

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: [AgraFlora Organics International Inc.](#) (the "Issuer" or the "Company" or "AgraFlora").

Trading Symbol: [AGRA](#)

Number of Outstanding Listed Securities: [1,490,807,232 as at October 31, 2020](#)

Date: [November 5, 2020](#)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

[See Item 2 below for a general overview and discussion of the Issuer's activities for the month of October 2020.](#)

The Issuer confirms that the impact of COVID-19 on its business and operations has been minimal. The Issuer is continuing to move forward with obtaining its license to cultivate cannabis from Health Canada and is continuing with building out the Issuer's 2.2 million square foot Delta Greenhouse Facility (the "Delta Facility")

2. Provide a general overview and discussion of the activities of management.

During the month of **October 2020**:

- The Issuer submitted a formal response to Health Canada's First Request for More Information regarding the Standard Processing License application for the Company's 51,000-square-foot fully-automated edibles manufacturing facility in Winnipeg, Manitoba.
  - The Issuer tended to general management and administrative matters.
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.  
Not applicable for the month of October 2020.
  4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.  
Not applicable for the month of October 2020.
  5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.  
Not applicable for the month of October 2020.
  6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
Not applicable for the month of October 2020.
  7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable for the month of October 2020.

8. Describe the acquisition of new customers or loss of customers.

Not applicable for the month of October 2020.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

On **October 2, 2020**, the Issuer announced that that the Company has submitted a formal response to Health Canada's first Request for More Information ("RMI") regarding the Standard Processing License (the "**Manufacturing License**") application for AgraFlora's 51,000-Square-foot fully-automated edibles manufacturing facility in Winnipeg, Manitoba (the "**Edibles Facility**"). The RMI response is a key step towards achieving the Standard Processing License at the Edibles Facility. On May 28, 2020 (see press release dated June 3, 2020), AgraFlora submitted its site evidence package to Health Canada for the Manufacturing License.

On August 27, 2020 (See press release dated August 27, 2020) the Company launched Research and Development ("**R&D**") trials through the Company's Health Canada R&D license, to dial in formulations for cannabis activated pectin and gelatin gummies, hard candy, and sugar-free variants. The Company is currently in discussions with multiple Canadian cannabis companies with respect to product development and formulation as an R&D service. AgraFlora believes that R&D services contracts are a critical path to long-term production relationships.

James Fletcher, EIC Co-Founder and Operational Manager stated, "Obtaining the Manufacturing License at the Edibles Facility is a major milestone for the Company and today we completed an important step by submitting our RMI request. I believe we have submitted a strong application, and, with today's RMI clarifications, we are one step closer towards receiving the Manufacturing License and commencing commercial operations at the Edibles Facility. Our internal R&D trials have yielded strong results which have given us recipes for favourable flavour, texture, and manufacturing efficiencies. We've also been able to identify flavours and formulations that effectively mask or compliment the distinctive flavour of our cannabis inputs. Our whole team is excited to take what we've learned and apply it to client formulations under our R&D License, transitioning to commercial manufacturing when the Manufacturing License is obtained."

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable for the month of October 2020.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable for the month of October 2020.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

[Not applicable for the month of October 2020.](#)

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

[Not applicable for the month of October 2020.](#)

14. Provide details of any securities issued and options or warrants granted.

[Not applicable for the month of October 2020.](#)

15. Provide details of any loans to or by Related Persons.

[Not applicable for the month of October 2020.](#)

16. Provide details of any changes in directors, officers or committee members.

[Not applicable for the month of October 2020.](#)

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

[The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Management Discussion and Analysis dated June 30, 2020 \(the "MD&A"\). The MD&A is available on the Issuer's SEDAR profile at \[www.sedar.com\]\(http://www.sedar.com\) and on the Issuer's disclosure hall with the CSE at \[www.thecse.com\]\(http://www.thecse.com\).](#)

[Additional trends that are likely to impact the Issuer include:](#)

### **COVID-19**

[The outbreak of the coronavirus \("COVID-19"\) pandemic has impacted the Issuer's plans and activities. The Issuer may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Issuer. There can be no assurance that the Issuer's personnel will not be impacted by these pandemic diseases and ultimately that the Issuer would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Issuer's operations and access to capital. There can be no assurance that the Issuer will not be impacted by adverse consequences that July be brought about by the COVID-19 pandemic on global financial markets](#)

July reduce resource prices, share prices and financial liquidity and thereby that  
July severely limit the financing capital available.

*[the balance of this page has been intentionally left blank]*

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated November 5, 2020

Brandon Boddy

Name of Director or Senior  
Officer

"Brandon Boddy"

Signature

Chairman, CEO & Director

Official Capacity

<b>Issuer Details</b> Name of Issuer  <u>AgraFlora Organics International Inc.</u>	For Month End  <u>October 2020</u>	Date of Report YY/MM/D  <u>20/11/05</u>
Issuer Address <u>750 West Pender Street</u>		
City/Province/Postal Code <u>Vancouver</u>	Issuer Fax No. <u>604-685-6905</u>	Issuer Telephone No. <u>604-682-2928</u>
Contact Name  <u>Brandon Boddy</u>	Contact Position <u>Chairman, CEO &amp; Director</u>	Contact Telephone No.  <u>604-682-2928</u>