

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Flower One Holdings Inc. (the "Flower One", the "Issuer" or the "Company").

Trading Symbol: FONE

Number of Outstanding Listed Securities: 176,629,779

Date: March 4, 2019

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.

On February 11, 2019, Flower One announced that it had entered into a Master Lease Agreement with Reich Bros Commercial Finance, for up to US\$30,000,000 in lease financing for certain equipment at its 455,000 square-foot greenhouse and production facility in North Las Vegas, Nevada. The

Company completed an initial draw of US\$10 million in February 2019. Please see the Issuer's press release dated February 11, 2019 for further information.

On February 14, 2019, Flower One announced a licensing agreement and brand partnership with CannAmerica Brands. Please see the Issuer's press release dated February 14, 2019 for further information.

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

Management continues to seek new strategic opportunities to create shareholder value and to focus on the completion of the cannabis greenhouse in North Las Vegas, Nevada. Please reference question #1 for further information.

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.

The Company announced a licensing agreement and brand partnership with CannAmerica Brands. Please reference question #1 for further information.

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 – none noted

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.

The Company announced a licensing agreement and brand partnership with CannAmerica Brands. Please reference question #1 for further information.

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.

N/A – none noted

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.

The Company entered into a Master Lease Agreement with Reich Bros Commercial Finance, for up to US\$30,000,000 in lease financing for certain

equipment at its 455,000 square-foot greenhouse and production facility in North Las Vegas, Nevada. Please reference question #1 for further information.

8. Describe the acquisition of new customers or loss of customers.

N/A – none noted

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.

The Company announced a licensing agreement and brand partnership with CannAmerica Brands. Please reference question #1 for further information.

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

N/A – none noted

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

N/A – none noted

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.

N/A – none noted

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

The Company announced that it had entered into a Master Lease Agreement with Reich Bros Commercial Finance, for up to US\$30,000,000 in lease financing for certain equipment at its 455,000 square-foot greenhouse and production facility in North Las Vegas, Nevada. The Company completed an initial draw of US\$10 million in February 2019. The agreement has a five-year term, with the first 12 monthly payments being the equivalent of interest only, followed by forty-eight equal payments, such that all amounts advanced under the lease facility are fully amortized by month 60. The agreement includes a buyout right upon expiration of the term, and early buyout options at months 13, 25 and 37, at the Company's discretion. Please see the Issuer's press release dated February 11, 2019 for further information.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
N/A – none noted			

(1) State aggregate proceeds and intended allocation of proceeds.

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

N/A – none noted

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

N/A – none noted

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

Details and discussions on trends can be found in the Company's Listing Statement filed on September 25, 2018 and the Annual Information form filed on November 7, 2018; both on SEDAR.

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 March 4, 2019.

Geoff Miachika
Name of Director or Senior
Officer


Signature
Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/D
Flower One Holdings Inc.	February 2019	19/03/04
Issuer Address		
Suite 600 – 20 Richmond St.		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON, M5C 2R9	(416) 840- 5528	(416) 913-9642
Contact Name	Contact Position	Contact Telephone No.
Geoff Miachika	CFO	(416) 913-9642 ext 102
Contact Email Address	Web Site Address	
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