

## FORM 51-102F3

### MATERIAL CHANGE REPORT

**Item 1**      **Name and Address of the Company**

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

**Item 2**      **Date of Material Change**

March 9, 2020

**Item 3**      **News Release**

A news release relating to the material change described herein was disseminated on March 10, 2020 through the newswire services of Canada Newswire (CNW) and was subsequently filed on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

**Item 4**      **Summary of Material Change**

On March 10, 2020, the Company announced it closed the first tranche of a non-brokered private placement offering (the “**Offering**”) of 13,651,574 units of the Company (the “**Units**”) at a price per Unit of CAD \$0.77.

Each Unit is comprised of one subordinate voting share in the capital of the Company (a “**Share**”) and one subordinate voting share purchase warrant of the Company (a “**Warrant**”). Each Warrant entitles the holder to purchase one Share (a “**Warrant Share**”) for a period of three years from the date of issuance at an exercise price of CAD \$0.96 per Warrant Share, subject to adjustment in certain events.

**Item 5**      **Full Description of Material Change**

On March 10, 2020, the Company announced that it closed the first tranche of the Offering of 13,651,574 Units at a price per Unit of CAD \$0.77.

Each Unit is comprised of one Share and one Warrant. Each Warrant entitles the holder to purchase one Warrant Share for a period of three years from the date of issuance at an exercise price of CAD \$0.96 per Warrant Share, subject to adjustment in certain events. The Company has the right to force the holders of the Warrants to exercise the Warrants into Shares if, prior to the maturity date, the five-trading-day volume weighted-average price of the Shares equals or exceeds CAD \$1.44, subject to adjustment in certain events.

The Company intends to use the proceeds from the Offering to fund various growth

initiatives, as well as for working capital and general corporate purposes. Additional tranches of the Offering may be closed on or before April 17, 2020, subject to the satisfaction of customary closing conditions. All of the securities issuable in connection with the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. The Company does not expect the Warrants to be listed on any securities exchange.

Bruce Linton, a director, officer and insider of the Company indirectly subscribed for 1,736,715 Units in the Offering. Mr. Linton's participation in the Offering and amendments to his employment agreement with the Company (the "**Amended Employment Agreement**") constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). As a consequence of Mr. Linton's participation in the Offering and the Amended Employment Agreement, Mr. Linton beneficially owns or controls 1,736,715 Shares representing 4.6% of the issued and outstanding shares of the Company on a non-diluted basis, 1,736,715 Warrants and 15,000,000 incentive warrants, that if exercised, would result in Mr. Linton beneficially owning or controlling approximately 16.0% of the then issued and outstanding shares of the Company on a partially diluted basis assuming the conversion of the Company's multiple voting shares and super voting shares into Shares and assuming no additional issuance of securities or exercise of other options and warrants.

Pursuant to MI 61-101, a formal valuation and minority shareholder approval must be obtained for related party transactions unless, in each instance, an exemption from such requirement is available. The Company is relying on the exemptions from the formal valuation requirement and the minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the Mr. Linton's participation in the Offering and the Amended Employment Agreement as the fair market value of each transaction is below 25% of the Company's market capitalization as determined in accordance with MI 61-101. There is no prior valuation in respect of the Company, the existence of which is known, after reasonable inquiry, to the Company or to any director or senior officer of the Company.

Under the terms of the Amended Employment Agreement, the Company expects to advance Mr. Linton the aggregate exercise price of the first tranche of incentive warrants issued to Mr. Linton and disclosed by the Company on November 7, 2019, in accordance with the terms of such warrants. The warrants become effectively cashless if the market capitalization of the company reaches U.S. \$275 million.

The terms of the Offering and the Amended Employment Agreement were reviewed and unanimously approved by the disinterested members of the Company's board of directors (with conflicted director, Mr. Linton, having abstained from voting).

The Company did not file a material change report more than 21 days in advance of the closing of the first tranche of the Offering, which it considers reasonable in the circumstances, as the participation in the transaction by related parties of the Company were not settled until shortly prior to closing of the Offering.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Kyle Kingsley, Chief Executive Officer of the Company

Phone: 1-844 484-7366

**Item 9 Date of Report**

March 19, 2020

***Forward-Looking Statements***

*This material change report contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information contained in this material change report may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, and include statements with respect to future tranches of the Offerings, including the expected timing for closing subsequent tranches of the Offering; and the use of proceeds from the Offering. Forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this material change report. Forward-looking information is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions; the current and future regulatory environment; and the availability of licenses, approvals and permits.*

*Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but*

*are not limited to, risks related to the impact of the COVID-19 outbreak and the responses of government and the public to the outbreak; the timing of recreational-use legislation in markets where the Company currently operates; closing subsequent tranches of the Offerings; the expected timing for completion of subsequent tranches of the Offerings, including the satisfaction of customary closing conditions; current and future market conditions, including the market price of the subordinate voting shares of the Company; federal, state, local and foreign government laws, rules and regulations, including federal and state laws in the United States relating to cannabis operations in the United States; limited operating history; changes in laws, regulations and guidelines; operational, regulatory and other risks; execution of business strategy; management of growth; difficulty to forecast; conflicts of interest; risks inherent in an agricultural business; liquidity and additional financing; foreign private issuer status and the risk factors set out in the Company's listing statement dated March 19, 2019, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

*The statements in this material change report are made as of the date of this material change report. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.*