



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

NEWS RELEASE

AgraFlora Organics Engages European GMP Facility Experts and Initiates Discussions with Multiple European Union Based Pharma Groups for Post Production Exports

Vancouver, British Columbia / January 7, 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 that it has engaged good manufacturing practices (GMP) facility experts to design post production exports for the European Union (EU) in preparation for the first crop of cannabis to be planted at its the large-scale Delta Greenhouse Complex later this year. The Company has also initiated discussions regarding supply agreements and product development partnerships with several European Union based pharma companies.

“I am very pleased to announce we have engaged European GMP facility experts to design post production products for export markets,” said Derek Ivany, President and CEO, AgraFlora Organics International Inc. “The first 250,000 square feet of cultivation space at Propagation Services Canada’s Delta Greenhouse Complex will be coming online in mid-2019 and it is important that we have multiple sales avenues for our final product. We have taken steps to establish our domestic distribution network and have initiated discussions with multiple pharma companies based in the European Union to establish an export market. We expect to make an further announcement regarding domestic and export supply and product development agreements in the first half of 2019.”

AgraFlora’s management team is actively establishing a customer base for its medical cannabis flower and propagating plants including the recently announced medical cannabis supply agreement with Namaste Technologies and propagation plant supply agreement with Cabbay Holdings Corp.

The European Union represents a significant opportunity for AgraFlora as it is home to more than 500 million people, a population significantly larger than the combined population of the United States and Canada—the two largest cannabis markets in the world today. The legalization of medical and recreational cannabis is gaining traction across Europe including Germany, one of the fastest-growing medical cannabis marketplaces in the world.

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 it 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

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