders of Subordinate Voting Shares pursuant to which those holders are entitled to subscribe for, purchase or otherwise acquire Subordinate Voting Shares or Convertible Securities within a period of not more than 45 days from such record date at a price per share (or at a conversion price per share) of less than 95% of the Current Market Price on such record date (any of such issuance being referred to as a "**Rights Offering**" and the Subordinate Voting Shares that may be acquired under the Rights Offering, or upon exchange or conversion of Convertible Securities acquired under the Rights Offering, being referred to as the "**Offered Shares**"), the Strike Price shall be adjusted, effective immediately after such record date, by multiplying the Strike Price in effect on such record date by a fraction:

(i) the numerator of which shall be the sum of:

(A) the total number of Subordinate Voting Shares outstanding as of the record date for the Rights Offering; and

(B) a number equal to the quotient obtained by dividing the aggregate price of the Offered Shares (consisting of the product of either (1) the number of Offered Shares and the subscription or purchase price for each Offered Share or (2) the maximum number of Offered Shares for or into which Convertible Securities may be exchanged or converted and the conversion price for each Offered Share) by the Current Market Price of the Subordinate Voting Shares on the record date; and

(ii) the denominator of which shall be the number of Subordinate Voting Shares which would be outstanding after giving effect to the Rights Offering (assuming the exercise of all of the rights, options or warrants under the Rights Offering and assuming the exchange or conversion into Subordinate Voting Shares of all Convertible Securities issued upon exercise of such rights, options or warrants, if any).

To the extent that any adjustment in the Strike Price occurs pursuant to this Section 4(b) as a result of the Company fixing a record date for a Rights Offering, the Strike Price shall be readjusted based on the number of Offered Shares (or Convertible Securities that are convertible into Offered Shares) actually issued and delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any other event arising after such record

date. Any Offered Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any computation made pursuant to this Section 4(b).

(c) If, at any time prior to the Expiry Time, the Company issues or distributes to all or substantially all the holders of its outstanding Subordinate Voting Shares:

(i) shares of the Company of any class other than Subordinate Voting Shares;

(ii) rights, options or warrants (excluding rights, options or warrants subject to Section 4(b));

(iii) evidences of indebtedness; or

(iv) any other cash, securities or other property or assets;

and such issuance or distribution does not constitute a dividend paid in the ordinary course or does not result in an adjustment pursuant to ~~Section 4(a)~~ or ~~4(b)~~ (any such event being referred to as a "**Special Distribution**"), the Strike Price shall be adjusted, effective immediately after the record date on which the holders of Subordinate Voting Shares are determined for purposes of the Special Distribution, by multiplying the Strike Price in effect on the record date by a fraction:

(A) the numerator of which shall be the difference between: (1) the product of the number of Subordinate Voting Shares outstanding on the record date and the Current Market Price on such record date, and (2) the aggregate fair market value, as determined by the Board acting reasonably and in good faith of the shares, rights, options, warrants, evidences of indebtedness or other assets issued or distributed in the Special Distribution; and

(B) the denominator of which shall be the product of the number of Subordinate Voting Shares outstanding on the record date and the Current Market Price on such record date.

To the extent that any adjustment in the Strike Price occurs pursuant to this Section 4(c) as a result of the Company fixing a record date for a Special Distribution, the Strike Price shall be readjusted based on the shares, rights, options, warrants, evidences of indebtedness or other assets actually distributed or the number of Subordinate Voting Shares or Convertible Securities actually delivered upon the exercise of rights, options and warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any other event arising after such record date. Any Subordinate Voting Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any computation made pursuant to ~~Section 4(c)~~.

(d) If, at any time prior to the Expiry Time, any adjustment in the Strike Price shall occur as a result of the operation of Sections 4(a), 4(b) and 4(c), then the number of Warrant Shares issuable upon exercise of a Warrant shall be simultaneously adjusted by multiplying the number of Warrant Shares issuable upon exercise of a Warrant in effect immediately prior to such adjustment by a fraction which shall be the reciprocal of the fraction employed in the adjustment of the Strike Price, in each case, subject to readjustment upon the operation of, and in accordance with, the provisions of Sections 4(a), 4(b) and 4(c).

(e) If, at any time prior to the Expiry Time, there is any:

(i) reclassification or redesignation of the Subordinate Voting Shares or a change, exchange or conversion of the Subordinate Voting Shares into or for other shares or securities or property or any other capital reorganization (other than a Subordinate Voting Share Reorganization);

(ii) a consolidation, amalgamation, arrangement or merger of the Company with or into any other Person or a compulsory acquisition under applicable law following the successful completion of a take-over bid which results in the cancellation, reclassification or redesignation of the Subordinate Voting Shares or a change, exchange or conversion of the Subordinate Voting Shares into or for other shares or securities or property; or

(iii) the transfer of all or substantially all the property and assets of the Company, directly or indirectly, to another Person (other than a directly or indirectly wholly owned subsidiary of the Company),

