

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Grown Rogue International Inc.** (the "Issuer" or the "Company").

Trading Symbol: **GRIN**

Number of Outstanding Listed Securities: **170,832,611**

Date: **March 6, 2023**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Grown Rogue International (CSE: GRIN | OTC: GRUSF) is a craft cannabis company focused on delighting customers with premium flower and flower-derived products at fair prices. Our roots are in Southern Oregon where we have demonstrated our capabilities in the highly competitive and discerning

Oregon market and, more recently, we successfully expanded our platform to Michigan. We combine our passion for product and value with a disciplined approach to growth, prioritizing profitability and return on capital. Our strategy is to pursue capital efficient methods to expand into new markets, bringing our craft quality and value to more consumers. We also continue to make modest investments to improve our outdoor craft cultivation capabilities in preparation for eventual interstate commerce.

On February 28, 2023, the Issuer filed its annual financial statements for the year ended October 31, 2022, with the following highlights.

- Revenue of \$17.8M compared to \$9.4M in 2021, an increase of 89%
- Operating Cash Flow (OCF), before changes in working capital, of \$3.2M compared to \$1.9M in 2021, an increase of 68%
- Free Cash Flow¹ (FCF) of \$0.9M, after a \$1.2M increase in working capital and \$1.1M in capital expenditures
- The Issuer anticipates an increase in FCF in 2023 as a result of higher operating cash flow and lower capital expenditures compared to 2022
- Adjusted EBITDA² (aEBITDA) of \$5.1M compared to \$2.3M in 2021, an increase of 126%
- Subsequent to year-end, closed a \$2.0M convertible debenture financing
- Oregon Market Highlights
 - #1 Flower brand and #3 brand overall in 2022, according to LeafLink's MarketScape data
 - #1 Flower brand for six consecutive quarters
 - Total harvested wet weights for the state of Oregon decreased 5% YoY for indoor, 18% YoY for mixed, and 17% YoY for outdoor, according to the Oregon Liquor and Cannabis Commission (OLCC)
 - Wet weight harvested for indoor and outdoor increased 45% and 88%, respectively, compared to 2021
 - Subsequent to year-end, increased Oregon sungrown capacity with a lease option of 35 acres in Medford
- Michigan Market Highlights
 - #10 wholesale flower brand in 2022, according to Leaflink's MarketScape data
 - Added an additional \$1.1M in fixed assets, including production from five additional flower rooms
 - More than doubled production in 2022 compared to 2021 and expect an additional 50% growth in 2023 reflecting the annualization of rooms built in 2022
 - Launched one gram pre-rolls (including nitrogen sealed varieties) in Q2 2022

- Subsequent to year-end, exercised option and acquired controlling interest in Golden Harvests, LLC

¹ The Company's "Free cash flow" metric is defined by cash flow from operations minus capital expenditures.

² The Issuer's "aEBITDA," or "Adjusted EBITDA," is a non-IFRS measure used by management that does not have any prescribed meaning by IFRS and that may not be comparable to similar measures presented by other companies. The Issuer defines "EBITDA" as the Issuer's net income or loss for a period, as reported, before interest, taxes, depreciation and amortization, and is further adjusted to remove transaction costs, stock-based compensation expense, accretion expense, gain (loss) on derecognition of derivative liabilities, the effects of fair-value accounting for biological assets and inventory, as well as other non-cash items and items not representative of operational performance as reported in net income (loss). Adjusted EBITDA is defined as EBITDA adjusted for the impact of various significant or unusual transactions. The Issuer believes that this is a useful metric to evaluate its operating performance.

2. Provide a general overview and discussion of the activities of management.

Management explored new business and expansion opportunities.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the

disposition was to a Related Person of the Issuer and provide details of the relationship.

On February 21, 2023, the Issuer announced the expansion of its Oregon craft sungrown capacity with a lease option (“Lease Option”) on a thirty-five acre property (“Property”) in Medford, Oregon.

The Property has three tax lots that would allow, under current regulations, 120,000 square feet of additional sungrown canopy space. Under the Issuer’s cultivation methods, this Property, at full capacity, can produce in excess of 18,000 pounds of craft sungrown whole flower per year. The Property comes with an existing Oregon Liquor Control Commission Tier II licensed farm allowing for 40,000 sq ft of production, and the Company intends to transfer the Tier II license from their legacy medical farm in 2023 or 2024 to centralize production, further lowering costs and driving efficiencies.

The Lease Option is for one year, with the ability to extend for an additional year. Lease payments are \$7,500 per month, with 75% of all lease payments applied to the total purchase price of \$1,600,000. 15% is due at closing, with an owner carry of three years at the greater of 5% or LIBOR plus 150bps in year 1; greater of 6% or LIBOR plus 150bps in year 2; and greater of 7% or LIBOR plus 150bps in year 3.

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

N/A

15. Provide details of any changes in directors, officers or committee members.

N/A

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Trends and risks which may impact the Issuer are detailed in Section 17 – Risk Factors - in the Issuer's Listing Statement dated November 15, 2018.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated March 6, 2023

J. Obie Strickler
Name of Director or Senior Officer

signed "J. Obie Strickler"

Signature
President and CEO
Official Capacity

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| Issuer Details | | For Month End | Date of Report |
| Name of Issuer | | February 2023 | YY/MM/DD |
| Grown Rogue International Inc. | | | 23/03/06 |
| Issuer Address | | | |
| 550 Airport Road | | | |
| City/Province/Postal Code | | Issuer Fax No. | Issuer Telephone No. |
| Medford, Oregon 97504 | | N/A | (503) 765-8108 |
| Contact Name | | Contact Position | Contact Telephone No. |
| J. Obie Strickler | | CEO | (503) 765-8108 |
| Contact Email Address | | Web Site Address | |
| obie@grownrogue.com | | https://www.grownrogue.com/ | |