FORM 9

NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES

(or securities convertible or exchangeable into listed securities)

Name of Listed Issuer: Symbol(s):

|  |  |
| --- | --- |
| RIV Capital Inc. (the “Issuer”).  | RIV |

Date: August 25, 2021 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: 142,468,471 Class A common shares (“**Common Shares**”) .

**Pricing**

Date of news release announcing proposed issuance: ­\_August 10, 2021\_\_\_\_ or

Date of confidential request for price protection: ­­­­­­­­­­­\_N/A\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Closing Market Price on Day Preceding the news release: \_$1.77\_\_\_\_\_\_\_ or

Day preceding request for price protection: ­­­­­­­­­­­­­­­­­­­­­­­­­­­\_N/A\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Closing**

Number of securities to be issued:

On August 9, 2021 the Issuer entered into a convertible promissory note purchase agreement (the “**Note Purchase Agreement**”) with The Hawthorne Collective, Inc. (the “I**nvestor**”). Pursuant to the Note Purchase Agreement, the Investor agreed to purchase an unsecured convertible promissory note (the “**Convertible Note**”) from the Issuer in the principal amount of C$188,475,000 (being the Canadian dollar equivalent of US$150,000,000 based on the daily average rate of exchange for USD:CAD published by the Bank of Canada on August 9, 2021 of US$1.00 = C$1.2565) (the “**Investment**”).

The Convertible Note will mature on August 24, 2027 (the “**Maturity Date**”) with an effective rate of interest over its term of 0.7% per annum. The Convertible Note will bear interest on the loan at a rate of 2.03% annually for the first two years following August 24, 2021 (the “**Closing Date**”), after which no interest (0.0%) will accrue on the Convertible Note for the remainder of the term. Accrued interest will be payable on the Maturity Date or will be included in the conversion value of the Convertible Note at the time of conversion.

The Convertible Note will be convertible into Common Shares at a conversion price of C$1.90 per Common Share (the “**Conversion Price**”). The Convertible Note may, up until the Maturity Date, be converted at the election of the Investor at any time on a discretionary basis, or at the Issuer’s discretion upon the later of (i) August 24, 2023, and (ii) the date on which federal laws in the U.S. are amended (including the final promulgation of enabling regulations) to allow for the general cultivation, distribution, and possession of cannabis, or to remove the prohibition of such activities from the federal laws of the U.S.

Tor#: 10272914.7

Based on the initial principal amount of the Convertible Note, the Convertible Note is convertible into 99,197,368 Common Shares. Upon full conversion of the Convertible Note, including the full amount of the anticipated accrued interest over the term of the Convertible Note, the Investor would be entitled to receive approximately 103,224,782 Common Shares.

Issued and outstanding securities following issuance:

241,665,839 Common Shares (calculated on a partially diluted basis and based on the initial principal amount of the Convertible Note).

**Instructions:**

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. 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 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions.* In addition, the completed form must be delivered to listings@thecse.com with an appendix that includes the information in Table 1B for ALL placees.

**Part 1. Private Placement**

**Table 1A – Summary**

|  |  |  |  |
| --- | --- | --- | --- |
| Each jurisdiction in which purchasers reside | Number of Purchasers | Price per Security | Total dollar value (CDN$) raised in the jurisdiction |
| Ohio, U.S.A.  | 1 | C$1.90 (Conversion Price) | C$188,475,000 |
|  |  |  |  |
| Total number of purchasers: | 1 |  |  |
| Total dollar value of distribution in all jurisdictions: | c$188,475,000 |

**Table 1B – Related Persons**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Full Name &Municipality of Residence of Placee** | **Number of Securities Purchased or to be Purchased** | **Purchase price per Security (CDN$)** | **Conversion****Price (if****Applicable)****(CDN$)** | **Prospectus Exemption** | **TotalSecuritiesPreviously Owned, Controlled or Directed** | **Payment Date(1)** | **Describe relations-hip to Issuer (2)** |
| N/A |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

1An 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: US$150,000,000 (C$188,475,000).

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. The Issuer intends to use the proceeds for general corporate purposes and other permissible uses provided for under the Note and the Note Purchase Agreement.

1. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: N/A.
2. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.
3. Description of securities to be issued: N/A.

 (a) Class .

 (b) Number .

 (c) Price per security .

 (d) Voting rights

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

 (a) Number 1 Note.

1. Number of securities eligible to be purchased on exercise of warrants (or options)

Based on the initial principal amount of the Convertible Note, the Convertible Note is convertible into 99,197,368 Common Shares. Upon full conversion of the Convertible Note, including the full amount of the anticipated accrued interest over the term of the Convertible Note, the Investor would be entitled to receive approximately 103,224,782 Common Shares.

 (c) Exercise price $1.90.

 (d) Expiry date August 24, 2027.

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

 (a) Aggregate principal amount C$188,475,000.

