

FORM 9

NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES

(or securities convertible or exchangeable into listed securities¹)

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

Date: April 22, 2021 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: 308,036,238.

Pricing

Date of news release announcing proposed issuance: April 19, 2021 or

Date of confidential request for price protection: _____

Closing Market Price on Day Preceding the news release: \$0.275 or

Day preceding request for price protection: _____

Closing

Number of securities to be issued: As announced on April 14, 2021 and April 19, 2021, holders of the Company's 9.5% unsecured convertible debentures due March 28, 2022 (the "March Debentures") and 9.5% unsecured convertible debentures due November 15, 2022 (the "November Debentures", and together with the March Debentures, the "Debentures") approved, by way of written consent, certain resolutions (the "Resolutions") to, among other things, amend the terms of the March Debentures and November Debentures (the "Debenture Amendments").

In accordance with the Debenture Amendments, the terms of the Debentures were amended, to among other things, provide the Company with the right (the "New Conversion Right") to convert 60% of the principal amount of the Debentures, plus accrued interest thereon, for units of the Company (each, a "Unit") at a conversion price of CAD\$0.35 per Unit. Each Unit will be comprised of one Common Share and 5/6 of a warrant (each, a "Warrant"). Each whole Warrant will be exercisable for one common share in the capital of the Company (each, a "Common Share") at an exercise price of CAD\$0.70 per Common Share for a period of 36 months, provided that if, at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the Common Shares on the Canadian Securities Exchange ("CSE"), or other principal exchange on which the Common Shares are listed, is greater than CAD\$1.05 for 20 consecutive trading days, the Company will be entitled to, within 10 business days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating

the expiry date of the Warrants to the date that is 30 days following the date of such notice.

On April 19, 2021, the Company exercised New Conversion Right, and has issued an aggregate of 91,260,761 Units to Debentureholders, consisting of 91,260,761 Common Shares and 76,050,635 Warrants. Correspondingly, the total principal amount of March Debentures outstanding will be reduced from approximately CAD\$42,471,000 to approximately CAD\$16,988,400; and, the total principal amount of the November Debentures outstanding will be reduced from approximately CAD\$9,276,000 to approximately CAD\$3,710,400.

In connection with the Debenture Amendments, the Company and certain of its subsidiaries have entered into a second loan modification agreement (the "Second Loan Modification Agreement") with RB Loan Portfolio II, LLC, (the "Term Lender") with respect to the Company's existing US\$30 million term debt, secured by the facility at 3950 N. Bruce St., North Las Vegas, Nevada.

In accordance with the terms of the Second Loan Modification Agreement, the Company has also issued 300,000 common share purchase warrants (the "Loan Modification Warrants") to the Term Lender in satisfaction of a modification fee payable to the Term Lender pursuant to the Second Loan Modification Agreement. Each Loan Modification Warrant is exercisable for one Common Share at an exercise price of \$0.39 per Common Share for a period of 36 months following the effective date of the Second Loan Modification Agreement.

Issued and outstanding securities following issuance: 399,296,999

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
Canada	2 ⁽¹⁾	\$0.35	\$31,048,200 ⁽²⁾
USA	4	\$0.39 ⁽³⁾	N/A ⁽³⁾
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

Notes:

- (1) Represents the number of registered holders of the Debentures, including CDS & Co.
- (2) Represents the approximate principal amount of Debentures converted pursuant to the New Conversion Right.
- (3) The Loan Modification Warrants are exercisable at a price of \$0.39 per Common Share and were issued as consideration for the Term Lender entering into the Second Loan Modification Agreement.

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⁾

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: No funds are being raised. Instead the total principal amount of March Debentures outstanding will be reduced from approximately CAD\$42,471,000 to CAD\$16,988,400; and, the total principal amount of the November Debentures outstanding will be reduced from approximately CAD\$9,276,000 to CAD\$3,710,400. .
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. See above. No funds are being raised. .
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.
5. Description of securities to be issued:
 - (a) Class: Common Shares .
 - (b) Number: 91,260,761 .
 - (c) Price per security: CAD\$0.35 .
 - (d) Voting rights: Yes .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
 - (a) Number: 76,050,635 Warrants and 300,000 Loan Modification Warrants .
 - (b) Number of securities eligible to be purchased on exercise of warrants (or options) 76,050,635 .
 - (c) Exercise price: CAD\$0.70 for the Warrants and CAD\$0.39 for the Loan Modification Warrants. .
 - (d) Expiry date: 36 months after the date of issue .
7. Provide the following information if debt securities are to be issued:
 - (a) Aggregate principal amount _____ .
 - (b) Maturity date _____ .

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- (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 22, 2021 .

Richard Groberg
Name of Director or Senior
Officer

(signed) "Richard Groberg"
Signature

Interim Chief Financial Officer
Official Capacity

Appendix A

PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

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