

FORM 7

**MONTHLY PROGRESS REPORT**

Name of Listed Issuer: AgraFlora Organics International Inc. (the “Issuer” or “AgraFlora”).

Trading Symbol: AGRA

Number of Outstanding Listed Securities: 1,350,370,827

Date: May 6, 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 complete overview and discussion of the Issuer’s activities for the month of April 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.

**On April 3, 2020, the Issuer announced that its key asset, Propagation Services Canada has completed additional steps in the process to obtain a license to cultivate cannabis from Health Canada and confirms its commitment to deliver the cultivation license at the Delta Facility prior to the end of Q2 2020, barring any material change in Health Canada’s service standards as a result of prevailing socioeconomic conditions.**

**On April 3rd 2020, the Delta Facility submitted responses to the third request for more information (the “RMI”) from Health Canada with respect to its cultivation application. The information submitted pursuant to the third RMI was submitted to clarify information previously submitted to Health Canada on February 28, 2020.**

**AgraFlora believes that the Issuer has taken the last major step towards licensing, having submitted robust responses to Health Canada’s requests in February and now again in March. Preparations**

have commenced to start cultivating once the license is obtained, including completing our genetics transaction to pursue our high-potency, low-cost product strategy.

Furthermore, AgraFlora would like to applaud Health Canada and its individual employees for maintaining licensing operations as we all navigate the challenges created by the COVID-19 crisis. While there is no guarantee as to the timing of the license grant, or if there will not be any further requests for additional information, based on available information the Issuer believes it has submitted all required information.

On April 17, 2020, the Issuer announced that, result of the COVID-19 pandemic, it will be relying on the coordinated relief provided by the securities regulators which consists of a 45-day extension for certain periodic filings, as announced by the Canadian Securities Administrators (“CSA”) on March 18, 2020, with respect to the filing of its annual financial statements, management’s discussion and analysis, and related officer certificates for its financial year ended December 31, 2019.

The notice released by the CSA stated that securities regulators will be providing coordinated relief consisting of a 45-day extension for certain periodic filings required to be made on or prior to June 1, 2020 as a result of the COVID-19 pandemic. As such, the British Columbia Securities Commission (“BCSC”) has enacted BC Instrument 51-515, Temporary Exemption from Certain Corporate Finance Requirements (“BCI 51-515”).

The Issuer will be relying on the temporary exemption pursuant to BCI 51-515 in respect to the following provisions:

- the requirement to file audited financial statements for the year ended December 31, 2019 (the “Financial Statements”) within 120 days of the Issuer’s financial year end as required by section 4.2(b) of National Instrument 51-102 (“NI 51-102”);
- the requirement to file management discussion and analysis (the “MD&A”) for the period covered by the Financial Statements within 120 days of the Issuer’s financial year end as required by section 5.1(2) of NI 51-102; and
- the requirement to file certifications of the Financial Statements (the “Certificates” and together with the Financial Statements, the “Annual Filings”) pursuant to section 4.1 of National Instrument 52-109 Section 4.2(b) [filing deadline for annual financial statements] NI 51-102.

The Issuer confirmed that there have been no material developments, other than those disclosed through news releases, since the filing of its condensed interim consolidated financial statements for the period ended September 30, 2019.

Additionally, the Issuer advised that management and other insiders of the Issuer are subject to a trading black-out policy as described, in principle, in section 9 of National Policy 11-207, Failure to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

On April 30, 2020, the Issuer announced that it has closed a non-brokered private placement of 266,666,667 units (each a “Unit”) of the Issuer at a price of \$0.075 per Unit for gross proceeds of \$20,000,000.

Each Unit shall consist of one (1) common share (each a “Share”) and one (1) transferable Share purchase warrant (each a “Warrant”). Each Warrant entitles the holder thereof to purchase one (1) additional Share of the Issuer for a period of five year from closing at a price of \$0.10 per Share.

Furthermore, the Issuer will proceed with the issuance of an additional 2,692,905 Shares at a deemed value of \$0.075 per Share to certain creditors for past consulting and other services provided to the Issuer for settlement of \$201,967.87 in debt.

The Issuer also announced that Brandon Boddy has been appointed as Corporate Secretary of the Issuer, effective April 24, 2020. To facilitate this change, Jan Urata has stepped down as Corporate Secretary. The Issuer wishes to thank Ms. Urata for her contribution to the Issuer.

**Additionally, the Issuer has granted incentive stock options (the “Options”) to purchase a total of 95 million Shares with an exercise price of \$0.075 per Share for a period of five years from issuance to certain directors, officers and consultants, in accordance with the provisions of its stock option plan.**

**All securities issued will be subject to a statutory four month hold period, in accordance with applicable securities laws. A finder’s fee is applicable on this transaction.**

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.

**See Item 2 above for updates to the Issuer’s products and services.**

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.

**N/A.**

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.

**N/A.**

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.

**None.**

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.

**N/A.**

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

**N/A.**

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.

**N/A.**

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

**None.**

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

**None.**

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.

**None.**

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

N/A.

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

**On April 30, 2020, the Issuer announced the following:**

- **That it has closed a private placement and will 266,666,667 Units at \$0.075 per Unit for aggregate gross proceeds of \$20,000,000. The Units were issued effective May 1, 2020.**
- **That it has granted 95,000,000 Options to certain consultants, directors and officers of the Issuer. The Options are exercisable at \$0.10 per Share for a period of 5 years.**
- **That it has issued 2,692,905 Shares at a deemed value of \$0.075 per Share to certain creditors for past consulting and other services provided to the Issuer for settlement of \$201,967.87 in debt. The Shares were issued effective May 4, 2020.**

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

N/A.

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

**On April 24, 2020, Brandon Boddy was appointed as Corporate Secretary of the Issuer and Jan Urata resigned from her position as Corporate Secretary.**

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

**Changes in commodity prices and changes in the share performance of other companies may affect the Issuer's ability to raise financing.**

## 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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **May 6, 2020**\_\_\_\_\_.

Brandon Boddy  
Name of Director or Senior Officer

"Brandon Boddy"  
Signature

Chairman, CEO & Director  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
<b>AgraFlora Organics International Inc.</b>	<b>April 2020</b>	<b>20/05/06</b>
Issuer Address <b>750 West Pender Street</b>		
City/Province/Postal Code <b>Vancouver, BC V6C 2T7</b>	Issuer Fax No. <b>604.685.6905</b>	Issuer Telephone No. <b>604.682.2928</b>
Contact Name <b>Brandon Boddy</b>	Contact Position <b>Chairman, CEO &amp; Director</b>	Contact Telephone No. <b>604.682.2928</b>
Contact Email Address <a href="mailto:ir@agraflora.com">ir@agraflora.com</a>	Web Site Address <a href="http://www.agraflora.com">www.agraflora.com</a>	