



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Provides Licensing Guidance and Construction Update Regarding 51,500 Sq./Ft. GMP Edibles Manufacturing Facility

Vancouver, British Columbia / September 11th, 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 announce that the Company’s 51,500 square foot GMP edibles manufacturing facility (the “Facility”) in Winnipeg, Manitoba has received all required architecture and ancillary construction permits and continues to adhere to its projected Q4 2019 completion date for applicable Facility upgrades, including architectural, mechanical, electrical, as well as security retrofits, per Health Canada regulations.

AgraFlora reports there are currently over 40 contractors and skilled trades personnel on-site, concurrently performing the following Facility retrofits:

- Modernization of water service infrastructure;
- Fire suppression system installation;
- Improvements to the Facility’s structural integrity;
- Installation of two rooftop HVAC units;
- Upgrading of electrical service infrastructure, including transformers and surge protection systems;
- Completion of a 750 square-foot pharmaceutical-grade, research and development (“R&D”) laboratory including the installation of state-of-the-art equipment for the weighing, handling and processing micro-dosages of CBD and THC compounds, including magnetic mixers, homogenizers and high-pressure liquid chromatograph (“HPLC”);
- Installation of pharmaceutical grade building envelope including epoxy floors, as well as food grade insulated metal panels for walls and ceiling;
- Installation of floor drains throughout the 33,000 square foot production area;
- Retrofitting of the Facility’s on-site high-pressure boiler room; and
- Upgrading office and staff facilities.

The Company has submitted its application to Health Canada for an R&D license and anticipates successful award within the next 60 days. Equipment for AgraFlora’s pharmaceutical-grade, R&D laboratory has been shipped from the manufacturer and is expected to arrive at the Facility within the next 30 days. Receipt of full spectrum cannabinoid concentrates is expected post licensing to assist with product development and ancillary R&D activities.

AgraFlora is also pleased to announce the following operating updates relating to its flagship edibles manufacturing facility:

- All applicable cooking, depositing, packaging and lab equipment has been spec’d and ordered;

- Once completed, the Facility will be turnkey in nature and boast complete automation, from the time inputs arrive in tankers to the time finished products are shipped;
- Product and packaging has been designed with capability to package child resistant re-closable bags, bottles, droppers and tubes;
- Security system designed and ordered for install in the next 90 days; and
- Anticipated license application and submission of its affirmation of readiness and video evidence package to Health Canada by December 2019.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “With two material licensing awards expected imminently: the standard cultivation license at our 2.2m square foot Delta Greenhouse Complex and the R&D license at our Winnipeg edibles manufacturing facility, as well as two imminent license submissions: a Standard Processing License and Medical Cannabis Sales License, also at our Winnipeg edibles facility, our ability to capture material revenues from upstream cultivation to downstream product formulation, manufacturing, extraction and end-retail distribution are becoming readily apparent.

The experienced operators at our state-of-the-art Winnipeg edibles manufacturing facility continue to execute on the on-going Facility retrofit and licensing objectives and are expected to submit applications to Health Canada for standard processing and sales licenses on October 17, 2019. We are of the opinion that once complete, our Winnipeg edibles manufacturing facility will be the most technologically advanced plant of its kind, in the world.

Once operational, and in receipt of all necessary tertiary licences as required from a regulatory perspective, the true value of the Delta Greenhouse Complex will be crystallized by its ability to serve as a robust feedstock source for the myriad of downstream value-added assets, including our flagship edibles facility domiciled under the AgraFlora corporate banner. The successful implementation of full vertical integration will support increased efficiency across business channels and allow for maximum economic margin capture for the enterprise, as AgraFlora moves into the next phase of cannabis normalization”.

The Facility will be operated by a roster of experienced chocolatiers and confectioners, as well as equipped with state-of-the-art manufacturing equipment capable of producing an assortment of both cannabinoid/terpene-infused products for medicinal, functional and adult use including:

- Gourmet snacks including cannabis infused honey, maple syrup, sugar & fruit and vegetable puree-based snacks;
- Gummies, hard candy, toffee, caramel, gum;
- Baked goods;
- Flavoured tinctures;
- Powdered drinks;
- CBD-infused pet products.

The Company anticipates the facility will be fully operational by the first quarter of 2020. Existing downstream capabilities will be buoyed by one of Canada's leading sales forces, affording AgraFlora the ability to secure immediate shelf space across all major retail channels.

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.

ON BEHALF OF THE BOARD OF DIRECTORS

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