 (b) Maturity date August 24, 2027.

 (c) Interest rate 2.03% annually for the first two years following the Closing Date, after which no interest (0.0%) will accrue on the Convertible Note for the remainder of the term.

 (d) Conversion terms

The Convertible Note may, up until the Maturity Date, be converted at the election of the Investor at any time on a discretionary basis, or at the Issuer’s discretion upon the later of (i) August 24, 2023, and (ii) the date on which federal laws in the U.S. are amended (including the final promulgation of enabling regulations) to allow for the general cultivation, distribution, and possession of cannabis, or to remove the prohibition of such activities from the federal laws of the U.S.

 (e) Default provisions

The occurrence of any of the following events shall constitute an “**Event of Default**” under the Convertible Note: (i) failure to pay the Investor any amount payable by the Issuer under the Convertible Note when due and the Issuer’s failure to cure such default within 30 days thereof; (ii) any representation or warranty made by the Issuer in the Note Purchase Agreement that is false, incorrect or misleading in any material respect when made and would reasonably be expected to have a material adverse effect on the Issuer’s ability to fulfil any of its obligations under the Convertible Note, Note Purchase Agreement or the Investor Rights and Strategic Opportunities Agreement dated August 24, 2021 among the Issuer, the Investor and The Hawthorne Gardening Company (the “**Investor Rights Agreement**”) entered into in connection with the Investment; (iii) the failure to observe or perform any covenant contained in Article 8 of the Note Purchase Agreement, where such failure is incapable of being cured or such failure continues for 30 days after the Issuer’s receipt of the Investor’s written notice of such failure or an intentional and wilful breach of any of the Issuer’s obligations under the Investor Rights Agreement; (iv) any liquidation, dissolution or winding up of the Issuer, whether voluntary or involuntary; (v) the institution by the Issuer of proceedings to be adjudicated as bankrupt or insolvent or the seeking by it of relief under any applicable federal, provincial, state or other law relating to bankruptcy; (vi) the commencement of any proceedings by a person for the bankruptcy or any similar proceedings against or affecting the Issuer that is not dismissed or stayed within 30 days of commencement thereof or the appointment without the consent or acquiescence of the Issuer of any trustee, receiver or liquidator of the Issuer or of all or any substantial portion of the properties of the Issuer that has not been vacated within 60 days thereof; (vii) a final, non-appealable judgment for the payment of money in excess of US$20,000,000 that is outstanding against the Issuer and such judgment is not, within 30 days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgment is not discharged prior to the expiration of any such stay; or (viii) where the holder of any security, interest, hypothec, charge, encumbrance, lien or claim against any of the Issuer’s assets does anything to enforce or realize on such security, interest, hypothec, charge, encumbrance, lien or claim, or takes possession of any part of the Issuer’s property, the value of which either alone or in the aggregate is at least US$20,000,000, provided that such enforcement, realization or taking of possession continues in effect and remains undischarged for a period of 45 days.

1. 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.): N/A.

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and 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. .

1. 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 N/A.
2. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.). N/A.
3. State whether the private placement will result in a change of control.

No; however, the Convertible Note is convertible into 99,197,368 Common Shares, representing approximately 41% of the outstanding Common Shares (calculated on a partially diluted basis, based on 142,468,471 Common Shares outstanding as at August 23, 2021).

1. 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. N/A.

1. 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 Resale of Securities. Confirmed.

**Part 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: N/A.

 .

1. 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:

 N/A.

1. 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: N/A.
2. Total aggregate consideration in Canadian dollars: .
3. Cash: .
4. Securities (including options, warrants etc.) and dollar value:

 .

1. Other: .
2. Expiry date of options, warrants, etc. if any: .
3. Exercise price of options, warrants, etc. if any: .
4. Work commitments: .
5. State how the purchase or sale price was determined (e.g. arm’s-length negotiation, independent committee of the Board, third party valuation etc). N/A.
6. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A.

 .

1. 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:
N/A.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **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** | **Total Securities, Previously Owned, Controlled or Directed by Party** | **Describe relationship** **to Issuer(1)** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. Indicate if Related Person
2. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A.
3. 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.): N/A.

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and 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 .

1. Expiry date of any options, warrants etc.
2. Exercise price of any options, warrants etc. .
3. 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.
4. 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.

1. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
2. the Issuer has obtained the express written consent of each applicable individual to:

(a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and

(b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time

1. 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).
2. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated August 25, 2021.

 Matthew Mundy
Name of Director or Senior Officer

 (signed) *“Matthew Mundy”*
Signature

 Chief Strategy Officer and General Counsel
Official Capacity

**Appendix A**

**PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9**

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

• To determine whether an individual is suitable to be associated with a Listed Issuer;

• To determine whether an issuer is suitable for listing;

• To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;

• To conduct enforcement proceedings;

• To ensure compliance with Exchange Requirements and applicable securities legislation; and

• To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.