

## FORM 7

### **MONTHLY PROGRESS REPORT**

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

Trading Symbol: **GRIN**

Number of Outstanding Listed Securities: **72,465,916**

Date: **August 5, 2019**

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.

**The Issuer, headquartered in Medford, Oregon, is a vertically-integrated, cannabis company curating innovative products to provide consumers with the right cannabis experience. Each of the Issuer's products and strains are categorized and marketed based on unique effects and designed for the full range of a**

consumers' active lifestyle from Relaxation to Energizing. The Issuer's "seed to experience" positioning conveys the vision of ensuring "the right experience, every time". The Issuer's diverse cannabis product suite includes premium flower, patent-pending nitrogen sealed pre-rolls, oil and concentrates.

On July 2, 2019, the Issuer announced the entering into of a binding agreement to expand further into Michigan through a new strategic acquisition and partnership with Inferno Gardens, Inc. ("Inferno Gardens"), whose assets include the local approval for one retail dispensary and a 24,000 sq ft indoor manufacturing facility that will include both cultivation and processing when fully constructed. State licensing is in progress and expected to be completed in the coming months. The facility is approximately 40% constructed and expected to be fully operational within 120 days. Final acquisition and partnership is subject to Michigan regulatory approval and full licensing of the Issuer at the state level.

The terms of the Agreement include the following provisions:

1. the Issuer obtains the option to acquire a 51% ownership of Inferno Gardens, subject to state regulatory approval, for a one-time payment of \$250,000 due upon the signing of the definitive agreement with a deposit of \$50,000 submitted in conjunction with the execution of the Agreement;
2. the Issuer will provide up to \$2MM in financing as a loan for development and operational build-out of the cultivation, processing, and dispensary centers of which the Issuer will be paid back under an established schedule;
3. the Issuer will have the right to purchase the remaining 49% of Inferno Gardens for either stock or cash or a combination of both at the earlier of Issuer's stock reaching \$1.00 / share on the Canadian Securities Exchange for a period of 10 consecutive days or 24 months from signing the Definitive Agreement. Unless Inferno Gardens permits, the Issuer may not exercise this option for a period of 12 months following the signing of the definitive agreement; and
4. the Issuer will also issue 900,000 common shares to Inferno Gardens based on milestones including signing of definitive agreement, production of 500 lbs of dried cannabis flower and achieving \$3,000,000.00 in top line revenue.

The binding Agreement also considers the appointment of Inferno Gardens leadership to a management role for oversight of the development and operation of the Michigan facilities. Plans for the dispensary and processing facility are slated for launching in early 2020.

On July 3, 2019, the Issuer released its financial statements for its fiscal second quarter ended April 30, 2019, along with the management's discussion and analysis relating thereto.

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

**Management was actively looking at various expansion opportunities in other states such as Michigan and expansion plans for the business in the State of California. The plan included, among other things, expansion of new product lines and effective branding and development of marketing strategies.**

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.

**See proposed transaction with Inferno Gardens in Item 1.**

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.

**N/A**

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.

**On July 22, 2019, the Issuer announced that the US Patent and Trademark Office awarded the Issuer a full patent for its "Certified Fresh" Nitrogen Sealed Pre-rolls. The Nitrogen Sealing Process eliminates oxygen through**

**nitrogen injection which preserves the freshness of the flower. The process also vacuum seals the product to lock in freshness.**

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

**On July 25, 2019, the Issuer announced the resignation of its Chief Operating Officer, Adam Wolf.**

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 were 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 August 5, 2019

J. Obie Strickler  
Name of Director or Senior  
Officer

"J. Obie Strickler"

Signature  
President and CEO  
Official Capacity

<b>Issuer Details</b>	For Month	Date of Report
Name of Issuer	End	YY/MM/D
Grown Rogue International Inc.	July 2019	19/08/05
Issuer Address		
340 Richmond Street West		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, Ontario, M5V 1X2	(416) 364-8797	(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/	