(any of such events being herein referred to as "**Capital Reorganization**"), then, immediately upon the effective time of such Capital Reorganization and at all times thereafter, the Holder shall be entitled to be issued and receive and shall accept for the same aggregate consideration, upon such exercise, in lieu of the number of Warrant Shares to which the Holder was theretofore entitled upon such exercise, the kind and aggregate number of shares or other securities or property of the Company or the Person resulting from such Capital Reorganization that the Holder would have been entitled to be issued and receive upon such Capital Reorganization if, immediately prior to the effective time thereof, the Holder had been the registered holder of the number of Warrant Shares to which the Holder was theretofore entitled upon exercise of such Holder's Warrants. If necessary, as a result of any such Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Warrant shall thereafter correspondingly be made applicable, as nearly as may be reasonably possible, with respect to any shares, other securities or property to which the Holder be is entitled on the exercise of the Warrants.

(f) The following rules and procedures shall be applicable to adjustments made pursuant to this Section 4:

(i) The adjustments provided in this ~~Section 4~~ shall be cumulative and such adjustments shall be made successively whenever an event referred to herein shall occur. No adjustment of the Strike Price shall be required under Sections 4(a), 4(b) and 4(c) unless such adjustment would result in a change of at least 1% in the Strike Price then in effect; ~~provided~~ that any adjustments which by reason of this ~~Section 4(f)(i)~~ are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(ii) Notwithstanding anything in this Section 4, no adjustment shall be made under this Section 4 if the issue of Subordinate Voting Shares, rights, options, warrants or Convertible Securities is being made pursuant to this Warrant or any stock option, stock purchase, restricted share plan or other equity compensation plan in force as at the date of this Warrant for directors, officers, employees, consultants or other service providers of the Company or to satisfy existing instruments issued and outstanding as at the date of this Warrant.

(iii) No adjustment shall be made under this Section 4 if the Holder is entitled to participate in any event described in this Section 4 on the same terms *mutatis mutandi* as if the Holder had exercised its Warrants prior to or on the effective date or record date, as the case may be, of such event, subject to the prior consent of the CSE or any other stock exchange on which the Subordinate Voting Shares are then listed.

(iv) If the Company shall set a record date to determine holders of Subordinate Voting Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Strike Price or the number of Subordinate Voting Shares issuable upon exercise of the Warrants shall be required by reason of the setting of such record date.

(v) In any case in which this ~~Section 4~~ shall require that an adjustment shall be made effective immediately after a record date for an event specified herein, the Company may defer, until the occurrence of such event: (A) issuing to the Holder, to the extent that Warrants are exercised after such record date and before the occurrence of such event, the additional Subordinate Voting Shares or other securities issuable upon such exercise by reason of the adjustment required by such event, and (B) delivering to such Holder any distribution declared with respect to such additional Subordinate Voting Shares or other securities after such exercise date and before such event; provided, however, that, upon request by the Holder, the Company shall deliver to such Holder an appropriate instrument evidencing the right of such Holder upon the occurrence of the event requiring the adjustment, to an adjustment in the Strike Price or the additional Subordinate Voting Shares or other securities issuable upon such exercise by reason of the adjustment and to any distributions declared with respect to such additional Subordinate Voting Shares or other securities issuable upon exercise of any Warrant.

(vi) At least 20 days prior to the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, the Company shall deliver to the Holder a certificate specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. If the notice has been provided and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable, deliver to the Holder a certificate providing the computation of the adjustment. The Company hereby covenants and agrees that the Company will not take any action which might deprive the Holder of the opportunity of exercising the right of acquisition contained in this Warrant, during such 20-day period.

(vii) In the event of any question relating to the adjustments provided for in this ~~Section 4~~, such question shall be conclusively determined by a nationally recognized investment banking, accounting or valuation firm jointly selected by the Board and the Holder, and they shall have access to all necessary records of the Company and such determination shall be binding upon the Company and the Holder, absent manifest error, with the Company being responsible for all fees and expenses payable to such firm.

5. **~~Transfer of Warrant~~**. Holder may not transfer all or any part of its Warrants unless such transfer has been approved in advance by the Company, subject to compliance with Applicable Securities Legislation.

6. **No Rights or Liability as a Shareholder**. Nothing in this Warrant or in the holding of the Warrants evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company, including the right to vote, to receive notice of or to attend meetings of shareholders or any proceeding of the Company, or the right to dividends and other distributions. No provision hereof and no enumeration herein of the rights or privileges of the Holder shall give rise to any liability of such Holder for the Exercise Price hereunder or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

7. **No Obligation to Purchase**. Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for any Warrant Shares except those Warrant Shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

8. **Replacement on Loss**. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of this Warrant for cancellation to the Company, the Company shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation. The applicant for the issue of a new Warrant shall bear the cost of the issue thereof.

