



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Provides Final Licensing Guidance and Operational Update At 2.2M Sq./Ft. Delta Greenhouse Complex

Vancouver, British Columbia / September 9th, 2019 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF), a growth oriented and diversified international cannabis company, is pleased to provide the following licensing guidance and operational updates pertaining to the Company’s 2,200,000 square foot Delta Greenhouse Complex:

- Completion of perimeter security fencing;
- Installation of comprehensive surveillance and anti-intrusion systems, as well as access control infrastructure supported by servers and sustained by independent, backup generators;
- Completion of Post Harvest zones including dry rooms, trim room, secure storage and packaging facilities;
- Retrofitting of garment hygiene rooms, security/administration offices, as well as staff amenities;
- Installation of state-of-the-art air exchange system equipped with climate and odour controls;
- Full roof vent insect netting installation for crop protection;
- Supplemental light output upgrades and the furnishing of light deprivation screens;
- Installation of irrigation buffer tanks, mixing stations, and distribution system;
- Retrofit and upgrade of Argus® Titan climate control system;
- Completed grow room divisions for climate and hygiene isolation; and,
- Successful submission of its affirmation of readiness and video evidence package (the “Evidence Package”) to Health Canada for its Phase 1 build-out.
 - Evidence Package submission is the final measure required in order to demonstrate and confirm to Health Canada that the Delta Greenhouse Complex is fully built, operationally ready and in compliance with the Cannabis Act and Cannabis Regulations, prior to being issued its standard cultivation licence.

The Company’s Phase 1 retrofit of its flagship Delta Greenhouse Complex is comprised of approximately 431,000 square feet of cultivation/processing expanse, including over 130,000 square feet of net flower canopy and is estimated to produce 15,000,000 million grams of premium cannabis annually. With the completion PSC’s Phase 1 retrofit, the Company’s current annual projected output of dried flower is approximately 160,000 kg including 2020 forecasted production at its purpose built AAA Heidelberg craft cannabis cultivation facility. In addition, AgraFlora anticipates the successful recapture of over 1,000,000 grams of premium cannabis trim to be manufactured into ancillary value-added cannabis products on an annualized basis.

AgraFlora worked with experienced security and licensing consultants at 3|Sixty Secure to obtain consulting services and produce the attestation package for the license application. 3|Sixty’s consultants

are industry experts who have worked directly with more than 60 per cent of Canadian LPs and ensure their clients' attestation packages meet the highest standards possible.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: "The successful submission of our Evidence Package to Health Canada is a momentous milestone in AgraFlora's evolution towards the cultivation of premium, genetically characterized cannabis under 2.2 million square feet of glass at our world-class Delta Greenhouse Complex. Based on the most recent timelines from Health Canada, AgraFlora anticipates the award of a standard cultivation license within six to eight weeks.

Many thanks to the high functioning and multifaceted Houweling's team for their commitment to this JV; consistently achieving mission critical, project level deliverables under budget and ahead of schedule.

The award of standard cultivation license from Health Canada at our Delta facility will signal to the marketplace that AgraFlora is primed to realize considerable cash flows from a top tier cannabis cultivation and processing hub. Through astute engineering and planning, our bellwether Delta facility will support the expansion of capacity while maintaining its full operational capabilities throughout Phase 2 and 3 of our planned retrofit."

AgraFlora projects that Phase 1 of the Delta Greenhouse Complex retrofit will be completed on or before October 31st, 2019 and upon receipt of a standard cultivation license, in accordance with the Cannabis Act and Regulations, expects to immediately import a portfolio of high-end cultivars under a declaration from Health Canada. As a result of extensive deliberations with PSC and its industry consultants, the Company's internal forecasts indicate that the inaugural harvest at its Delta Greenhouse Complex will occur within the first quarter of 2020.

Concurrent to AgraFlora's inaugural harvest, the Company plans to initiate Phase 2 of the Delta Greenhouse Complex retrofit in December of 2019, which will include:

- 10 flower rooms with over 1,000,000 square feet of canopy; and,
- 40,000 square feet of post harvest/processing space.

Ruben Houweling, General Manager of PSC stated: "The Phase 1 retrofit of the Delta Greenhouse Complex and resulting submission of our Evidence Package to Health Canada was a exercise of expert execution in project management, cost analysis and agricultural innovation; culminating in over 160 skilled trade workers on site working in parallel paths to create one of the most advanced hybrid cannabis cultivation facilities in Canada, if not the world.

With the anticipated award of our standard cultivation license just weeks away and the commencement of Phase 2's retrofit scheduled for December 2020- material levels of production are imminent".

About AgraFlora Organics International Inc.

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. It owns an indoor cultivation operation in London, ON and is a joint venture partner in Propagation Service Canada and its large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC. The Company has a successful record of creating shareholder value and is actively pursuing other opportunities within the cannabis industry. For more information please visit: www.agraflora.com.

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