

Form 45-106F6

British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

Bonne O Holdings Inc.

22 Coldstream Avenue, Toronto, Ontario, M5N 1X6

Tel: (416) 738-6285

Email: dhatherell@gmail.com

Website: www.bonneo.com

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

Item 2: Reporting issuer status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The issuer is not a reporting issuer.

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

The issuer is not an investment fund managed by an investment fund manager.

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | Mining |
| Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | X Other (describe) |
| | ___ Consumer Goods ___ |

Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
<i>Darren Hatherell Toronto, Canada</i>	<i>Director, President, Secretary, Promoter and Holder of more than 10% of voting securities</i>	<i>3,600,000 Common shares 1,011,408 Class A Preferred shares</i>	<i>Common shares acquired as a result of a rollover of common shares, based on fair market value pre-money. Class A Preferred shares acquired upon payment of \$1,011,408.00.</i>

Details of distribution

Item 5: Distribution date

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

October 14, 2014.

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;
- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

Class A Preferred Shares, with the attributes set out below. A total of 214,085 Class A Preferred Shares were distributed.

(1) DIVIDENDS

Entitlement to Dividends

- (a) *The holders of Class A Preferred Shares shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend or distribution (payable other than in Common Shares or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional Common Shares) on the Common Shares, payable if, as and when declared by the Board of Directors. No dividends (other than a stock dividend declared and paid on Common Shares that is payable in Common Shares) shall be paid, and no distribution shall be made, with respect to the Common Shares unless an equivalent dividend is declared and paid on the Class A Preferred Shares.*
- (b) *Dividends or distributions shall be distributed among all holders of Common Shares and Class A Preferred Shares pro rata in proportion to the number of Common Shares that would be held by each such holder if all Class A Preferred Shares were converted to Common Shares at the Conversion Rate (defined below).*

(2) LIQUIDATION PREFERENCE

Payment on Liquidation Event

- (a) *Subject to subsection (2)(c), in the event of any Liquidation Event (as defined below), either voluntary or involuntary, the holders of Class A Preferred Shares shall be entitled to receive out of the proceeds or assets available for distribution to the Corporation's shareholders (the*

"Proceeds"), prior and in preference to any distribution of the Proceeds of such Liquidation Event to the holders of Common Shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable Original Issue Price (as defined below) for such Class A Preferred Shares, plus declared but unpaid dividends on such shares. If, upon the occurrence of such event, the Proceeds thus distributed among the holders of the Class A Preferred Shares shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire Proceeds legally available for distribution shall be distributed ratably among the holders of the Class A Preferred Shares in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this subsection (2)(a). For purposes hereof, "Original Issue Price" shall mean the purchase price per Class A Preferred Share (as adjusted for any stock splits, share dividends, combinations, subdivisions, recapitalizations or the like with respect to such Class A Preferred Shares).

- (b) Subject to subsection (2)(c), upon completion of the distribution required by subsection (2)(a), all of the remaining Proceeds available for distribution to shareholders shall be distributed among the holders of Common Shares pro rata based on the number of Common Shares held by each shareholder.*
- (c) Notwithstanding the above, for purposes of determining the amount each holder of Class A Preferred Shares is entitled to receive with respect to a Liquidation Event, each such holder of Class A Preferred Shares shall be deemed to have converted (regardless of whether such holder actually converted) such holder's Class A Preferred Shares into Common Shares immediately prior to the Liquidation Event if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such Class A Preferred Shares into Common Shares. If any such holder shall be deemed to have converted Class A Preferred Shares into Common Shares pursuant to this subsection (2)(c), then such holder shall not be entitled to receive any distribution under subsection (2)(a) and all Proceeds will be distributed in accordance with subsection (2)(b).*
- (d) For purposes of this Section (2):*
 - i. A "Liquidation Event" shall include (A) the closing of the sale, transfer or other disposition of all or substantially all of the Corporation's assets, or the exclusive license of all or substantially all of the Corporation's intellectual property, in either case, in a single transaction or series of related transactions, (B) the consummation of the amalgamation, merger or consolidation of the Corporation with or into another entity (except (A) an amalgamation with Bonne O Inc., or (B) an amalgamation, merger or consolidation in which the shareholders of the Corporation immediately prior to such amalgamation, merger or consolidation continue to hold at least 50% of the voting power of the capital of the Corporation or the surviving or acquiring entity in substantially the same proportions as immediately prior to such amalgamation, merger or consolidation), (C) the closing of the transfer (whether by amalgamation, merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Corporation's securities), of the Corporation's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting shares of the Corporation (or the surviving or acquiring entity) or (D) a liquidation, dissolution or winding up of the Corporation; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the jurisdiction of the Corporation's incorporation or to create a holding company that will be owned in the same proportions by the persons who held the Corporation's securities*

immediately prior to such transaction. Notwithstanding the foregoing sentence, the sale of Class A Preferred Shares in a bona fide equity financing transaction shall not be deemed a Liquidation Event.

