

## FORM 9

### **NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES (or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Please complete the following:

Name of Listed Issuer: TILT Holdings Inc. (the “**Issuer**”).

Trading Symbol: TILT.

Date: December 7, 2018.

Is this an updating or amending Notice: ☐ Yes ☒ No

If yes provide date(s) of prior Notices: N/A.

Issued and Outstanding Securities of Issuer Prior to Issuance: 58,581,786 common shares of the Issuer and 2,150,307 compressed shares of the Issuer, each convertible into 100 common shares of the Issuer subject to adjustments set forth in the articles of the Issuer.

Date of News Release Announcing Acquisition: December 6, 2018.

Closing Market Price on Day Preceding the Issuance of the News Release: N/A.

**1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)**

Full Name & Residential Address of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed	Payment Date(1)	Describe relationship to Issuer (2)

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(1) Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds etc. Indicate if the placement funds been placed in trust pending receipt of all necessary approvals.

(2) Indicate if Related Person.

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: \_\_\_\_\_ .

2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. \_\_\_\_\_ .

3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: \_\_\_\_\_ .

4. If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities.

5. Description of securities to be issued:

(a) Class \_\_\_\_\_ .

(b) Number \_\_\_\_\_ .

(c) Price per security \_\_\_\_\_ .

(d) Voting rights \_\_\_\_\_ .

6. Provide the following information if Warrants, (options) or other convertible securities are to be issued:

(a) Number \_\_\_\_\_ .

(b) Number of securities eligible to be purchased on exercise of Warrants (or options) \_\_\_\_\_ .

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- (c) Exercise price \_\_\_\_\_ .
- (d) Expiry date \_\_\_\_\_ .
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount \_\_\_\_\_ .
- (b) Maturity date \_\_\_\_\_ .
- (c) Interest rate \_\_\_\_\_ .
- (d) Conversion terms \_\_\_\_\_ .
- (e) Default provisions \_\_\_\_\_ .
8. 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 placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (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): \_\_\_\_ .
- (b) Cash \_\_\_\_\_ .
- (c) Securities \_\_\_\_\_ .
- (d) Other \_\_\_\_\_ .
- (e) Expiry date of any options, warrants etc. \_\_\_\_\_ .
- (f) Exercise price of any options, warrants etc. \_\_\_\_\_ .
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship \_\_\_\_\_
- \_\_\_\_\_ .
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).

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11. State whether the private placement will result in a change of control.
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12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. \_\_\_\_\_
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13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102.

## 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The Issuer has agreed to indirectly acquire (the "**Acquisition**") 100% of the issued and outstanding shares of capital stock of Blkbrd Holdings Corp., a Nevada corporation ("**Blackbird**"). Blackbird is a distribution company providing logistics operations and software solutions throughout the cannabis supply chain.
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: The Acquisition is to be effected pursuant to an Agreement and Plan of Merger dated December 5, 2018 (the "**Merger Agreement**") among the Issuer, HammCorp Inc. ("**Merger Sub I**"), Yaris Acquisition, LLC ("**Merger Sub II**"), Blackbird and Spencer Weed, as sellers' representative. Pursuant to the Merger Agreement, among other things, in accordance with the General Corporation Law of the State of Delaware, the Delaware Limited Liability Company Act and the Nevada Revised Statutes, (i) Merger Sub I will merge with and into Blackbird with Blackbird continuing as the surviving corporation, and (ii) immediately following the effectiveness of such merger, the surviving entity of such merger will merge with and into Merger Sub II with Merger Sub II continuing as the surviving entity. The outside date for closing of the

Acquisition is January 31, 2019. Blackbird and its stockholders are acting at arm's length to the Issuer.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
  - (a) Total aggregate consideration in Canadian dollars: Approximately US\$50,000,000 (approximately CDN\$66,765,000<sup>1</sup>).
  - (b) Cash: Approximately US\$5,000,000 (approximately CDN\$6,676,500<sup>1</sup>), subject to adjustment in accordance with the terms of the Merger Agreement.
  - (c) Securities (including options, warrants etc.) and dollar value: Such number of compressed shares of the Issuer equal to US\$45,000,000 at a deemed issue price equal to CDN\$525<sup>2</sup>.
  - (d) Other: N/A.
  - (e) Expiry date of options, warrants, etc. if any: N/A.
  - (f) Exercise price of options, warrants, etc. if any: N/A.
  - (g) Work commitments: N/A.
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc): The purchase price was determined based on arm's-length negotiations between the parties.
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: Management of the Issuer is not aware of any appraisal or valuation of the subject of the Acquisition.
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

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<sup>1</sup> Based on the Bank of Canada Daily Exchange Rate on December 5, 2018, the date of entry into the Merger Agreement, of US\$1.00 = C\$1.3353.

<sup>2</sup> The applicable exchange rate will be determined over the five business days immediately prior to the closing date in accordance with the terms of the Merger Agreement.

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>
Particulars not known at this time						

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The Issuer has conducted due diligence with respect to title to the shares of capital stock of Blackbird. The Merger Agreement also contains representations and warranties of Blackbird with respect to ownership of the shares of capital stock of Blackbird.
8. 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 acquisition (including warrants, options, etc.):
  - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (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.
  - (b) Cash N/A.
  - (c) Securities N/A.
  - (d) Other N/A.
  - (e) Expiry date of any options, warrants etc. N/A.
  - (f) Exercise price of any options, warrants etc. N/A.

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9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A.
10. If applicable, indicate whether the acquisition 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.

### **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 on behalf of the Issuer.
2. As of the date hereof there is not 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 CSE Policy 1).
4. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated December 7, 2018.

Alexander Coleman  
Name of Director or Senior  
Officer

/s/ "Alexander Coleman"  
Signature

Chief Executive Officer and Co-  
Chairman of the Board of  
Directors  
Official Capacity