

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: December 4, 2018

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 November 6, 2018, Flower One announced that it had begun trading in the United States on the OTCQB marketplace under the symbol “FLOOF”. Please see the Issuer’s press release dated November 6, 2018 for further information.

On November 14, 2018, the Company announced that it had completed the acquisition of the assets of NLV Organics Inc. and related parties (“NLVO”). The acquisition gives Flower One a fully operational 25,000 square-foot cultivation and production facility located in the City of North Las Vegas. It is fully licensed to grow and process cannabis for both the medical and recreational markets in Nevada. NLVO has nine grow rooms capable of cultivating a total of 4,500 plants per cycle. The acquisition of NLVO’s assets also brings to Flower One a team of experienced cultivators and producers, and therefore immediate understanding of post-harvest production techniques and supply relationships with over 30 operating dispensaries in the State. Please see the Issuer’s press release dated November 14, 2018 for further information.

On November 27, 2018, the Company announced that it would release its 2018 third quarter financial results after market close on Thursday, November 29, 2018. Following the release, management would host a conference call at 8:30 a.m. ET on Friday, November 30, 2018 to review recent and upcoming milestones. Please see the Issuer’s press release dated November 27, 2018 for further information.

On November 29, 2018, the Company reported its financial and operating results for the three and nine month-periods ended September 30, 2018. Please see the Issuer’s press release dated November 29, 2018 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 completed the acquisition of the assets of NLVO and has started generating customer revenues from the sale of cannabis-related products beginning in November 2018.

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.

On November 14, 2018, the Company announced that it had completed the acquisition of the assets of NLVO. 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.

On November 14, 2018, the Company announced that it had completed the acquisition of the assets of NLVO which included a 100% interest in a property in North Las Vegas, Nevada, and all of the business' tangible and intangible assets. The consideration was determined based on the fair value of the assets acquired through inventory counts and fair market value assessments. Please reference question #1 for further information.

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

The Company completed the acquisition of the assets of NLVO and has started generating customer revenues from the sale of cannabis related products beginning in November 2018.

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.

N/A – none noted

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.

On November 14, 2018, the Company announced that it had completed the acquisition of the assets of NLVO which included a 100% interest in a property in North Las Vegas, Nevada, and all of the business' tangible and intangible assets. As part of the consideration for the purchase of the NLVO property and business, Flower One issued a vendor note of US\$14,564,350. Please reference question #1 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⁾
Common shares	4,000,000	Issued as part of the acquisition of NLVO.	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 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 December 4, 2018.

Geoff Miachika
Name of Director or Senior
Officer

"Geoff Miachika"
Signature
Chief Financial Officer
Official Capacity

<i>Issuer Details</i>	For Month End	Date of Report YY/MM/D
Name of Issuer Flower One Holdings Inc.	November 2018	18/12/03
Issuer Address Suite 600 – 20 Richmond St.		
City/Province/Postal Code Toronto, ON, M5C 2R9	Issuer Fax No. (416) 840- 5528	Issuer Telephone No. (416) 913-9642
Contact Name Geoff Miachika	Contact Position CFO	Contact Telephone No. (416) 913-9642 ext 102
Contact Email Address gmiachika@flowerone.com	Web Site Address www.flowerone.com	

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