

FORM 8

NOTICE OF PROPOSED PROSPECTUS OFFERING

Please complete the following:

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

Trading Symbol: FONE

Date: MARCH 6, 2019

Is this an updating or amending Notice: Yes No

If yes provide date(s) of prior Notices: March 4, 2019.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering:
176,629,779 Common Shares .

Date of News Release Announcing Proposed Prospectus Offering: March 4, 2019 .
(or provide explanation if news release not disseminated yet and expected date or circumstances that are expected to trigger news release dissemination)

1. Prospectus Offering

1. Description of securities to be issued:

(a) Class Convertible debenture units ("Debenture Units"), each Debenture Unit consisting of (i) one 9.5% convertible unsecured debenture of the Company ("Convertible Debenture") with a maturity three years from the date of issuance (the "Maturity Date") and (ii) 192 common share purchase warrants (each whole warrant, a "Warrant"), with each whole Warrant entitling the holder to purchase one common share of the Company (a "Warrant Share") at an exercise price of \$2.60 (the "Exercise Price") at any time up to 36 months from the closing date of the Offering (the "Closing Date").

(b) Number Up to 50,000 Debenture Units. The agents have been granted an over-allotment option to increase the size of the offering by up to 15% in Debenture Units on the same terms and conditions as the Offering, exercisable in whole or in part.

(c) Price per security \$1,000 per Debenture Unit.

(d) Voting rights _____ .

2. Provide details of the net proceeds to the Issuer as follows:
 - (a) Per security: \$940 per Debenture Unit net (\$1,000 per Debenture Unit gross) .
 - (b) Aggregate proceeds: Up to \$47,000,000 net (\$50,000,000 gross).
 3. Provide description of any Warrants (or options) including:
 - (a) Number Up to 9,600,000 Warrants (forming part of the Debenture Units).
 - (b) Number of securities eligible to be purchased on exercise of Warrants (or options) Up to 9,600,000 Warrant Shares.
 - (c) Exercise price \$2.60.
 - (d) Expiry date 36 months following the closing date of the offering .
 - (e) Other significant terms _____ .
 4. Provide the following information if debt securities are to be issued:
 - (a) Aggregate principal amount Up to \$50,000,000 .
 - (b) Maturity date 3 years from the date of issuance (the "Maturity Date").
 - (c) Interest rate 9.5% .
 - (d) Conversion terms The principal amount of each Convertible Debenture is Convertible, for no additional consideration, into common shares in the capital of the Issuer ("Common Shares") at the option of the holder at any time prior to the earlier of: (i) the close of business on the Maturity Date, and (ii) the business day immediately preceding the date specified by the Issuer for redemption of the Convertible Debentures upon a Change of Control (as defined below) of the Issuer at a conversion price equal to \$2.60 (the "Conversion Price"). "Change of Control" means: (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.
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If the holder elects to convert the Convertible Debentures after a period that is six months and one day following the Closing Date, then the holder will also receive the Effective Interest (as defined below), payable in Common Shares at a price equal to the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange for the consecutive 20 trading days of the Common Shares on the CSE preceding the date of such election or cash at the Issuer's option. The effective interest ("Effective Interest") is an amount equal to the interest that the holder would have received if the holder had held the Convertible Debentures until the Maturity Date.

The Issuer may force conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange be greater than \$3.51 for the consecutive 20 trading days of the Common Shares on the CSE preceding the notice.

(e) Default provisions _____ .

5. Details of currently issued and outstanding shares of each class of shares of the Issuer:

The Issuer is authorized to issue an unlimited number of Common Shares, of which there are 176,629,779 Common Shares issued and outstanding as of the date hereof.

6. Describe any unusual particulars of the offering (i.e. tax "flow through" shares, special warrants, etc.).

7. Provide details of the use of the proceeds:

The net proceeds of the Offering are currently intended to be used for the payment of outstanding notes, ongoing construction and development of its Nevada production facility, working capital and general corporate purposes.

8. Provide particulars of any proceeds of the offering which are to be paid to Related Persons of the Issuer: _____ .

9. Provide details of the amounts and sources of any other funds that will be available to the Issuer prior to or concurrently with the completion of the offering: _____ .

10. 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 offering (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker, finder or other person receiving compensation in connection with the offering (name, address, beneficial ownership where applicable)

Mackie Research Capital Corporation
199 Bay Street, Suite 4500, Toronto, ON, M5L 1G2

Canaccord Genuity Corp.
609 Granville Street, Suite 2100, Vancouver, BC, V7Y 1H2

Cormark Securities Inc.
200 Bay Street, Suite 2800, Toronto, ON, M5J 2J2

Eight Capital
100 Adelaide Street West, Suite 2900, Toronto, ON, M5H 1S3

Industrial Alliance Securities Inc.
700 - 26 Wellington Street East, Toronto, ON, M5E 1S2

PI Financial Corp.
3401 - 40 King Street West, Toronto, ON, M5H 3Y2

- (b) Cash The Issuer will pay the agents an aggregate cash commission equal to 6.0% of the gross proceeds arising from the Offering .

- (c) Securities Non-transferable warrants ("Broker Warrant") to purchase such number of common shares as is equal to 3.5% of (i) the number of Common Shares issuable upon conversion or exercise, as applicable, of the Convertible Debentures (based on the Conversion Price) and (ii) the number of Common Shares issuable upon exercise of the Warrants sold under the Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option) at an exercise price of the Conversion Price and Exercise Price, respectively, per Common Share. Each Broker Warrant will entitled the holder thereof to acquire one Common Share (a "Broker Share") at the exercise price stated below prior to expiry as noted below.

- (d) Other _____ .

(e) Expiry date of any options, warrants etc. 36 months following the Closing Date.