9. **Legends**. If required under Applicable Securities Laws, any certificate representing the Warrant Shares issued upon the exercise of the Warrants will bear the following legend (the "**Canadian Legend**"):

> "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE FEBRUARY 7, 2024."

and the following legend (the "**U.S. Legend**"):

> "THE WARRANT SHARES REPRESENTED BY THIS CERTIFICATE ARE ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE " ~~U.S.~~ SECURITIES ACT") AND, EXCEPT AS EXPRESSLY PROVIDED HEREIN, HAVE NOT BEEN REGISTERED PURSUANT TO THE U.S. SECURITIES ACT OR OTHER APPLICABLE SECURITIES LAWS. THIS SECURITY MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, OR OTHERWISE DISPOSED EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER."

~~provided~~ that, at any time subsequent to the date which is four months and one day after the Original Issue Date, any certificate representing such Warrant Shares may be exchanged for a certificate bearing no Canadian Legend. The U.S. Legend may only be removed in compliance with Applicable Securities Legislation.

10. **Compliance with Applicable Securities Laws**.

(a) ~~Agreement to Comply with the U.S. Securities Act and Applicable Securities Legislation; Legend.~~ The Holder, by acceptance of this Warrant, agrees to comply in all respects with the provisions of this Section 10 and the restrictive legend requirements set forth on the face of this Warrant and further agrees that such Holder shall not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon exercise hereof except under circumstances that will not result in a violation of the U.S. Securities Act or Applicable Securities Legislation.

(b) ~~Representations of the Holder~~. In connection with the issuance of this Warrant, the Holder specifically represents, as of the date hereof, to the Company by acceptance of this Warrant as follows:

(i) The Holder is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the U.S. Securities Act. The Holder is acquiring this Warrant and the Warrant Shares to be issued upon exercise hereof for investment for its own account and not with a view towards, or for resale in connection with, the public sale or distribution of this Warrant or the Warrant Shares, except pursuant to sales registered or exempted under the U.S. Securities Act and Applicable Securities Legislation.

(ii) The Holder understands and acknowledges that this Warrant and the Warrant Shares to be issued upon exercise hereof are "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that, under such laws and applicable regulations, such securities may be resold without registration under the U.S. Securities Act only in certain limited circumstances. In addition, the Holder represents that it is familiar with Rule 144 under the U.S. Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the U.S. Securities Act.

(iii) The Holder acknowledges that it can bear the economic and financial risk of its investment for an indefinite period and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in this Warrant and the Warrant Shares. The Holder has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and the business, properties, prospects and financial condition of the Company.

11. **Warrant Register**. The Company shall keep and properly maintain at its principal executive offices books for the registration of this Warrant and any transfers thereof. The Company may deem and treat the Person in whose name this Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of this Warrant effected in accordance with the provisions of this Warrant.

12. **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 12).

If to the Company:

Goodness Growth Holdings, Inc.
207 South Ninth Street
Minneapolis, MN 55402
Attention: CEO
Email: joshrosen@vireohealth.com

with a copy to:	Goodness Growth Holdings, Inc. 207 South Ninth Street Minneapolis, MN 55402 Attention: General Counsel Email: michaelschroeder@vireohealth.com
If to the Holder:	Grown Rogue International Inc. 655 Rossanley Drive Medford, OR 97501 Attention: J. Obie Strickler Email: obie@grownrogue.com
with a copy to:	Miller Thomson LLP Scotia Plaza, 40 King Street West Suite 5800 Toronto, ON M5H 3S1 Attention: Alexander Lalka Email: alalka@millerthomson.com

13. ~~**Cumulative Remedies**~~. Except to the extent expressly provided in ~~Section 6~~ to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

14. ~~**Equitable Relief**~~. Each of the Company and the Holder acknowledges that a breach or threatened breach by such party of any of its obligations under this Warrant would give rise to irreparable harm to the other party hereto for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction.

15. **Entire Agreement**. This Warrant constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

16. **Successor and Assigns**. This Warrant and the rights evidenced hereby shall be binding upon and shall inure to the benefit of the parties hereto and the successors of the Company and the successors and permitted assigns of the Holder. Such successors and/or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder.

17. **No Third-Party Beneficiaries**. This Warrant is for the sole benefit of the Company and the Holder and their respective successors and, in the case of the Holder, permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Warrant.

18. **Other Interpretive Provisions**. With reference to this Warrant, unless otherwise specified herein: (a) the meanings of defined terms are equally applicable to the singular and plural forms of the defined terms; (b) any pronoun used shall be deemed to cover all genders; (c) the words “herein”, “hereto”, “hereof” and “hereunder” and words of similar import when used in this Warrant shall refer to this Warrant as a whole and not to any particular provision thereof; (d) Preamble, Section and Exhibit references are to this Warrant unless otherwise specifically provided; (e) the term “including” is by way of example and not limitation, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by

the phrase "and/or;" (f) the term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form; (g) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including;" (h) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Warrant; and (i) all references in this Warrant to the consent or discretion of, or approval by the Holder shall be deemed to mean the consent of or approval by the Holder in its sole and absolute discretion, except as otherwise expressly provided herein.

19. **Currency**. Unless the context otherwise requires, all amounts expressed herein in terms of dollars shall refer to U.S. dollars.

