

## 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: July 19, 2019.

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: \_\_\_\_\_.

Issued and Outstanding Securities of Issuer Prior to Issuance: 133,723,099 common shares.

Date of News Release Announcing Private Placement: July 16, 2019, announcing a binding term sheet which is subject to completing due diligence and definitive legal documentation.

Closing Market Price on Day Preceding the Issuance of the News Release: \$0.82

**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 relations -hip to Issuer (2)
unknown at this time							

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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: minimum of US\$50,000,000 up to a maximum of US\$125,000,000, at the election of the Issuer.
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.
 

(a) Retire in full the Company's U.S. \$20 million Bridge Loan dated April 29, 2019 that bears interest at 18.75% per annum. (b) Provide adequate cash for working capital needs to sustain and build long-term operations without fundraising concerns. (c) Jupiter Research, LLC (a wholly owned subsidiary of the Issuer) (**Jupiter**) will expedite its expansion throughout the United States and global markets by multiplying the sales force and distribution hubs. (d) In addition, resources will be invested to accelerate Jupiter's new exclusive product introductions and supporting the new product development/fundamental research centre and laboratory. (e) For general corporate purposes.
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 Convertible Senior Secured Notes (Notes). The Notes will be convertible, prior to maturity, at the option of the holders at approximately a 30% premium to the Issuer's closing price as of July 15, 2019, at CDN\$1.10.

(b) Number: minimum of US\$50,000,000 up to a maximum of US\$125,000,000.

(c) Price per security: US\$10,000.

(d) Voting rights The Notes have no voting rights.

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

(a) Number: For an amount of US\$0.01 per Warrant, the Issuer will issue that number of Warrants, at closing that equates to 30% of the US dollar value of the total investment of Notes, as follows:

i) 25% of the US dollar value of the total investment to the Note holders in proportion to their individual investment amounts;

ii) 5% of the US dollar value of the total investment by the Syndicate to UCP (inclusive of its designates).

If at any time the Issuer's 30-day VWAP exceeds CDN\$3.00 based on the average monthly volume for the preceding 12 months (**Call Trigger**), the Issuer may accelerate the expiry of the Warrants to a date that is a least thirty (30) days after the Call Trigger.

(b) Number of securities eligible to be purchased on exercise of Warrants (or options) unknown at this time.

(c) Exercise price CDN\$1.25.

(d) Expiry date three (3) years from the date of issuance.

7. Provide the following information if debt securities are to be issued:

(a) Aggregate principal amount minimum of US\$50,000,000 up to a maximum of US\$125,000,000.

(b) Maturity date thirty-six (36) months from the date of issuance, subject to pre-payment rights by the Issuer as set out below.

The Issuer may pre-pay the Notes without penalty at any time after the first twelve (12) months, on 60 days' advance written notice.

(c) Interest rate 8% cash or or 12% payment-in-kind at the sole discretion of each Note Holder to be provided on fifteen (15) days advance notice, payable quarterly in advance.

(d) Conversion terms Subject only to mandatory conversion defined below, at the sole discretion of each Note holder, from time to time, any amounts owing for principal and interest, in whole or in part, prior to Maturity, at CAN\$1.10.

If the Issuer's thirty (30)-day VWAP on its primary stock exchange exceeds CAN\$3.50, and its average monthly trading volume on that stock exchange for the preceding 3 months exceeds 6,000,000, the Issuer may deliver a forced conversion notice to the Note holders of up to 50% of their then outstanding principal and interest and without further action on the part of the Note holders, automatically convert their Notes on thirty (30) days' advance written notice.

(e) Default provisions Default events to be defined in definitive agreement.

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): Ubequity Capital Partners ("UCP"), Berkeley Castle, 15-250 The Esplanade, Toronto, Ontario M5A 4J6.

(b) Cash . 1.25% of the total investment payable in cash.

(c) Securities: 2.5% of the total investment payable in stock based on the same formula as the conversion rights.

(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: No relationship

- 10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).  
\_\_\_\_\_ .
- 11. State whether the private placement will result in a change of control.  
Unknown at this time. \_\_\_\_\_
- 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. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ .
- 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: \_\_\_\_\_  
\_\_\_\_\_ .
- 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: \_\_\_\_\_  
\_\_\_\_\_
- 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: \_\_\_\_\_ .
  - (b) Cash: \_\_\_\_\_ .
  - (c) Securities (including options, warrants etc.) and dollar value: \_\_\_\_\_  
\_\_\_\_\_ .
  - (d) Other: \_\_\_\_\_ .

- (e) Expiry date of options, warrants, etc. if any: \_\_\_\_\_ .
- (f) Exercise price of options, warrants, etc. if any: \_\_\_\_\_ .
- (g) Work commitments: \_\_\_\_\_ .
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).
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: \_\_\_\_\_ .  
\_\_\_\_\_ .
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:

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>

(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: \_\_\_\_\_ .  
\_\_\_\_\_ .
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): \_\_\_\_\_ .  
\_\_\_\_\_ .
- (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 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. \_\_\_\_\_

\_\_\_\_\_

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. \_\_\_\_\_

\_\_\_\_\_

**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 July 19, 2019.

David Caloia  
Name of Director or Senior Officer

"David Caloia"  
Signature

Chief Financial Officer  
Official Capacity