



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Reviews Vertically Integrated Asset Portfolio

Vancouver, British Columbia / June 18th, 2019 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: PUFXF), a growth oriented and diversified international cannabis company, is pleased to provide the following corporate updates pertaining to the Company’s vertically integrated cannabis (“THC”) and cannabidiol (“CBD”) asset portfolio.

Over the past four quarters, AgraFlora has continued to deploy an assertive corporate acquisition stratagem, amassing a diverse portfolio of vertically integrated cannabis assets and industry partnerships. Culminating with the Company’s recent acquisition of a suite of unique downstream and cannabinoid product formulation assets from Organic Flower Investments Group Inc. (“**Organic Flower**”) (CSE: SOW)(FWB: 2K6)(OTC: QILFF), AgraFlora now boasts the following upstream/downstream operations, partnerships, off-take agreements, exclusive licences and asset exposure:

70 PER CENT OWNERSHIP STAKE IN PROPAGATION SERVICES CANADA (“PSC”)

Pursuant to the terms of an executed asset purchase and sale agreement between AgraFlora and Organic Flower, the Company now controls 70 per cent of PSC’s flagship Delta Greenhouse Complex. The Delta Greenhouse Complex is equipped with 2.2 million square feet of dedicated cultivation area under glass and is widely considered to be one of the most technically advanced and environmentally efficient greenhouse operations in the world.

AgraFlora continues to achieve material progress with regard to the retrofit and licensing of its bellweather Delta Greenhouse Complex. After a comprehensive review of its anticipated final preparations and submissions, including its affirmation of readiness and video evidence package, the Company anticipates, based on recent standard timelines for review and award and assuming no major required amendments or augmentations, the award of a cultivation licence from Health Canada by the fourth quarter of 2019.

Upon successful award of its aforementioned Health Canada cultivation license, the Delta Greenhouse Complex will hold claim to the highly coveted spot as the world’s second largest cannabis cultivation operation under glass, with an estimated replacement cost of \$190,000,000.

AgraFlora’s internal corporate projections indicate that upon receipt its aforementioned cultivation license from Health Canada, the Company’s Delta Greenhouse Complex will be the fourth largest Licensed Producer (“LPs”) in Canada by 2020 funded production metrics (see Figure 1), strategically positioned in close proximity to Canada’s largest cannabis economic centres; Toronto and Vancouver.

Figure 1.

Issuer	2020 Estimated Annual Capacity (in grams)	Current Market Capitalization
Aurora Cannabis	700,000,000	\$10,272,832,000
Canopy Growth Corp.	525,000,000	\$19,036,764,000
Aphria	255,000,000	\$2,283,968,000
AgraFlora & PSC	251,250,000 ¹	\$173,852,000
Tilray	225,000,000	\$3,793,000,000
The Green Organic Dutchman	195,000,000	\$894,586,000
Cronos Group	150,000,000	\$6,910,173,000
OrganiGram Holdings	113,000,000	\$1,304,743,000
Hexo Corp.	108,000,000	\$1,930,895,000
CannTrust Holdings	105,000,000	\$944,630,000

AgraFlora's forecasted production metrics are further substantiated the Delta Greenhouse Complex's industry-leading cultivation infrastructure, including:

- Fully integrated on-site natural-gas-powered power plant;
- Providing ample heat and electricity, while repurposing carbon dioxide emissions to benefit the plants;
- Proprietary energy-efficient air exchange;
- Advanced climate and humidity control management infrastructure;
- Ebb-and-flow watering systems to enhance complete irrigation recapture and water treatment;
- 1.5-million-gallon hot water storage tank configured to store energy produced during the day, for redistribution during non-peak hours, thereby increasing operational efficiencies and reducing associated energy costs; and,
- Multistage supplemental lighting augmented by natural sunlight to foster optimized illumination equilibrium.

ACMPR LICENSED AAA HEIDELBERG FACILITY

AgraFlora's wholly-owned subsidiary, AAA Heidelberg Inc. is a licensed cannabis cultivation facility under Health Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The AAA Heidelberg facility is equipped with five partitioned flower rooms, affording the company ample canopy earmarked for ultra-premium, artisanal craft cannabis cultivation.

Once fully optimized, it is forecasted that the AAA Heidelberg facility may achieve annualized dried cannabis production capabilities of circa one million grams, including the successful recapture of 225,000 grams of premium cannabis trim to be manufactured into ancillary value-added cannabis products.

