

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: RIV Capital Inc. (the "Issuer").

Trading Symbol: RIV

Number of Outstanding Listed Securities: 142,468,471

Date: September 16, 2021

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 closed an agreement with The Hawthorne Collective, Inc. ("The Hawthorne Collective"), a newly-formed cannabis-focused subsidiary of The

Scotts Miracle-Gro Company for the purchase of a US\$150 million unsecured convertible note from RIV Capital (the “Investment”). The Investment establishes the Issuer as The Hawthorne Collective’s preferred vehicle for investments not currently under the purview of The Hawthorne Gardening Company. The Issuer’s strategy remains the same as its previously disclosed plans: to acquire, invest in, launch, and/or develop U.S. assets to build a multistate cannabis operating and brand platform.

Further disclosure pertaining to the Investment can be found in the [announcement press release](#).

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

Narbe Alexandrian, President and Chief Executive Officer of the Issuer, was interviewed and quoted in several media publications regarding the Investment, including: Benzinga, Business Insider, TechCrunch, and The Dales Report.

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 disclosure pertaining to the Investment.

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.

On August 24, 2021, the Issuer voluntarily delisted its common shares from the Toronto Stock Exchange. This termination followed the commencement of trading of the Issuer's shares on the Canadian Securities Exchange on August 23, 2021.

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.

None

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.

None

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

None

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

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.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

There are a number of terms and conditions relating to the Investment, including, but not limited to, the following:

- The convertible note evidencing the Investment (the “Note”) has a six-year term with an effective rate of interest over its term of 0.7% per annum. The Note bears interest on the principal amount at a rate of approximately 2.0% for the first two years that the Note is outstanding, following which no interest (0%) will accrue on the Note for the remainder of the term. Accrued interest will be payable at maturity or will be included in the conversion value of the Note at the time of conversion. The Note is an unsecured obligation of the Issuer.
- The Note is convertible into common shares of the Issuer at a conversion price of \$1.90 per share, representing an approximate 7% premium to the five-day volume-weighted average price of the Issuer’s shares on the Toronto Stock Exchange as of August 9, 2021. Assuming full conversion of the Note, including the full amount of the anticipated accrued interest over the life of the Note, The Hawthorne Collective would be entitled to receive approximately 103.1 million common shares of the Issuer, representing approximately 42% of the Issuer’s outstanding shares on a partially diluted basis based on the Issuer’s basic shares outstanding.
- Subject to obtaining all applicable regulatory approvals, the Note may be converted into common shares of the Issuer at the election of The Hawthorne Collective on a discretionary basis, or at the Issuer’s discretion upon the later of (i) two years following closing and (ii) the date on which federal laws in the United States are amended to allow for the general cultivation, distribution, and possession of cannabis.
- The Hawthorne Collective has a “top-up” option to purchase additional promissory notes to increase its *pro rata* ownership of the Issuer, to a maximum of 49% of the Issuer’s outstanding common shares, on substantially the same terms of the Note and at a conversion price equal to the market price of the common shares of the Issuer at the close of trading

on the day immediately prior to The Hawthorne Collective providing notice of its election.

- The proceeds from the Investment are reserved for permissible uses, and cannot presently be used to invest directly in cannabis or cannabis-related operations in the U.S. unless and until such operations comply with all applicable laws of the United States. The Issuer anticipates that, despite these restrictions, there are still a significant number of permissible uses for this capital that will help further the Issuer’s go-forward strategy. The Issuer also believes that the bolstering of its balance sheet will open doors to new sources of capital that can be used to continue to make acquisitions and/or investments in the U.S. cannabis sector.
- In connection with the Investment, the Issuer entered into an investor rights agreement with The Hawthorne Collective providing for, among other things, customary registration rights, participation rights, certain standstill and transfer restrictions, and the right to nominate up to three directors to the board of the Issuer. The Hawthorne Collective and its affiliates (including ScottsMiracle-Gro and The Hawthorne Gardening Company) agreed to present certain business opportunities in the cannabis sector to the Issuer and to pursue such opportunities with the Issuer in accordance with the terms of the investor rights agreement.

The foregoing summary of the Investment does not purport to be a complete description of all the parties’ rights and obligations in respect thereof and is qualified in its entirety by reference to the complete text of the transaction documents pertaining to the Investment, copies of which have been filed on the Issuer’s SEDAR profile (including a material change report dated August 19, 2021 that further summarizes the material terms of the Investment).

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Unsecured convertible note	1	Note is convertible into common shares of the Company at a conversion price of \$1.90 per share, representing an approximate 7% premium to the five-day volume-weighted average price of the Company’s shares on the Toronto Stock Exchange as of August 9, 2021. Assuming full conversion of the Note, including the full amount of the anticipated accrued interest over the life of the Note, The Hawthorne Collective would be	Aggregate proceeds: US\$150 million Intended allocation: general corporate and other lawful purposes, that will help accelerate the launch and expansion of its U.S. cannabis

		entitled to receive approximately 103.1 million common shares of the Issuer, representing approximately 42% of the Issuer's outstanding shares on a partially diluted basis based on today's basic shares outstanding.	operating and brand platform
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(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

In connection with the Investment, the Issuer added three new members to its Board of Directors in August 2021, being Chris Hagedorn, Mark Sims, and Gary Vaynerchuk.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None

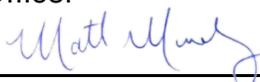
Certificate Of Compliance

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 September 16, 2021.

Matthew Mundy
Name of Director or Senior
Officer



Signature
General Counsel and Chief
Strategy Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/D
RIV Capital Inc.	August 2021	2021/09/16
Issuer Address		
2504-40 King St. West		
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No. (855) 227-8639
Toronto, ON M5H 3Y2		
Contact Name	Contact Position	Contact Telephone No.
Rob Small	Investor Relations	416-735-0869

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