



AGRAFLORA ORGANICS INTERNATIONAL INC.
(formerly PUF Ventures Inc.)

NEWS RELEASE

**AgraFlora Organics and Cabbay Holdings Corp. Sign Supply Agreement
For High-CBD Cannabis Plants in 2019**

Vancouver, British Columbia / January 2, 2019 – AgraFlora Organics International Inc. (formerly PUF Ventures Inc.) (“**AgraFlora Organics**” or the “**Company**”) (**CSE: AGRA**) (**Frankfurt: PU31**) (**OTCPK: PUFXF**), a growth oriented and diversified international cannabis company, is pleased to announce Propagation Services Canada has executed its first propagation supply agreement with Alta-Sun Samson Holdings Corp., a wholly owned subsidiary of Cabbay Holdings Corp. The agreement calls for Propagation Services Canada to supply high-CBD cannabis plants for a 5-acre outdoor grow operation near Edmonton, Alberta.

“Having the ability to acquire high quality propagation plants for our outdoor cannabis operation near Edmonton, AB is a significant advantage for our business,” said Andrew Morin Head Grower, Alta-Sun Samson Holdings Corp. and son of the former Chief of Enoch Cree Nation. “We can focus our efforts on the growing the highest quality cannabis for our primary customers without the overhead of planting and propagating our own cannabis seedlings. The timeline for AgraFlora’s retrofit of their large-scale greenhouse works well with our application for a cultivation license and we look forward to a long and mutually beneficial partnership with AgraFlora and Propagation Services Canada.”

“With the first phase of the retrofit of the 2,200,000 sq. ft. greenhouse complex scheduled for completion mid-2019, we are taking the necessary steps of establishing a customer base for our medical cannabis flower and propagating plants,” said Derek Ivany, President and CEO, AgraFlora Organics International. “Cabbay Holdings is Propagation Services Canada’s first propagation customer and follows on the recently announced medical cannabis supply agreement with Namaste Technologies. 2019 is shaping up to be a banner year for AgraFlora and we will continue to expand the pipeline of premium customers for our high-quality cannabis products.”

Cabbay Holdings Corp.’s 100% owned subsidiary, Alta-Sun Samson Holdings Corp., has a lease on a 5-acre site on Enoch Cree Nation land near Edmonton, Alberta and potential to increase the growing area to 160 Acres in 2020, where it intends to develop an outdoor cannabis cultivation facility and will apply for a standard cultivation license under the Cannabis Act in Canada.

Propagation Services Canada is a joint venture company in the process of retrofitting a large-scale greenhouse complex in Delta, BC. The fully funded retrofit of the 2,200,000 square foot complex is to be completed in three phases:

- Phase 1 includes the retrofit of 350,000 square feet, including 100,000 post-production facilities, completion scheduled for Q2 2019;
- Phase 2 includes an additional 1,450,000 square feet to be completed by Q4 2019;
- Phase 3 consists of 400,000 square feet scheduled for completion in Q2 2020.

The Delta greenhouse complex includes advanced growing systems for greenhouse HVAC, watering and lighting. It includes its own natural gas co-gen energy plant which provides cost effective electricity for

lighting and heating of the large-scale greenhouse. The result is a highly efficient and one the most cost-effective growing operation in the industry.

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

Derek Ivany
President & CEO

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