



## **AGRAFLORA ORGANICS INTERNATIONAL INC.**

### **NEWS RELEASE**

#### **AgraFlora Organics' GTA Facility Receives Amendments Necessary to Launch CBD Business**

**Vancouver, British Columbia / March 27, 2020 – AgraFlora Organics International Inc.** (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF) is pleased to announce its wholly owned subsidiary Sustainable Growth Strategic Capital Corp. (“SGSC”), a federally licensed cannabis company based in the Greater Toronto Area (GTA), has received Health Canada approval to commence extraction at its licensed facility pursuant to an amendment to its Standard Processing License. SGSC also holds Standard Cultivation and Medical Sales Licenses issued pursuant to the *Cannabis Act*.

SGSC has been actively engaged in the Canadian CBD business, working with partner farmers to optimize the harvest to hemp-crops to maximize the efficiency of subsequent CBD extraction. In March, SGSC commenced a trial extraction (the “Trial”) of hemp-biomass which will be extracted using third-party extraction services and sold as a combination of CBD Crude Oil, CBD Distillate and CBD Isolate to Canadian purchasers. If the Trial yields favourable results with respect to product quality, efficiency and margin SGSC intends to move quickly with a second production cycle of up to 1,300 KG of high-quality hemp biomass containing CBD concentrations over 8%.

The current SGSC facility is designed to facility up to 250,000 kg of biomass extraction capacity utilizing chilled ethanol for primary extraction followed by distillation and/or isolation. SGSC intends to use the Trial and subsequent third party extraction cycles to properly design and size its in-house extraction capacity to maximize the profitability and return on capital invested. Once built, SGSC intends to improve its profitability by reducing the cost of extraction, purification and fulfilment by bringing those processes in-house.

#### **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 Services Canada Inc. and its large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC. The Company is also retrofitting a 51,500-square-foot good manufacturing practice (“GMP”) edibles manufacturing facility in Winnipeg, Manitoba. AgraFlora 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](http://www.agraflora.com).

## ON BEHALF OF THE BOARD OF DIRECTORS

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*The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.*

***Forward-looking Information Cautionary Statement***

*Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for AgraFlora Organics described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at [www.sedar.com](http://www.sedar.com).*