

## 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: 172,629,779

Date: November 5, 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 October 9, 2018, Flower One announced that it has received its recreational marijuana cultivation license and its recreational marijuana production license from the State of Nevada. Additionally, the Company announced it had received approval from the Canadian Securities Exchange**

**(“CSE”) for listing its common shares under the symbol “FONE”. Please see the Issuer’s press release dated October 9, 2018 for further information.**

**On October 9, 2018, the Company announced that it had entered an agreement with its strategic partner NLV Organics Inc. (“NLVO”) which will provide Flower One with the rights, title and intellectual property of NLVO’s full genetic inventory and access to more than 50 strains. The agreement will also see NLVO provide the required plant material to support Flower One’s onboarding of plants into its 400,000 square foot cultivation facility located in the City of North Las Vegas. Please see the Issuer’s press release dated October 9, 2018 for further information.**

**On October 9, 2018, the Company announced that it had entered into agreements with NLVO and related parties (“NLVO Parties”), to purchase a 100% interest in a property in North Las Vegas, Nevada, and all of the business’ tangible and intangible assets. The property is 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. As consideration for the purchase of the property and business, Flower One, through its wholly owned subsidiaries, will pay the NLVO Parties a total consideration of US\$27,200,000 consisting of cash of US\$4,635,650, a vendor note of US\$14,564,350 and 4,000,000 Common shares of Flower One at a price of US\$2.00 per Common share, valued at US\$8,000,000. Please see the Issuer’s press release dated October 9, 2018 for further information.**

**On October 10, 2018, the Company began trading on the CSE under the symbol “FONE”. The Company also announced today that the Board of Directors of the Company has approved the granting of 4,375,000 incentive stock options (the “Options”) to management, consultants and directors of the Company. The Options are exercisable at a price of C\$2.60 per share for a period of five years. Please see the Issuer’s press release dated October 10, 2018 for further information.**

**On October 23, 2018, the Company announced a property acquisition in North Las Vegas from an arm’s length third party for a total cash consideration of \$1.15 million. The Company has submitted applications for multiple Recreational Marijuana Establishment Licenses within the State of Nevada; an opportunity only available to existing operational cannabis license holders. The Nevada’s Department of Taxation anticipates awarding dispensary licenses to successful applicants in December 2018. Please see the Issuer’s press release dated October 23, 2018 for further information.**

**On October 24, 2018, the Company provided an update on the conversion of the North Las Vegas greenhouse. In May 2018, the Company began the conversion of its Nevada greenhouse. Since then, more than 16,000 hours of renovation and construction work have been undertaken. The 400,000 square foot cultivation facility is targeted for completion in Q1 2019 and the 55,000 square foot production facility is targeted for completion in Q2 2019.**

**Please see the Issuer's press release dated October 23, 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. 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.

**N/A – none noted**

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 October 9, 2018, the Company announced that it had entered an agreement with its strategic partner NLVO which will provide Flower One with the rights, title and intellectual property of NLVO's full genetic inventory and access to more than 50 strains. 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 October 9, 2018, the Company announced that it had entered into agreements with the arm's length NLVO Parties, to purchase 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.  
**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.  
**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 October 9, 2018, the Company announced that it had entered into agreements with NLVO and NLVO's related parties, to purchase 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 will issue 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.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Options	4,375,000	Exercisable at \$2.60 per option with a 5 year expiry. See details in #1 above.	N/A
Exercise of options	437,500	Exercised at \$0.20 per option	General working capital

*(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 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 November 5, 2018.

Geoff Miachika  
Name of Director or Senior  
Officer

  
Signature  
Chief Financial Officer  
Official Capacity

<b>Issuer Details</b>		For Month	Date of Report
Name of Issuer	End	YY/MM/D	
Flower One Holdings Inc.	October 2018	18/11/05	
Issuer Address			
Suite 600 – 20 Richmond St.			
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>		