

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer:	Symbol(s):
Flower One Holdings Inc. (the "Issuer").	FONE

Date: April 9, 2021 Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: January 27, 2021.

Issued and Outstanding Securities of Issuer Prior to Issuance: 308,184,565.

#### **Pricing**

Date of news release announcing proposed issuance: April 8, 2021 or

Date of confidential request for price protection: \_\_\_\_\_

Closing Market Price on Day Preceding the news release: \$0.30 or

Day preceding request for price protection: \_\_\_\_\_

#### **Closing**

Number of securities to be issued: 1,996,742 common shares of the Issuer (the "Loan Modification Shares").

Issued and outstanding securities following issuance: 310,181,307

#### **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](mailto:listings@thecse.com) with an appendix that includes the information in Table 1B for ALL places.

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**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
United States	3	\$0.2065	\$412,392.00
Total number of purchasers:	3		
Total dollar value of distribution in all jurisdictions:			\$412,392.00

**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	Total Securities Previously Owned, Controlled or Directed	Payment Date(1)	Describe relationship to Issuer (2)

<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.

- Total amount of funds to be raised: Payment of certain loan modification fees owed to the Company's secured lender, RB Loan Portfolio II, LLC, in connection with the modification of the Company's US\$30,000,000 term loan on January 26, 2021 pursuant to a loan modification agreement (the "Loan Modification Agreement").

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 payment of certain loan modification fees owed to the Company's secured lender, RB Loan Portfolio II, LLC, in connection with the Loan Modification Agreement as announced pursuant to a press release of the Company on January 27, 2021. The Loan Modification Shares will be used to satisfy \$412,392.00 of the remaining loan modification fees pursuant to the aforementioned Loan Modification Agreement.
  
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: N/A
  
4. 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:  
  
The Loan Modification Shares will be issued pursuant to the Loan Modification Agreement providing for the modification and forbearance on the Company's senior loan of US\$30,000,000 and the corresponding modification to the loan agreement of the Company dated June 27, 2019, as amended on July 29, 2020.
  
5. Description of securities to be issued:
  - (a) Class: Common shares
  - (b) Number: 1,996,742
  - (c) Price per security: \$0.2065
  - (d) Voting rights: Yes
  
6. Provide the following information if warrants, (options) or other convertible securities are to be issued: N/A.
  - (a) Number: \_\_\_\_\_
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options): \_\_\_\_\_
  - (c) Exercise price: \_\_\_\_\_
  - (d) Expiry date: \_\_\_\_\_

7. Provide the following information if debt securities are to be issued: N/A.
- (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.): 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. \_\_\_\_\_ .
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:
- N/A \_\_\_\_\_ .
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.):
- N/A \_\_\_\_\_ .
11. State whether the private placement will result in a change of control:
- N/A \_\_\_\_\_ .

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: N/A

\_\_\_\_\_  
\_\_\_\_\_

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 Resale of Securities.

## 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 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
4. 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).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated April 9, 2021.

Richard Groberg  
Name of Director or Senior  
Officer

(signed) "Richard Groberg"  
Signature

Interim Chief Financial Officer  
Official Capacity