20. **Amendment and Modification; Waiver**. Except as otherwise provided herein, this Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

21. **Severability**. If any term or provision of this Warrant is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Warrant or invalidate or render unenforceable such term or provision in any other jurisdiction.

22. **Governing Law**. This Warrant shall be governed by and construed in accordance with the internal laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule (whether of the Province of British Columbia or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Province of British Columbia.

23. ~~**Submission to Jurisdiction**~~. Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the courts of the Province of British Columbia, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

24. **Waiver of Jury Trial**. Each party acknowledges and agrees that any controversy which may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

25. **Counterparts**.

(a) This Warrant may be executed in any number of counterpart signature pages, and by the different parties on different counterparts, each of which when executed shall be deemed an original but all such counterparts taken together shall constitute one and the same instrument. This Warrant will be deemed executed by the parties hereto when each has signed it and delivered its executed signature page

by facsimile transmission, electronic transmission or physical delivery. Delivery of an executed counterpart of a signature page of this Warrant by facsimile or in electronic format shall be effective as delivery of a manually executed counterpart of this Warrant.

(b) The words "execution," "signed," "signature," and words of like import in this Warrant shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Illinois State Electronic Commerce Security Act, any other similar state laws based on the Uniform Electronic Transactions Act, Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario), the *Electronic Transactions Act* (British Columbia), or any other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

26. **No Strict Construction**. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

GOODNESS GROWTH HOLDINGS, INC.

By: /s/ Joshua Rosen
Name: Joshua Rosen
Title: Authorized Officer

Accepted and agreed:

GROWN ROGUE INTERNATIONAL INC.

By: /s/ J. Obie Strickler
Name: J. Obie Strickler
Title: CEO

EXHIBIT A

EXERCISE FORM

TO: Goodness Growth Holdings, Ltd.
207 South Ninth Street
Minneapolis, MN 55402
United States of America

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the that certain Warrant Certificate dated as of October 6, 2023 (the "**Warrant**"), held by the undersigned and issued by the Company.

The undersigned irrevocably elects to exercise the accompanying Warrant to purchase [_____] Subordinate Voting Shares (the "**Subordinate Voting Shares**") of Goodness Growth Holdings, Inc. (the "**Company**") by way of a "cash exercise" as contemplated by Section 3(b) of the Warrant and hereby makes payment of $_____ as payment of the Exercise Price, all in accordance with the terms of the Warrant.

The undersigned hereby acknowledges that the undersigned is aware that the Warrant Shares received on exercise may be subject to restrictions on resale under Applicable Securities Legislation.

The undersigned represents and warrants to the Company that an exemption from the registration requirements of the U.S. Securities Act applies to the exercise of the Warrant and the issuance of the requested Warrant Shares.

The undersigned requests that [certificate(s)] [DRS advice(s)] for such Subordinate Voting Shares be issued and delivered as follows:

[INSERT REGISTRATION AND/OR DELIVERY INSTRUCTIONS]

If the number of Subordinate Voting Shares acquired hereby is less than the total potential Warrant Shares covered by the Warrant, the undersigned requests that a new Warrant in like form for the unexercised portion thereof be delivered to the Holder as follows:

[INSERT DELIVERY INSTRUCTIONS]

Dated:

_____

[Insert name of Holder on line above]

By:

Name:

Title:

Exhibit 4.44

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE FEBRUARY 6, 2024.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE 5:00 P.M. (TORONTO TIME) ON OCTOBER 5, 2028.

WARRANT CERTIFICATE

GROWN ROGUE INTERNATIONAL INC.
(Existing under the *Business Corporations Act* (Ontario))

WARRANT CERTIFICATE NO. 2023- 10-05-01 **8,500,000 WARRANTS entitling the holder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby, and**

THIS IS TO CERTIFY THAT Goodness Growth Holdings, Inc. (hereinafter referred to as the "**Warrantholder**") is entitled to acquire for each Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. (Toronto time) on October 5, 2028 (the "**Expiry Time**"), one fully paid and non-assessable Common Share at a price of C$0.225 per Common Share (as may be adjusted pursuant to the terms herein, the "**Exercise Price**").

This Warrant may be exercised only at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1. This Warrant is issued subject to the following terms and conditions:

TERMS AND CONDITIONS FOR WARRANT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) **"Common Shares"** means the common shares without par value in the capital of the Corporation as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Article 4 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, "**Common Shares**" shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.;

(b) **"Corporation"** means Grown Rogue International Inc. unless and until a successor corporation shall have become such in the manner prescribed in Article 6, and thereafter "**Corporation**" shall mean such successor corporation;

(c) **"Corporation's Auditors"** means an independent firm of accountants duly appointed as auditors of the Corporation;

(d) **"Exchange"** means the Canadian Securities Exchange or such other stock exchange on which the Corporation's Common Shares are listed and posted for trading;

(e) **"herein"**, **"hereby"** and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression "article" and "section" followed by a number refer to the specified article or section of these Terms and Conditions;

(f) **"Insolvency Event"** means the entrance, voluntarily or involuntarily, of the Warrantholder into bankruptcy, insolvency, execution sale or other similar legal proceedings;

(g) **"person"** means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(h) **"Warrant"** means the warrants to acquire Common Shares evidenced by the Warrant Certificate; and

(i) **"Warrant Certificate"** means the certificate to which these Terms and Conditions are annexed.

