

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Flower One Holdings Inc.</b>		2 Issuer's employer identification number (EIN) <b>None</b>	
3 Name of contact for additional information <b>National Public Relations</b>	4 Telephone No. of contact <b>1 (416) 848-9835</b>	5 Email address of contact <b>ir@flowerone.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>Suite 600 - 20 Richmond Street West</b>		7 City, town, or post office, state, and ZIP code of contact <b>Toronto, Ontario M5C 2R9, Canada</b>	
8 Date of action <b>September 21, 2018</b>		9 Classification and description <b>Common Shares: Amalgamation</b>	
10 CUSIP number <b>34348Q</b>	11 Serial number(s) <b>N/A</b>	12 Ticker symbol <b>CSE: FONE; OTCMKTS: FLOOF</b>	13 Account number(s) <b>N/A</b>

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On September 21, 2018, CNX Holdings Inc. ("CNX") amalgamated (the "Amalgamation") with Flower One Corp. ("Subco"), a wholly-owned subsidiary of Theia Resources Ltd. ("Pubco") to form "Flower One Corp." (as amalgamated, "Amalco"). Pursuant to the Amalgamation, each holder of a share of CNX stock (a "CNX Shareholder") received one share of Pubco stock (a "Pubco Share") in exchange for each share of CNX stock (a "CNX Share") surrendered in exchange therefor.

Immediately prior to the Amalgamation, Pubco changed its name from "Theia Resources Ltd." to "Flower One Holdings Inc."

The Amalgamation is described in the Listing Statement of Flower One Holdings Inc. dated as of September 21, 2018 (the "Listing Statement"), which is available at www.sedar.com.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Pubco believes the Amalgamation should qualify as a tax-deferred reorganization within the meaning of Code Section 368(a). Provided the Amalgamation qualifies as a reorganization, each former CNX Shareholder would generally have a tax basis in the Pubco Shares received in the Amalgamation equal to such CNX Shareholder's aggregate tax basis in the CNX Shares surrendered in exchange therefor.

Certain CNX Shareholders may recognize gain under Code Section 367. CNX Shareholders that recognize a gain should have a tax basis in the Pubco Shares received equal to their fair market value at the time of the Amalgamation.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ In the event the Amalgamation is taxable, for purposes of calculating fair market value, the fair market value of a Pubco Share on September 21, 2018 is estimated at U.S.\$1.19, which was the opening price of Pubco Shares on the Canadian Stock Exchange on October 10, 2018, the first day on which Pubco Shares traded on the Canadian Stock Exchange subsequent to the Amalgamation (converted into U.S. dollars using the Noon Exchange Rate as published by the Bank of Canada on October 10, 2018).

Former CNX Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.

**Part II** Organizational Action (continued)

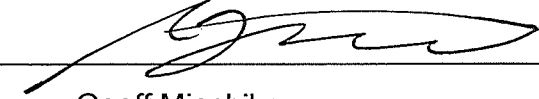
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Pubco believes that the Amalgamation should qualify as a tax-deferred "reorganization" within the meaning of Code Section 368(a). Provided the Amalgamation qualifies as a tax-deferred "reorganization" within the meaning of Code Section 368(a), the U.S. federal income tax consequences of the Amalgamation should be determined under Code Section 354, 358, 367, 368 and 1221.

18 Can any resulting loss be recognized? ▶ Provided the Amalgamation qualifies as a tax-deferred "reorganization", then, in general, each former CNX Shareholder who received Pubco Shares pursuant to the Amalgamation should not recognize any loss.

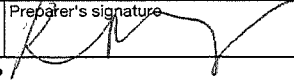
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ In general, any gain recognized should be reported by former CNX shareholders for the taxable year which includes September 21, 2018 (e.g., a calendar-year shareholder would report the transaction on his or her federal income tax return filed for the 2018 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 11/2/18

Print your name ▶ Geoff Miachika Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Kendall R. Fisher</u>		<u>11/2/2018</u>		<u>P01980923</u>
	Firm's name ▶ <u>Dorsey &amp; Whitney LLP</u>	Firm's EIN ▶ <u>41-0223337</u>	Firm's address ▶ <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104</u>	Phone no. ▶ <u>(206) 903-8793</u>	