

## AMENDED 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: 180,965,495

Date: August 6, 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 July 2, 2019, the Company announced the results of its Annual and Special Meeting which took place on June 28, 2019. Please see the Issuer's press release dated July 2, 2019 for further information.**

On July 2, 2019, the Company announced it had entered into a debt financing agreement with RB Loan Portfolio II, LLC for up to US\$30,000,000. The agreement is for a two-year term at a rate of LIBOR plus 8% with interest only payments for the term of the agreement and contains early pre-payment options and 25% warrant coverage. The Company has done an initial advance of US\$20,000,000 and issued 1,139,757 warrants with a strike price of CAD\$3.46 and 1,139,757 warrants with a strike price of CAD\$4.03. Please see the Issuer's press release dated July 2, 2019 for further information.

On July 15, 2019, the Company announced the hiring of cannabis industry executive Kellen O'Keefe as Chief Strategy Officer. Please see the Issuer's press releases dated July 15, 2019, for further information.

During July 2019, the Company announced licensing agreements with La Vida Verde, The Clear Cannabis Group and Deuces 22. Please see the Issuer's press releases dated July 9, 2019, July 16, 2019 and July 18, 2019 for further information.

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

With the greenhouse fully canopied in June 2019, the Company expects an ongoing harvest averaging 10,000 high-quality, hydroponically-grown cannabis plants per zone. Cannabis cultivation and production cycle at Flower One's greenhouse facility will be ongoing, translating into the following expected future outcomes:

- The continuous harvesting of one flower zone (averaging 10,000 plants) per week;
- 140,000 lbs (or 62,500 kg) of high-quality dry flower per year, produced and processed for retail consumption;
- A reliable, consistent supply of seed-to-retail-ready, custom-packaged product, delivered to Nevada's cannabis consumers by way of Flower One's growing portfolio of Brand and Retail Partners; and
- A genetic library of over 100 unique cannabis strains.

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 licensing agreements with La Vida Verde, The Clear Cannabis Group and Deuces 22. 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 licensing agreements with La Vida Verde, The Clear Cannabis Group and Deuces 22. 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.

**N/A – none noted**

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 licensing agreements with La Vida Verde, The Clear Cannabis Group and Deuces 22. 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.

**Kellen O'Keefe – Chief Strategy Officer. Please reference question #1 for further information.**

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 entered into a US\$30 million debt financing. Please reference question #1 for further information.**

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

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Common shares	365,383	Issued on conversion of 950 convertible debentures	N/A
Common shares	34,865	Option exercises	N/A – cashless exercises
Options	100,000	Exercisable at \$2.88 per option with a 5 year expiry.	N/A
Options	1,275,000	Exercisable at \$2.85 per option with a 5 year expiry.	N/A
Options	50,000	Exercisable at \$2.70 per option with a 5 year expiry.	N/A
Warrants	589,964	Exercisable at \$3.35 per option with a 30 month expiry.	N/A
Warrants	589,964	Exercisable at \$3.91 per option with a 30 month expiry.	N/A

*(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, Final Short-Form Prospectus filed on March 22, 2019 and the Annual Information form filed on July 26, 2019; all 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 August 6, 2019.

Geoff Miachika  
Name of Director or Senior  
Officer

"Geoff Miachika"  
Signature  
Chief Financial Officer  
Official Capacity

<b><i>Issuer Details</i></b>	For Month	Date of Report
Name of Issuer	End	YY/MM/D
Flower One Holdings Inc.	July 2019	19/08/06
Issuer Address		
Suite 600 – 20 Richmond St. East		
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	
<a href="mailto:gmiachika@flowerone.com">gmiachika@flowerone.com</a>	<a href="http://www.flowerone.com">www.flowerone.com</a>	