1.2 Interpretation Not Affected by Headings

(a) The division of these Terms and Conditions into articles and sections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

(b) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

The terms hereof and of the Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE 2
ISSUE OF WARRANT

2.1 Issue of Warrants

That number of Warrants set out on the Warrant Certificate are hereby created and authorized to be issued.

2.2 Additional Securities

Subject to any other written agreement between the Corporation and Warrantholder, the Corporation may at any time and from time to time undertake further equity or debt financings and may issue additional Common Shares, warrants or grant options or similar rights to purchase Common Shares to any person.

2.3 Issue in Substitution for Lost Warrants

If the Warrant Certificate becomes mutilated, lost, destroyed or stolen:

(a) the Corporation shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen Warrant Certificate; and

(b) the Warrantholder shall bear the reasonable cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction or theft of the Warrant Certificate, shall furnish to the Corporation such evidence of loss, destruction or theft as shall be satisfactory to the Corporation in its reasonable discretion and the Corporation may also require the Warrantholder to furnish indemnity in an amount and form satisfactory to the Corporation in its discretion, and shall pay the reasonable charges of the Corporation in connection therewith.

2.4 Warrantholder Not a Shareholder

The Warrant shall not constitute the Warrantholder a shareholder of the Corporation, nor entitle it to any right or interest in respect thereof except as may be expressly provided in the Warrant.

ARTICLE 3
EXERCISE OF THE WARRANT

3.1 Method of Exercise of the Warrant

The right to purchase Common Shares conferred by the Warrant Certificate may be exercised at or prior to the Expiry Time by:

(a) duly completing and executing a subscription substantially in the form annexed hereto as Appendix A (the "**Subscription Form**"), in the manner therein indicated; and

(b) surrendering this Warrant Certificate and the duly completed and executed Subscription Form to the Corporation prior to the Expiry Time at the following address: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, Toronto, Ontario, M5H 3S1, together with payment of the purchase price for the Common Shares subscribed for in the form of cash, wire transfer or a certified cheque payable to the Corporation in an amount equal to the then applicable Exercise Price multiplied by the number of Common Shares subscribed for in lawful money of Canada.

3.2 Effect of Exercise of the Warrant

(a) Upon delivery and payment as set forth in section 3.1 herein, the Corporation shall cause to be issued to the Warrantholder the number of Common Shares subscribed for by the Warrantholder and the Warrantholder shall become a shareholder of the Corporation in respect of such Common Shares with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing such shares. The Corporation shall cause such certificate or certificates to be mailed to the Warrantholder at the address or addresses specified in the Subscription Form within five (5) business days of such delivery and payment as set forth in section 3.1 herein or, if so instructed by the Warrantholder, held for pick-up by the Warrantholder at the principal office of the Corporation.

(b) Notwithstanding any adjustment provided for in Article 4 herein, the Corporation shall not be required to issue fractional Common Shares upon the exercise of the Warrants evidenced hereby. If any fractional interest would be deliverable upon the exercise of the Warrants evidenced hereby, the Company shall, in lieu of delivering any certificate for such fractional interest, round such fractional interest up to the nearest whole Common Share if the fractional interest is above 0.5, and

round such fractional interest down to the nearest whole Common Share if the fractional interest is below 0.5. The holding of a Warrant shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as herein expressly provided.

3.3 Subscription for Less than Entitlement

The Warrantholder may subscribe for and purchase a number of Common Shares less than the number which it is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Common Shares less than the number which can be purchased pursuant to the Warrant Certificate, the Warrantholder shall be entitled to the return of the Warrant Certificate with a notation on the Grid annexed hereto as **Appendix B** showing the balance of the Common Shares which the Warrantholder is entitled to purchase pursuant to the Warrant Certificate which were not then purchased.

3.4 Expiration and Termination of the Warrant

After the Expiry Time, all rights hereunder shall wholly cease and terminate and the Warrant shall be void and of no effect. Notwithstanding any other term in this Warrant Certificate, the Warrant shall be void and of no effect upon an Insolvency Event.

3.5 Hold Periods and Legending of Share Certificate

If any of the Warrants are exercised prior to February 6, 2024, the certificates representing the Common Shares to be issued pursuant to such exercise shall bear the following legends:

"**Unless permitted under securities legislation, the holder of this security must not trade the security before February 6, 2024."**

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") nor under the laws of any state of the United States. Subject to certain limited exceptions, (i) Warrants may not be exercised within the United States and (ii) no Common Shares issuable upon exercise of Warrants will be delivered to any address in the United States. The Warrantholder acknowledges that a legend to that effect may be placed on any certificates representing the Common Shares issued on exercise of the rights represented by this Warrant Certificate. Terms used in this paragraph have the meanings given to them in Regulation S under the 1933 Act.