- ii. *In any Liquidation Event, if Proceeds received by the Corporation or its shareholders are other than cash, the value of such non-cash Proceeds will be deemed its fair market value.*
- iii. *If the requirements of this Section (2) are not complied with, the Corporation shall forthwith either:*
 - A. *cause the closing of such Liquidation Event to be postponed until such time as the requirements of this Section (2) have been complied with; or*
 - B. *cancel such transaction, in which event the rights, preferences and privileges of the holders of the Class A Preferred Shares shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection (2)(d)iv.*
- iv. *The Corporation shall give each holder of record of Class A Preferred Shares written notice of such impending Liquidation Event not later than ten (10) days prior to the shareholders' meeting called to approve such transaction, or ten (10) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section (2), and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall not take place sooner than ten (10) days after the Corporation has given the first notice provided for herein nor sooner than five (5) days after the Corporation has given notice of any material changes provided for herein.*

(3) REDEMPTION AND RETRACTION

Redemption

The Class A Preferred Shares are not redeemable at the option of the holder thereof.

Retraction

The Class A Preferred Shares are not retractable at the option of the Corporation without the prior written consent of the holder thereof.

(4) CONVERSION

*The holders of the Class A Preferred Shares shall have conversion rights as follows (the "**Conversion Rights**"):*

(a) Optional Conversion

Each Class A Preferred Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any eligible transfer agent, into

*such number of fully paid and non-assessable Common Shares as is determined by dividing the applicable Original Issue Price for such Class A Preferred Share by the Conversion Price for such share (such conversion rate is referred to herein as the "**Conversion Rate**"), determined as hereafter provided, in effect on the date the holder's share certificate is surrendered for conversion. The initial Conversion Price per Class A Preferred Share shall be the Original Issue Price applicable to such share; provided, however, that the Conversion Price for Class A Preferred Shares shall be subject to adjustment as set forth in subsection (4)(d).*

(b) Automatic Conversion

*Each Class A Preferred Share shall automatically be converted into Common Shares at the Conversion Rate immediately upon the closing of the Corporation's sale of its Common Shares in a firm commitment underwritten public offering pursuant to a prospectus under Canadian securities laws or a registration statement on Form S-1 under the United States Securities Act of 1933, as amended (a "**Qualified Public Offering**").*

(c) Mechanics of Conversion

Before any holder of Class A Preferred Shares shall be entitled to voluntarily convert the same into Common Shares, such holder shall surrender the share certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any eligible transfer agent, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the share certificate or certificates for Common Shares are to be issued. This Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Class A Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Common Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date set forth for conversion in the written notice of the election to convert irrespective of the surrender of the Class A Preferred Shares to be converted, and the person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Shares as of such date. If the conversion is in connection with an underwritten offering of securities under a prospectus filed with Canadian securities regulators or registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Class A Preferred Shares for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the persons entitled to receive the Common Shares upon conversion of Class A Preferred Shares shall not be deemed to have converted such Class A Preferred Shares until immediately prior to the closing of such sale of securities. If the conversion is in connection with the Automatic Conversion provisions of subsection (4)(b), such conversion shall be deemed to have been made on the closing date of the Qualified Public Offering, and the persons entitled to receive Common Shares issuable upon such conversion shall be treated for all purposes as the record holders of such Common Shares as of such date.

(d) Conversion Price Adjustments

The Conversion Price of the Class A Preferred Shares shall be subject to adjustment from time to time as follows:

- i. If the Corporation should, at any time or from time to time, on or after the date upon which the articles of the Corporation or any Articles of Amendment of the Corporation filed subsequent thereto, are accepted for filing by the Ministry of Government Services (the "**Filing Date**") fix a record date for the effectuation of a split or subdivision of the*

*outstanding Common Shares or the determination of holders of Common Shares entitled to receive a dividend or other distribution payable in additional Common Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Common Shares (hereinafter referred to as "**Common Share Equivalents**") without payment of any consideration by such holder for the additional Common Shares or the Common Share Equivalents (including the additional Common Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Class A Preferred Shares shall be appropriately decreased so that the number of Common Shares issuable on conversion of each Class A Preferred Share shall be increased in proportion to such increase of the aggregate of Common Shares outstanding and those issuable with respect to such Common Share Equivalents.*

