

## 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
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Date: April 28, 2020 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: 191,371,403 .

#### **Pricing**

Date of news release announcing proposed issuance: April 27, 2020 or

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

Closing Market Price on Day Preceding the news release: \$0.40 or

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

#### **Closing**

Number of securities to be issued: 27,229,297 units of the Company (the "Units") at an issue price of C\$0.37 per Unit for aggregate gross proceeds of up to C\$10,500,000, with each Unit consisting of one common share in the capital of the Company (a "Common Share") and one-half common share purchase warrant (each a "Warrant" and collectively, the "Warrants"), with each Warrant entitling the holder to subscribe for one Common Share (a "Warrant Share") at an exercise price of C\$0.44 per Warrant Share at any time prior to the day that is 36 months from the closing date of the Offering; provided, however in the event that the Common Shares trade on the CSE at a closing price equal to or greater than C\$0.88 per for a period of twenty (20) consecutive trading days, the Company may implement an accelerated expiry date of the Warrants by giving notice to the holders of the Warrants of the accelerated expiry and, thereafter, the Warrants will expire on the date that is ninety (90) days following the delivery of such notice.

Issued and outstanding securities following issuance: 218,600,700 \_\_\_\_\_

#### **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 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
Kingdom of Bahrein	1	CAD \$0.37	CAD\$349,999.65
BVI	2	CAD \$0.37	CAD\$1,617,640.00
Puerto Rico	1	CAD \$0.37	CAD\$139,850.00
Gibraltar	1	CAD \$0.37	CAD\$3,700,000.00
British Columbia	1	CAD \$0.37	CAD\$149,999.85
Nevada	2	CAD\$0.37	CAD\$4,117,350.00
Total number of purchasers:	6		
Total dollar value of distribution in all jurisdictions:			CAD\$10,141,015.00

**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.

1. Total amount of funds to be raised: CAD\$10,141,015.00 .
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. General working capital purposes .
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 C \_\_\_\_\_ .
  - (c) Price per security CAD\$0.37 \_\_\_\_\_ .
  - (d) Voting rights One vote per Common Shares \_\_\_\_\_ .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
  - (a) Number 13,614,648 Warrants \_\_\_\_\_ .
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options) 13,614,648 Warrant Shares  
\_\_\_\_\_ .
  - (c) Exercise price CAD\$0.44 \_\_\_\_\_ .
  - (d) Expiry date July 29, 2020 \_\_\_\_\_ .
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.):
- (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):  
Canaccord Genuity Corp. .
- (b) Cash CAD\$35,150 .
- (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 28, 2020.

Ken Villazor  
Name of Director or Senior  
Officer

(Signed "Ken Villazor")  
Signature

President and CEO  
Official Capacity