

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: November 12, 2019

Is this an updating or amending Notice: Yes No

If yes provide date(s) of prior Notices: September 27, 2019.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering:
183,203,848

Date of News Release Announcing Proposed Prospectus Offering: November 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 Debentures Units .
- (b) Number 20,600 (20,000 under the offering and 600 as partial exercise of over-allotment option) .
- (c) Price per security \$1,000 .
- (d) Voting rights None .

2. Provide details of the net proceeds to the Issuer as follows:

- (a) Per security: \$940 .
- (b) Aggregate proceeds: \$19,364,000 .

3. Provide description of any Warrants (or options) including:
- (a) Number 13,719,600 .
 - (b) Number of securities eligible to be purchased on exercise of Warrants (or options) 1 Common Share per Warrant .
 - (c) Exercise price \$1.55 .
 - (d) Expiry date November 14, 2022 .
 - (e) Other significant terms If, at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the Common Shares on the CSE, or other principal exchange on which the Common Shares are listed, is greater than \$3.10 for 20 consecutive trading days, the Company may, within 10 business days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice (the "Accelerated Exercise Period"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.
4. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount \$1,000 .
 - (b) Maturity date November 14, 2022 .
 - (c) Interest rate 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 December 31, 2019, and will mature on the date which is three years from the closing of the Offering.
 - (d) Conversion terms The principal amount of each Convertible Debenture (the "Principal Amount") will be convertible, for no additional consideration, at the option of the holder into common shares of the Company (the "Conversion Shares") at any time prior to the earlier of: (i) the close of business on November 14, 2022, and (ii) the business day immediately preceding the date specified by the Company for redemption of the Convertible Debentures upon a change of control at a conversion price equal to \$1.50 (the "Conversion Price").
 - (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
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Shares, of which there are 183,203,848 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.). N/A
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7. Provide details of the use of the proceeds: The net proceeds from the sale of the securities will be used to advance and support the launch of the Company’s Brand Partners’ products into Nevada, for working capital and general corporate purposes, and for initial exploratory costs associated with the Company’s market entry plans in California.

8. Provide particulars of any proceeds of the offering which are to be paid to Related Persons of the Issuer: N/A
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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: N/A
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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) Pursuant to the Agency Agreement, the Company will pay to the Agents an aggregate cash fee equal to 6.0% of gross proceeds raised in respect of the offering (including any gross proceeds raised on exercise of an over-allotment option. As additional consideration for the services rendered in connection with the offering, the Company has agreed to issue to the agents such number of non-transferable broker warrants (the “**Broker Warrants**”) 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); plus (ii) the number of Common Shares issuable upon exercise of the Warrants sold under the offering of the Convertible Debenture Units (including those issuable upon conversion of Convertible Debentures and Warrants issued upon
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exercise of the over-allotment option, if any). Each Broker Warrant will entitle the holder thereof to acquire one Common Share (a "Broker Share") at an exercise price of \$1.50 per Broker Share for a period of 36 months following the closing date, subject to adjustment in certain customary events.

- (b) Cash Approximately \$1,236,000 .
- (c) Securities Approximately 960,372 .
- (d) Other _____ .
- (e) Expiry date of any options, warrants etc. November 14, 2022 .
- (f) Exercise price of any options, warrants etc. \$1.50 .

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: N/A

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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 securities are being offered pursuant to an Agency Agreement dated November 8, 2019 filed on the Company's profile at www.sedar.com, the material terms of which have been described above.

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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 the Agency Agreement attached.

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: November 12, 2019.

Geoff Miachika
Name of Director or Senior
Officer

"Geoff Miachika"
Signature

Chief Financial Officer
Official Capacity