ARTICLE 4
ADJUSTMENTS

4.1 Adjustments

(a) For the purpose of this Article 4, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 4.1(a):

"Current Market Price" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any ten consecutive trading days ending not more than five (5) business

days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said ten consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Corporation;

"director" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and

"trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(b) If and whenever at any time after the date hereof and prior to the Expiry Time the Corporation shall (i) subdivide or redivide its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares or (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of a stock dividend or other distribution (any of such events herein called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted effective immediately after the effective date of any such event in (i) or (ii) above or the record date at which the holders of Common Shares are determined for the purpose of any such dividend or distribution in (iii) above, as the case may be, by multiplying the Exercise Price in effect on such effective date or record date, as the case may be, by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would be outstanding if such securities were exchanged for or converted into Common Shares.

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.1(b) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time after the date hereof and prior to the Expiry Time the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares, of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share at the date of issue of such securities) of less than the Current Market Price of the Common Shares on such record date (any of such events being herein called a "**Rights Offering**"), the Exercise Price shall be adjusted

effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

(A) the number of Common Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing

(I) either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(II) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this section 4.1(c), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this section 4.1(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time after the date hereof and prior to the Expiry Time, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the Common Shares of:

(i) shares of the Corporation of any class other than Common Shares;

(ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares

at an exchange or conversion price per share at the date of issue of such securities) of at least the Current Market Price of the Common Shares on such record date);

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation (including cash, but excluding cash dividends paid in the ordinary course);

and if such issue or distribution does not constitute an Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

(I) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and

(II) the fair value, as determined by the directors of the Corporation, to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this section 4.1(d) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this section 4.1(d), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Common Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(e) If and whenever at any time after the date hereof and prior to the Expiry Time there is a capital reorganization of the Corporation or a reclassification or other change in the Common Shares (other than an Common Share Reorganization) or a consolidation or merger or amalgamation of the Corporation with or into any other corporation or other entity (other than a consolidation, merger or amalgamation which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities), or a transfer of all or substantially all of the Corporation's undertaking and assets to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares

to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of Common Shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder has been the registered holder of the number of Common Shares to which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Warrantholder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant Certificate.

(f) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in sections 4.1(b), (c), (d) or (e) herein shall occur and the occurrence of such event results in an adjustment of the Exercise Price pursuant to the provisions of this section 4.1, then the number of Common Shares purchasable pursuant to this Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Common Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to the adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

(g) If the Corporation takes any action affecting its Common Shares to which the foregoing provisions of this section 4.1, in the opinion of the board of directors of the Corporation, acting in good faith, are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Warrantholder against dilution in accordance with the intent and purposes hereof, or would otherwise materially affect the rights of the Warrantholder hereunder, then the Corporation shall, subject to the approval of the Exchange, execute and deliver to the Warrantholder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such manner as the board of directors of the Corporation may determine to be equitable in the circumstances, acting in good faith. The failure of the taking of action by the board of directors of the Corporation to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances.

4.2 Rules and Procedures

The following rules and procedures shall be applicable to the adjustments made pursuant to section 4.1 herein:

(a) any Common Shares owned or held by or for the account of the Corporation shall be deemed not be to outstanding except that, for the purposes of section 4.1 herein, any Common Shares owned by a pension plan or profit sharing plan for employees of the Corporation or any of its subsidiaries shall not be considered to be owned or held by or for the account of the Corporation;

(b) no adjustment in the Exercise Price or the number of Common Shares purchasable pursuant to this Warrant shall be required unless a change of at least 1% of the prevailing Exercise Price or the number of Common Shares purchasable pursuant to this Warrant would result, provided, however, that any adjustment which, except for the provisions of this section 4.2(b), would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;

(c) the adjustments provided for in section 4.1 herein are cumulative and shall apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such item;

(d) in the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in section 4.1(b)(iii) herein, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected;

(e) if the Corporation sets a record date to take any action and thereafter and before the taking of such action abandons its plan to take such action, then no adjustment to the Exercise Price will be required by reason of the setting of such record date;

(f) as a condition precedent to the taking of any action which would require any adjustment to the Warrants evidenced hereby, including the Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation shall have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all of the shares or other securities which the Warrantholder is entitled to receive on the full exercise thereof in accordance with the provisions hereof;

(g) forthwith, but no later than five (5) days, after any adjustment to the Exercise Price or the number of Common Shares purchasable pursuant to the Warrants, the Corporation shall provide to the Warrantholder a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, describing the event requiring and the manner of computing or determining such adjustment;

(h) any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustment pursuant to section 4.1 herein shall be conclusively determined by a firm of independent chartered accountants (who may be the Corporation's Auditors) and shall be binding upon the Corporation and the Warrantholder;

(i) no adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 4.1 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event;

