

**FORM 9**

**NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Please complete the following:

Name of Listed Issuer: **AgraFlora Organics International Inc. (formerly PUF Ventures Inc.)** (the "Issuer").

Trading Symbol: **AGRA**

Date: **December 19, 2018**

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: **N/A**

Issued and Outstanding Securities of Issuer Prior to Issuance: **359,652,280**

Date of News Release Announcing Private Placement: **December 19, 2018**

Closing Market Price on Day Preceding the Issuance of the News Release: **\$0.175**

**1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)**

Name & Address of Placee	Number of Shares Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed(1)	Payment Date(2)	Describe relationship to Issuer (3)
<b>Total:</b>							

- (1) This information, not being within the knowledge of the Issuer, has been provided by the placee.
- (2) Indicates date each placee advanced or is expected to advance payment for the securities. The placement funds received as of the date of this form have not been placed in trust pending receipt of all necessary approvals but the Issuer will return the placement funds to the Placee in the event that the Purchase is not completed. Release of funds is conditional upon closing of the Purchase. Placement funds not received as of the date of this form are expected to be received by the Issuer on date of the closing of the Private Placement as the Issuer will deliver each remaining Purchaser's share certificates against payment of the placement funds.
- (3) Indicates if the Placee is a Related Person or an arm's length party. A Related Person, generally, is (a) a Related Entity of the Issuer; (b) a partner, director or officer of the Issuer or Related Entity; (c) a promoter of or person who performs Investor Relations Activities for the Issuer or Related Entity; (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Issuer or Related Entity; and (e) such other person as may be designated from time to time by the CSE.

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised:  
**N/A**

2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material.  
**N/A**

2. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer:  
N/A
3. If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities:  
N/A
4. Description of securities to be issued:
- (a) Class N/A
  - (b) Number N/A
  - (c) Price per security N/A
  - (d) Voting rights N/A
5. Provide the following information if Warrants, (options) or other convertible securities are to be issued:
- (a) Number N/A
  - (b) Number of securities eligible to be purchased on exercise of Warrants (or options) \_\_\_\_\_
  - (c) Exercise price \_\_\_\_\_
  - (d) Expiry date \_\_\_\_\_
6. Provide the following information if debt securities are to be issued: \_\_\_\_\_
- (a) Aggregate principal amount N/A
  - (b) Maturity date N/A
  - (c) Interest rate N/A
  - (d) Conversion terms N/A
  - (e) Default provisions N/A
7. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):  
N/A
  - (b) Cash N/A
  - (c) Securities N/A
  - (d) Other N/A
  - (e) Expiry date of any options, warrants etc. N/A

- (f) Exercise price of any options, warrants etc. N/A
8. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship.  
N/A
9. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).  
N/A
10. State whether the private placement will result in a change of control.  
N/A
11. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders.  
N/A
12. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by Multilateral Instrument 45-102.

## 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

**Further to the Form 9 dated May 8, 2017 (posted to CSE on May 8, 2017) the Issuer issued 12,216,509 common shares of the Issuer to the shareholders of AAA Heidelberg Inc. (“AAA”) pursuant to the Share Exchange Agreement between the Issuer, AAA and the shareholders of AAA dated for reference January 26, 2015 (the “Agreement”).**

**Pursuant to the Agreement, upon the issuance of these shares by the Issuer, the shareholders of AAA will transfer an additional 45.51% interest in AAA to the Issuer. AAA will then become a wholly-owned subsidiary of the Issuer.**

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

**The Agreement is a share exchange agreement among the Issuer, AAA and the following shareholders of AAA: Christopher Hornung, Michael Hornung, Eric Hornung, Adam Hornung, Jason Springett and JBQ Enterprises dated for reference January 26, 2015.**

**Pursuant to the Agreement, the Issuer can acquire 100% ownership of AAA by issuing in stages a total of 22,937,500 shares of the Issuer to the shareholders of AAA. After January 26, 2015, the Issuer consolidated its shares on the basis of 4 to 1 and subdivided its shares on the basis of 5 to 1. The 22,937,500 shares represent post consolidated and post subdivided shares of the Issuer. The following table summarizes the issuance of shares by the Issuer to the shareholders of AAA and the ownership of AAA by the Issuer pursuant to the Agreement. The numbers in the table reflect the consolidation and subdivision.**

	As of the date of the Agreement	First Milestone	Second Milestone	Third Milestone	Fourth Milestone
Number of post-consolidated post-subdivided common shares issued		5,437,500	2,500,000	2,500,000	12,216,509
Ownership Percentage	16.5%	36.29%	45.39%	54.49%	100%
Status	Complete	Complete	Complete	Complete	Complete

**Mr. Christopher Hornung is a direct and a shareholder of the Issuer and AAA. He disclosed his interest in the issuance of shares, and did not vote on the resolutions approving the issuance of shares.**

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:

- (a) Total aggregate consideration in Canadian dollars: **\$2,418,523.11 (deemed)**
- (b) Cash: **N/A**
- (c) Securities (including options, warrants etc.) and dollar value: **\$2,418,523.11 (deemed)**
- (d) Other: **N/A**
- (e) Expiry date of options, warrants, etc. if any: **N/A**
- (f) Exercise price of options, warrants, etc. if any: **N/A**
- (g) Work commitments: **N/A**

3. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

**The purchase price was determined by arm's length negotiations by independent directors of the Issuer.**

4. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: \_\_\_\_\_

5. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued (post-consolidated, post-subdivided common shares) (3)	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer (1)
Christopher Paul Hornung	1,493,325	\$0.1667	N/A	S. 2.16 of NI 45-106	3,102,825	Related - Director
Michael Hornung	3,298,515	\$0.1667	N/A	S. 2.16 of NI 45-106	4,698,515	N/A
Eric Hornung	1,493,325	\$0.1667	N/A	S. 2.16 of NI 45-106	2,656,325	N/A
Adam Hornung	1,493,325	\$0.1667	N/A	S. 2.16 of NI 45-106	2,243,325	N/A
Jason Springett	1,805,190	\$0.1667	N/A	S. 2.16 of NI 45-106	4,405,190	N/A
JBQ Enterprises	2,632,830	\$0.1667	N/A	S. 2.16 of NI 45-106	3,820,325	N/A
<b>Total:</b>	<b>12,216,509</b>					

- (1) Indicate if Related Person  
(2) This is a deemed share price based on the average of the closing prices for the previous 30 trading days.  
(3) The numbers in this column were arrived at by factoring in the share consolidation, subdivision and loans to be repaid by the parties to the Issuer.

6. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

**The Issuer performed due diligence with respect to AAA.**

7. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):

N/A

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):
- (b) Cash
- (c) Securities
- (d) Other
- (e) Expiry date of any options, warrants etc.
- (f) Exercise price of any options, warrants etc.

8. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship.

N/A

9. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.

**The transaction is related to the acquisition of AAA. The business of AAA and the transactions between the Issuer and AAA are described in the MD&As of the Issuer for the past two years.**

## 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 on behalf of the Issuer.
2. As of the date hereof there is not 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 CSE Policy 1).
4. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated: December 19, 2018.

Derek Ivany  
Name of Director or Senior Officer

"Derek Ivany"  
Signature

CEO  
Official Capacity