

VIREO HEALTH INTERNATIONAL, INC.

EARLY WARNING REPORT FILED PURSUANT TO NATIONAL INSTRUMENT 62-103

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Super Voting Shares, Multiple Voting Shares and Subordinate Voting Shares (the “**Securities**”)

Vireo Health International, Inc. (the “**Issuer**”)
1330 Lagoon Avenue, 4th Floor
Minneapolis, Minnesota 55408,

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The Securities were acquired pursuant to a Business Combination (defined below).

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror

Kyle Kingsley (the “**Acquiror**”)
1330 Lagoon Avenue, 4th Floor
Minneapolis, Minnesota 55408, USA

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On March 18, 2019, the Issuer and Vireo Health, Inc. completed their previously announced business combination (the “**Business Combination**”), to create a U.S. based cannabis cultivator, processor and dispensary operator.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

In connection with the Business Combination, the Acquiror acquired beneficial ownership or control or direction over 65,411 Super Voting Shares, representing 100% of the class, and convertible debt that are immediately exercisable at the option of the Acquiror (subject to payment of the applicable consideration) into 58 Multiple Voting Shares and 4,500,726 Subordinate Voting Shares..

Each Super Voting Share is convertible into one Multiple Voting Share. Accordingly, the Acquiror is deemed to have acquired 65,469 Multiple Voting Shares, which represents 11.3% of the class on a partially diluted basis. Each Multiple Voting Share is convertible into 100 Subordinate Voting Shares. Accordingly, the Acquiror is deemed to have acquired 11,047,626 Subordinate Voting Shares, representing 34.5% of the class on a partially diluted basis. If all of the current Super Voting Shares and Multiple Voting Shares were converted to Subordinate Voting Shares, the Acquiror would beneficially own 14.0% of the class. In addition, the Acquiror holds 600,097 unvested stock option awards.

Immediately prior to the Business Combination, the Acquiror and his joint actors owned or controlled no securities of the Issuer.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Acquiror acquired ownership of the Securities pursuant to the Business Combination.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See 3.1 above

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which:

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,

See item 3.1 above.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the

material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Pursuant to the Business Combination, the Super Voting Shares and Multiple Voting Shares were issued at a value of US\$425 and the Subordinate Voting Shares were issued at a value of US\$4.25.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Securities were acquired in connection with the Business Combination for the purposes of establishing the Acquiror as a control person of the Issuer, subject to the rights, privileges, restrictions and conditions of the Securities.

Other than as set out below, as of the date of this report, the Acquiror is not aware of any plans nor has any future intentions which would relate to or result in any of items (a) through (k) of Item 5 above. The Acquiror is the CEO and a director of the Issuer.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

In connection with the Business Combination, the Acquiror has entered into a lock-up agreement with the Issuer pursuant to which the Acquiror will not, among other things, without the prior consent of the Issuer, offer, sell, contract to sell, transfer, assign, secure, hypothecate, pledge, lend, swap, sell any option or contract to purchase,

purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of (whether through the facilities of a stock exchange, by private placement or otherwise) or transfer any of the Securities for a period of 180 days after March 18, 2019, following which one third of the locked up shares may be transferred by the Acquiror; (ii) 270 days following March 18, 2019 following which one third of the locked up shares may be transferred by the Acquiror; and (iii) 360 days following March 18, 2019 following which the final one third of the locked up shares may be transferred by the the Acquiror and is subject to release in certain other circumstances.

In connection with the Super Voting Shares, the Acquiror and certain other parties entered into a coattail agreement. The coattail agreement contains certain restrictions on transfer of the Shares in order to provide the other shareholders of the Issuer with certain rights in the event of a transaction that would have constituted a take-over bid, if the Shares had been Multiple Voting Shares or Subordinate Voting Shares.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED as of the 20th day of March, 2019

“Kyle Kingsley”
Kyle Kingsley