(j) any adjustment to the Exercise Price under the terms of this Warrant Certificate shall be subject to the prior approval of the Exchange; and

(k) in case the Corporation, after the date of issue of this Warrant Certificate, takes any action affecting the Common Shares, other than an action described in section 4.1 herein, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval, including approval of the Exchange. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Common Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

(l) On the happening of each and every such event set out in section 4.1 herein, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall, *ipso facto*, be deemed to

be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

(m) The Corporation shall not be required to deliver certificates for Common Shares while the share transfer books of the Corporation are properly closed, having regard to the provisions of sections 4.1 and 4.2 herein, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Common Shares called for thereby during any such period, delivery of certificates for Common Shares may be postponed for not more than five (5) business days after the date of the re-opening of said share transfer books; provided, however, that any such postponement of delivery of certificates shall be without prejudice to the right of the Warrantholder so surrendering the same and making payment during such period to receive after the share transfer books shall have been re-opened such certificates for the Common Shares called for, as the same may be adjusted pursuant to sections 4.1 and 4.2 herein as a result of the completion of the event in respect of which the transfer books were closed.

(n) Notwithstanding any other provision of Section 4.1 or 4.2, no adjustment shall be made which would result in any increase in the Exercise Price (except upon a consolidation, reduction or combination of outstanding Common Shares).

ARTICLE 5
COVENANTS BY THE CORPORATION

5.1 Reservation of Common Shares

The Corporation covenants and agrees that until the Expiry Time, while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase herein provided, as such right of purchase may be adjusted pursuant to Article 4 herein. The Corporation further covenants and agrees that while any of the Warrants shall be outstanding, the Corporation shall (a) comply with the securities legislation applicable to it in order that the Corporation not be in default of any requirements of such legislation; (b) use its commercially reasonable best efforts to do or cause to be done all things necessary to preserve and maintain its corporate existence; and (c) at its own expense expeditiously use its commercially reasonable best efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Corporation's Common Shares may be listed from time to time. All Common Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Common Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Corporation or its creditors in respect thereof.

ARTICLE 6
MERGER AND SUCCESSORS

6.1 Corporation May Consolidate, etc. on Certain Terms

Nothing herein contained shall prevent any consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety to any corporation lawfully entitled to acquire and operate same, provided, however, that the corporation formed by such consolidation, amalgamation or merger or which acquires by conveyance or transfer all or substantially all the properties and assets of the Corporation as an entirety shall, simultaneously with such amalgamation, merger, conveyance or transfer,

assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.

6.2 Successor Corporation Substituted

In case the Corporation, pursuant to section 6.1, shall consolidate, amalgamate or merge with or into any other corporation or corporations or shall convey or transfer all or substantially all of its properties and assets as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation shall have been consolidated, amalgamated or merged or which shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Corporation hereunder and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate and herein as may be appropriate in view of such amalgamation, merger or transfer.

ARTICLE 7
AMENDMENTS

7.1 Amendment

This Warrant Certificate may be amended only by a written instrument signed by the parties hereto. Any such amendment shall be subject to receipt by the Corporation of all required approvals (if any) from the Exchange, any other stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities.

ARTICLE 8
MISCELLANEOUS

8.1 Time

Time is of the essence of this Warrant Certificate.

8.2 Notice

The Corporation will maintain a register of holders of Warrants at its principal office. The Corporation may deem and treat the registered holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Warrantholder of the Common Shares purchasable pursuant to such Warrant shall be a good discharge to the Corporation for the same and the Corporation shall not be bound to inquire into the title of any such Warrantholder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

The Corporation shall notify the Warrantholder forthwith of any change of the Corporation’s address.

All notices to be sent hereunder shall be deemed to be validly given to the registered holders of the Warrants if delivered personally or if sent by registered letter through the post addressed to such holders at their post office addresses appearing in the register of Warrant holders caused to be maintained by the Corporation, and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by post on the fifth business day next following the post thereof.

8.3 Transfer of Warrants

The Warrants are non-transferable.

8.4 Enforcement

Subject as hereinafter provided, all or any of the rights conferred upon the Warrantholder by the terms hereof may be enforced by the Warrantholder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein shall be had against any shareholder or officer of the Corporation either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders or officers of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrants.

8.5 Priority

All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

8.6 Assignment

This Warrant Certificate shall enure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors and assigns.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by the signature of its duly authorized officer this 5th day of October, 2023.

GROWN ROGUE INTERNATIONAL INC.

Per: /s/ J. Obie Strickler
J. Obie Strickler
President and Chief Executive Officer

[Signature page to warrant (2023)]

APPENDIX A

EXERCISE FORM

TO: GROWN ROGUE INTERNATIONAL INC.

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Warrant Certificate held by the undersigned and issued by Grown Rogue International Inc. (the "**Corporation**").

The undersigned hereby exercises the right to acquire _____ Common Shares of the Corporation in accordance with and subject to the provisions of such Warrant Certificate and herewith makes payment of the purchase price in full for the said number of Common Shares.