(f) Exercise price of any options, warrants etc. \$2.60 per Broker Share.

11. State whether the sales agent, broker, dealer, finder, or other person receiving compensation in connection with the offering is a Related Person of the Issuer with details of the relationship: No

_____ .

12. Provide details of the manner in which the securities being offered are to be distributed. Include details of agency agreements and sub-agency agreements outstanding or proposed to be made including any assignments or proposed assignments of any such agreements and any rights of first refusal on future offerings: The Offering will proceed on a best efforts agency basis.

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13. Attach any term sheet, engagement letter or other document setting out terms, conditions or features of the proposed offering. Please see attached Term Sheet.

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 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 8 Notice of Proposed Prospectus Offering is true.

Dated March 6, 2019.

Ken Villazor
Name of Director or Senior
Officer

(signed) "Ken Villazor"
Signature

Chief Executive Officer
Official Capacity

FLOWER ONE HOLDINGS INC.
PUBLIC OFFERING OF CONVERTIBLE DEBENTURE UNITS
TERM SHEET

An amended and restated preliminary short form prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada (except Quebec). A copy of the amended and restated preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities.

The securities offered under this amended and restated short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the “United States”), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except as permitted by the agency agreement to be entered into in connection with the Offering (as defined below) and in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons.

The amended and restated preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered.

Investors should read the amended and restated preliminary short form prospectus, the final short form prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	Flower One Holdings Inc. (the “ Company ”).
Offering:	Best efforts agency offering (the “ Offering ”) of convertible debentures (the “ Debenture Units ”).
Amount:	Up to C\$50,000,000.
Offering Price:	\$1,000 per Debenture Unit.
Maturity:	3 years from the date the Debenture Units are issued.
Convertible Debenture Unit:	Each Debenture Unit will consist of one 9.5% unsecured convertible debenture (“ Convertible Debenture ”) of the Company maturing three years from the date of issuance (the “ Maturity Date ”) and 192 common share purchase warrants (each, a “ Warrant ”).
Warrants:	Each Warrant shall entitle the holder thereof to purchase one common share in the capital of the Company (each, a “ Common Share ” and collectively, the “ Common Shares ”) at an exercise price of \$2.60 (the “ Exercise Price ”) at any time up to 36 months following Closing of the Offering.
Interest:	The Convertible Debentures shall bear interest at a rate of 9.5% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing June 30, 2019. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The June 30, 2019 interest payment will represent accrued interest for the period from the Closing Date (as hereinafter defined) to June 30, 2019.
Principal Payment:	The Convertible Debentures will be repaid in cash on the Maturity Date.
Over-Allotment Option:	Up to 15% of the number of Debenture Units issued pursuant to the Offering to cover any over-allotments and for market stabilization purposes, exercisable at any time up to 30 days after the closing of the Offering.
Conversion Privilege:	The principal amount of each Convertible Debenture (the “ Principal Amount ”) shall be convertible, for no additional consideration, into Common Shares at the option of the holder at any time prior to the earlier of: (i) the close of business on the Maturity Date, and (ii) the business day immediately preceding the date specified by the Company for redemption of the Convertible Debentures upon a Change of Control (as defined below) at a conversion price equal to \$2.60 (the “ Conversion Price ”). If the holder elects to convert the Convertible Debentures after a period that is six months and one day following Closing, then the holder will also receive the Effective Interest (as defined below), payable in Common Shares at a price equal to the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the “ CSE ”) for the consecutive 20 trading days of the Common Shares on the CSE preceding the date of such election or cash, or a combination of cash and shares at the Company’s option. The effective interest (“ Effective Interest ”) is an amount equal to the interest that the holder would have received if the holder had held the Convertible Debentures until the Maturity Date.

Mandatory Conversion:	The Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the "CSE") be greater than \$3.51 for the consecutive 20 trading days of the Common Shares on the CSE preceding the notice.
Change of Control:	<p>Upon a Change of Control (as defined below) of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon (the "Offer Price"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price.</p> <p>For the purposes hereof, a "Change of Control" means: (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.</p>
Anti-Dilution Adjustments:	The Conversion Price will be subject to adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or distribution, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets.
Offering Basis:	The Debenture Units are to be issued on a best efforts agency basis by way of short form prospectus to be filed in such provinces of Canada where the Convertible Debentures are sold except Québec, in accordance with applicable securities laws. The Debenture Units may be offered and sold in the United States, or to or for the account or benefit of, persons in the United States or U.S. Persons (as defined in Regulation S under the U.S. Securities Act) (i) directly by the Company to institutional "accredited investors" meeting one or more of the criteria in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act and (ii) by the Lead Agents directly to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act, and in each case in accordance with applicable state securities laws.
Listing:	The Company will use commercial reasonable efforts to obtain the necessary approvals to list the Convertible Debentures, Warrants, the Common Shares issuable upon conversion of the Convertible Debentures and the Common Shares issuable upon exercise of the Warrants on the CSE.
Eligibility:	The Debenture Units shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, and TFSAs.
Use of Proceeds:	The net proceeds received by the Company from the Offering are intended to be used for the payment of outstanding notes, ongoing construction and development of its Nevada production facility, working capital and general corporate purposes.
Commission:	6.0% cash Commission and 3.5% Compensation Options.
Agents:	Mackie Research Capital Corporation and Canaccord Genuity Corp. shall be the co-lead agents and joint bookrunners (collectively, the "Lead Agents"), along with Cormark Securities Inc., Eight Capital, Industrial Alliance Securities Inc. and PI Financial Corp. (collectively with the Lead Agents, the "Agents").
Closing Date:	On or about the week of March 18, 2019 or such other date as the Lead Agents and the Company may agree, acting reasonably (the "Closing").