- ii. *If the number of Common Shares outstanding at any time after the Filing Date is decreased by a combination of the outstanding Common Shares, then, following the record date of such combination, the Conversion Price for the Class A Preferred Shares shall be appropriately increased so that the number of Common Shares issuable on conversion of each Class A Preferred Share shall be decreased in proportion to such decrease in outstanding Common Shares.*

(e) Other Distributions

If the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection (4)(d)i, then, in each such case for the purpose of this subsection (4)(e), the holders of the Class A Preferred Shares shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of Common Shares into which their Class A Preferred Shares are convertible as of the record date fixed for the determination of the holders of Common Shares entitled to receive such distribution.

(f) Recapitalizations

If at any time or from time to time there shall be a recapitalization of the Common Shares (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section (4) or in Section (2)) provision shall be made so that the holders of the Class A Preferred Shares shall thereafter be entitled to receive upon conversion of the Class A Preferred Shares the number of shares or other securities or property of the Corporation or otherwise, to which a holder of Common Shares deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section (4) with respect to the rights of the holders of the Class A Preferred Shares after the recapitalization to the end that the provisions of this Section (4) (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Class A Preferred Shares) shall be applicable after that event as nearly equivalently as may be practicable.

(g) No Fractional Shares and Certificate as to Adjustments

- i. *No fractional shares shall be issued upon the conversion of any Class A Preferred Shares and the aggregate number of Common Shares to be issued to particular shareholders, shall be rounded down to the nearest whole share and the Corporation shall pay in cash the fair market value of any fractional shares as of the time when entitlement to receive such fractions is determined. Whether or not fractional shares would be issuable upon such*

conversion shall be determined on the basis of the total number of Class A Preferred Shares the holder is at the time converting into Common Shares and the number of Common Shares issuable upon such conversion.

- ii. *Upon the occurrence of each adjustment or readjustment of the Conversion Price of Class A Preferred Shares pursuant to this Section (4), the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Class A Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. This Corporation shall, upon the written request at any time of any holder of Class A Preferred Shares, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such Class A Preferred Shares at the time in effect, and (C) the number of Common Shares and the amount, if any, of other property that at the time would be received upon the conversion of a Class A Preferred Share.*

(h) Notices of Record Date

In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, the Corporation shall mail to each holder of Class A Preferred Shares, at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution, and the amount and character of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion

This Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of effecting the conversion of the Class A Preferred Shares, such number of Common Shares as shall from time to time be sufficient to effect the conversion of all outstanding Class A Preferred Shares; and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of all then outstanding Class A Preferred Shares, in addition to such other remedies as shall be available to the holder of such Class A Preferred Shares, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the articles of the Corporation.

(5) VOTING RIGHTS

(a) General Voting Rights

The holder of each Class A Preferred Share shall have the right to one vote for each Common Share into which such Class A Preferred Share could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Shares, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with the By-laws of the Corporation, and except as provided by law, shall be entitled to vote, together with holders of Common Shares, with respect to any question upon which holders of Common Shares have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which

Class A Preferred Shares held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

The holders of Class A Preferred Shares in respect of the Class A Preferred Shares are not entitled to vote separately as a class upon, or exercise dissent rights relating to, any proposal to amend the articles of the Corporation to:

- i. increase or decrease any maximum number of authorized Class A Preferred Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Class A Preferred Shares;*
- ii. effect an exchange, reclassification or cancellation of the Class A Preferred Shares; or*
- iii. create a new class or series of shares equal or superior to the Class A Preferred Shares.*

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
<i>British Columbia</i>	<i>2</i>	<i>\$1.00</i>	<i>\$ 214,085.00</i>
Total number of Purchasers	2		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$214,085.00

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

Item 8: Information about purchasers

Instructions

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus and Registration Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
<i>DKMH Holdings Inc. 670 Kenwood Road West Vancouver, BC V7S 1S8 Attn: Maria Har (604) 351-6113</i>	<i>N/A</i>	<i>14,085 Class A Preferred Shares</i>	<i>\$14,085.00</i>	<i>Accredited Investor</i>	<i>2014-10-14</i>

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
N/A						

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: October 24, 2014

Bonne O Holdings Inc.

Name of issuer (please print)

Darren Hatherell, President (416) 738-6285

Print name, title and telephone number of person signing

DARREN HATHERELL

Signature

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

Toll free across Canada: 1-800-373-6393

Facsimile: (604) 899-6581