The undersigned holder represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ A. The undersigned holder at the time of exercise of the Warrants (i) is not in the United States; (ii) is not a U.S. person and is not exercising the Warrants on behalf of a U.S. person or a person in the United States; and (iii) did not execute or deliver this Exercise Form in the United States.

☐ B. The undersigned holder at the time of exercise of the Warrants (i) is the original holder who acquired the Warrants in the United States and who delivered a U.S. Accredited Investor Certificate to the Corporation in connection with its acquisition of the Warrants; (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the U.S. Accredited Investor Certificate, and (iii) is, and such disclosed principal, if any, is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") at the time of exercise of these Warrants and the representations and warranties of the holder made in the U.S. Accredited Investor Certificate remain true and correct as of the date of exercise of these Warrants.

☐ C. The undersigned holder has delivered an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws is available for the issuance of the Common Shares.

Note: The undersigned holder understands that unless Box A above is checked, the certificates or DRS Advice representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates or DRS Advice representing Common Shares will not be registered or delivered to an address in the United States unless either Box B or Box C above is checked. If Box C is checked, any opinion or other evidence tendered must be in form and substance reasonably satisfactory to the Corporation. Holders planning to deliver any such documentation in connection with the exercise of the Warrants should contact the Corporation in advance to determine whether any opinions or other evidence to be tendered will be acceptable to the Corporation.

Note: The terms "U.S. person" and "United States" have the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

The Common Shares are to be issued as follows:

Name: _____

Address in full: _____

_____

Social Insurance Number: _____

Note: If further nominees are intended, please attach (and initial) a schedule giving these particulars.

DATED this _____ day of _____, 202____.

_____

(Signature of Warrantholder)

_____

Print full name

_____

Print full address

Instructions:

1. The registered Warrantholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised to the Corporation.

2. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

APPENDIX B

WARRANT EXERCISE GRID

Common Shares Issued	Common Shares Available	Initials of Authorized Officer

~~EXHIBIT 8.1~~

SUBSIDIARIES OF GROWN ROGUE INTERNATIONAL INC. AT OCTOBER 31, 2023

Company	Ownership
Grown Rogue Unlimited, LLC	100% by GRIN
Grown Rogue Gardens, LLC	100% by Grown Rogue Unlimited, LLC
GRU Properties, LLC	100% by Grown Rogue Unlimited, LLC
GRIP, LLC	100% by Grown Rogue Unlimited, LLC
Grown Rogue Distribution, LLC	100% by Grown Rogue Unlimited, LLC
GR Michigan, LLC	87% by Grown Rogue Unlimited, LLC
Canopy Management, LLC	87% by Grown Rogue Unlimited, LLC[(1)]
Golden Harvests LLC	60% by Canopy Management, LLC

(1) The Company, through its subsidiary, entered into an option to acquire an 87% controlling interest in Canopy, which held an option to acquire a 60% controlling interest in Golden Harvests (Note 7) which was exercised on May 1, 2021. In January of 2023, GR Unlimited exercised its option to acquire 87% of the membership units of Canopy from the CEO. Prior to this, ninety-six percent (96%) of Canopy was owned by officers and directors of the Company, and four percent (4%) was owned by a third party. Ownership by officers and directors, excluding the CEO, was pursuant to agreements which caused their ownership of Canopy to be equal to their ownership in GR Michigan (Note 23.2), which total 3.5%. The CEO owned 92.5% of Canopy, which was analogous to the CEO's 5.5% ownership of GR Michigan, and an additional 87% of Canopy, which was and is equal to the Company's 87% ownership of GR Michigan. Following GR Unlimited's acquisition of 87% of the membership units of Canopy in January of 2023, Canopy became owned 87% by GR Unlimited; 7.5% by officers and directors; and 5.5% by the CEO. The Company includes Canopy in the consolidated financial results and has allocated its net income (loss) and comprehensive income (loss) attributable to non-controlling interest.

EXHIBIT 12.1

CERTIFICATIONS

I, J. Obie Strickler, certify that:

1. I have reviewed this annual report on Form 20-F of Grown Rogue International Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 13, 2024

By: /s/ J. Obie Strickler
J. Obie Strickler
President & Chief Executive Officer

~~**EXHIBIT 12.2**~~

CERTIFICATIONS

I, Ryan Kee, certify that:

1. I have reviewed this annual report on Form 20-F of Grown Rogue International Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 13, 2024

By: /s/ Ryan Kee
Ryan Kee
Chief Financial Officer

EXHIBIT 13.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Grown Rogue International Inc. (the "Company") on Form 20-F for the year ended October 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Obie Strickler, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ J. Obie Strickler
Name: J. Obie Strickler
Title: President & Chief Executive Officer

Date: March 13, 2024

EXHIBIT 13.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Grown Rogue International Inc. (the "Company") on Form 20-F for the year ended October 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan Kee, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Ryan Kee
Name: Ryan Kee
Title: Chief Financial Officer

Date: March 13, 2024