The Company previously provided the following Q3 2019 - Q4 2020 operating guidance and licensing milestones pertaining to its AAA Heidelberg facility:

- Application and anticipated receipt of a Health Canada awarded sales licence;
- Application and anticipated receipt of a Health Canada awarded processing licence;
- Application and anticipated receipt of a Health Canada issued export permit;
- Proposed on-site dispensary as per Alcohol and Gaming Commission of Ontario (AGCO) regulations;
 - Potential 1.5-million-purchaser catchment area within a 90-minute radius;
- Importation of a catalogue of premium craft cannabis genetics;

¹ Forecasted production metrics derived upon achievement of optimized production at AAA Heidelberg and the Delta Greenhouse Complex

- Fully optimized production capabilities of circa one million grams of ultra-premium dried craft cannabis flower, with potential production expansion based off surplus cultivation areas contemplated;
- Successful recapture of 225,000 grams of premium cannabis trim to be manufactured into ancillary value-added cannabis products;
- Successful harvest of inaugural ultra-premium craft cannabis crop;
- Proposed export of finished cannabis form factors to emerging marketplaces, including India and Thailand, achieving unit contribution of up to \$15 per gram.

INDUSTRIAL HEMP LICENSE

AgraFlora has applied for licensing with Health Canada under the industrial hemp regulations of the Cannabis Act. The Company anticipates that licence approval could be granted in the third quarter of 2019, which will subsequently equip AgraFlora with the ability to seed, cultivate and harvest industrial hemp at its flagship 2.2 million square foot Delta, B.C. facility.

Upon successful grant of an industrial hemp licence, AgraFlora intends to aggressively pursue proprietary CBD cultivar development, as well as:

- Seedling development;
- Cultivar experimentation; and,
- Specialized fibre production.

AgraFlora anticipates that upon achieving full scale production, its planned industrial hemp operations will provide ample feedstock for its unique portfolio of product formulation and downstream THC/CBD assets, including cannabinoid-infused beverages, edibles and topicals.

CANNABINOID-INFUSED CONFECTIONARY, CHOCOLATE AND EDIBLES MANUFACTURING

By way of an executed Asset Purchase Agreement (the “Agreement”) with Organic Flower, AgraFlora controls an 80 per cent interest in The Edibles and Infusions Corp. (“Edibles and Infusions”), a joint venture (the “JV”) with one of North America's largest and most storied manufacturer and distributor of chocolate and sugar confectionary products.

The Company’s JV partner was established nearly a century ago and has since become North America's largest confectionary fruit slice manufacturer, supplying products to over 20,000 locations across North America - most prominently Costco and Wal-Mart. AgraFlora’s JV partner currently manufactures and distributes several hundred unique stock keeping units (“SKUs”).

The JV will design and develop a 50,000-square-foot manufacturing and product formulation facility, located in Winnipeg, Manitoba. The facility will be operated by a roster of experienced chocolatiers and confectioners, as well as equipped with state-of-the-art manufacturing equipment capable of producing an assortment of both cannabinoid/terpene-infused products for medicinal, functional and adult use, including:

- Gourmet snacks including caramel popcorn, cheese biscuits, cocoa cookies, glazed pecans and salty pretzels;
- Chocolates, toffees, caramels;
- Gummies, confectionary, gum;
- Baked goods;
- Flavoured tinctures;
- Powdered drinks; and,

- CBD- infused pet products.

Edibles and Infusions is working to finalize its applications for a Health Canada standard processing licence, as well as a cannabis sales licence. The Company anticipates the facility will be fully operational by the first quarter of 2020 and, once optimized, will be capable of generating in excess of \$750 million in annual sales revenue. Projected revenues are derived from logical assumptions including the facility achieving full capacity and the equipment operating seven days per week, 20 hours per day with all product being sold to downstream distributors, with the sales price based on current comparable retail pricing in the USA.

Existing downstream capabilities will be buoyed by one of Canada's leading sales forces, affording the JV the ability to secure immediate shelf space across all major retail channels, including:

- Groceries;
- Pharmacies;
- Convenience stores;
- Gas stations; and,
- Quick-service restaurants.

NON-ALCOHOLIC CANNABINOID-INFUSED BEERS AND CIDERS FORMULATION

Through an exclusive partnership agreement with a leading Toronto-based brewery (the “Brewhouse”), AgraFlora holds claim to the exclusive formulation, manufacturing and distribution rights for all cannabinoid-infused beverages developed at said Brewhouse. Composed of a consortium of experienced brewery partners, the Brewhouse has completed multiple production runs for prominent European beverage brands, such as:

- Guinness;
- Augustiner; and,
- Innes & Gunn.

This exclusive partnership provides AgraFlora with preeminent exposure to a collective of domestic and global brewery partners, as well as further crystallizes a leading production platform for the Company's cannabinoid-infused carbonated beverage product offering, including:

- Non-alcoholic beers;
- Seltzers; and,
- Ready-to-drink (“RTDs”) beverages.

