

FORM 10

UPDATED NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)

Name of Listed Issuer: TILT Holdings Inc. (the "Issuer").

Trading Symbol: TILT

Issued and Outstanding Securities of the Issuer Prior to Transaction: 321,954,295

Date of News Release Announcing the Transaction: November 18, 2020

Date of News Release Announcing the Closing of the Transaction: December 1, 2020

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: On November 30, 2020, Baker Technologies, Inc. ("Baker"), an indirect wholly owned subsidiary of the Issuer, completed its previously announced sale (the "Blackbird Sale") of all of the membership interests of Yaris Acquisition, LLC (dba. Blackbird) to Slam Dunk, LLC (the "Buyer"), a Nevada limited liability corporation controlled by Tim Conder, the Issuer's former Chief Operating Officer and a member of the board of directors of the Issuer. In accordance with the terms of the securities purchase agreement between Baker and the Buyer (the "Agreement"), Mr. Conder resigned from his position as Chief Operating Officer of the Issuer upon the closing of the Blackbird Sale. The total consideration payable for the Blackbird Sale was approximately US\$15,000,000 (approximately CA\$19,447,500¹), which figure is unaudited and subject to further reconciliation, consisting of a convertible senior secured promissory note (the "Promissory Note") in the principal amount of US\$10,000,000 (approximately CA\$12,965,000¹) (the "Base Principal Amount") with a maturity date of November 30, 2023 (the "Maturity Date") and the assumption of various liabilities, which were approximately US\$5,000,000 (approximately CA\$6,482,500¹). The Promissory Note is secured by a perfected security interest in all of the assets of Blkbrd Software LLC.

¹ Based on the Bank of Canada's exchange rate on November 30, 2020 of US\$1.00 = CA\$1.2965

Interest shall accrue and be payable on the Maturity Date on any unpaid Base Principal Amount and unpaid interest thereon outstanding from time to time at a rate of: (i) ten percent per annum for the period commencing on November 30, 2020 and ending on November 30, 2021; (ii) eleven percent per annum for the period commencing on November 30, 2021 and ending on November 30, 2022; and (iii) twelve percent per annum for the period commencing on November 30, 2022 and ending on the Maturity Date.

Upon the satisfaction of certain terms and conditions outlined in the Agreement, for a period of six months following the closing of the Blackbird Sale, Baker may advance to the Buyer an amount equal up to an aggregate of US\$1,000,000 (approximately CA\$1,296,500¹) (the "Additional Funding Amount"), with any such advances increasing the principal balance outstanding under the Promissory Note. Interest on the Additional Funding Amount shall accrue at a rate of 15% per annum over the first twelve months, 16% over the second twelve months and 17% over the final twelve months.

The Base Principal Amount and, if any, Additional Funding Amount may be converted in whole or in part into membership interests of the Buyer or other preferred or common equity interest of the Buyer, at the discretion of Baker, based on the fair market value of such interests, provided that the conversion is not into more than forty-nine percent of the then outstanding membership interests of the Buyer.

The Agreement, including the form of Promissory Note, is available on the Issuer's SEDAR profile at www.sedar.ca.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:
 - (a) Total aggregate consideration in Canadian dollars: See Item 1 .
 - (b) Cash: _____ .
 - (c) Other: _____ .
 - (d) Work commitments: _____ .

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

Negotiation between the Buyer and Issuer. Cormark Securities Inc. ("Cormark") acted as financial advisor to the Issuer for the Blackbird Sale.

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: In addition to providing financial advice in respect of the Blackbird Sale, Cormark provided an opinion as to the fairness, from a financial point of view, of the Blackbird Sale to the Issuer.
5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A
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6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): N/A
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- (b) Cash N/A
- (c) Other N/A
7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A
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8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A
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2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: N/A

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3. 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. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. 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).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated December 3, 2020.

Brad Hoch
Name of Director or Senior
Officer

(signed) "Brad Hoch"
Signature

Chief Financial Officer
Official Capacity