With its exclusive brewing partner, the Company plans to commence product formulation and batch testing during third quarter of fiscal 2019, with forecasted commercial production slated to begin in fourth quarter 2019.

Equipped with custom production equipment and a captive research, development and testing facility, as well as a state-of-the-art brewing infrastructure, the Brewhouse is armed with annual output capacity capabilities of 120,000 hectolitres (“hl”). By comparison, Canadian brewer Steam Whistle Brewing produces approximately 95,000 hl on an annualized basis.

The Brewhouse is nearing completion of major facility retrofit initiatives, which are projected to increase its output capacity to over 200,000 hl per annum. Upon completion of the retrofit, aggregate capital expenditures deployed on the Brewhouse build out will exceed \$20 million.

In addition, the Brewhouse possesses the ability to package both steel kegs and plastic one-way kegs in a plethora of fittings, and is equipped with a 24-head rotary canning line, capable of packaging a variety of container dimensions at a rate of over 100 million containers per year. The Brewhouse also boasts an adjoining tasting and viewing facility (the “Taproom”) affording AgraFlora the ability to showcase product launches, beer dinners, community events and gallery showings.

CBD-INFUSED/HEMP OIL COMESTICS MANUFACTURING

Via its wholly-owned subsidiary Canutra Naturals Ltd. (“Canutra”), AgraFlora is equipped with cultivation, extraction, manufacturing and distribution capabilities from its flagship facility in Kent County, New Brunswick. Canutra manufactures and distributes premium skin care, cosmetics and cannabinoid product lines, including a suite of trusted consumer brands such as Whole Hemp Health; a Canadian all-natural, hand-made skin care line, formulated with organic hemp seed oil.

Canutra markets the Whole Hemp Health product line by way of brick-and-mortar retail outlets, Amazon Prime, as well as direct to consumer, through an integrated Shopify e-commerce platform.

Canutra's wholly owned subsidiary, Canutra Farms, owns and operates 76 acres of unzoned agricultural land with 1,000 feet of river frontage in Kent county, New Brunswick. Canutra Farms was formerly a federally owned farm and research facility and is equipped with over 17,500 square feet of commercial-grade facilities and 12 separate structures. Canutra Farms was granted an industrial hemp licence by Health Canada for its New Brunswick land parcel in 2017.

Canutra was also awarded a cannabis research licence by Health Canada in 2018. Additionally, Canutra boasts a research and development partnership with the Universite de Moncton (“UM”). Canutra will collaborate with UM to augment its portfolio of IP including:

- Optimized cannabis/hemp cultivation techniques;
- Extraction methodologies;
- Cultivar development;
- Inoculation formulations;
- Proprietary cannabinoid profiles for future skin care product lines.

Canutra's products are strategically manufactured in the same county as Canutra Farms, affording Canutra the ability to swiftly expand the breadth of its product line from its current SKUs to more than 40 SKUs.

This turnkey manufacturing infrastructure positions AgraFlora to capitalize on current and future market trends in the rapidly expanding cannabis consumer products space. Canutra is finalizing the development phase of a suite of innovative SKUs including:

- Organic cosmetics with anti-aging properties;
- Shampoos and conditioners; and,
- Sunscreens.

CBD-INFUSED PERFORMANCE PRODUCTS

By way of an exclusive North American manufacturing and distribution agreement with the Toronto Wolfpack RLFC (“TWP”) and HowlBrands, AgraFlora is positioned at the nexus of the burgeoning CBD-infused performance products marketplace and the vast captive audience of professional sports.

In collaboration with TWP and HowBrands, the Company will leverage its unique downstream and product formulation asset portfolio to manufacture and distribute a suite of athlete-focused, CBD performance products, including:

- CBD-infused topical creams;
- Therapeutic relief balms;
- Sport pain CBD tinctures;
- CBD-infused soaks; and,
- CBD-infused roll-ons and healing sticks- engineered for optimal topical absorption.

AgraFlora and HowlBrands are preparing to launch an inaugural CBD-infused SKU, Rugby Strength; a replenishing body topical cream infused with 125 milligrams of CBD extract, derived from organically grown cannabis sativa L.

Rugby Strength is uniquely formulated to optimize the transdermal absorption of CBD's analgesic, anti-inflammatory and anti-anxiety healing properties. HowlBrands and TWP aim to cater to professional and amateur sports teams, as well as individual athletes through diverse product offerings formulated to:

- Reduce the pain and discomfort resulting from intense and/or frequent wear and trauma on weight-bearing joints;
- Support reparation and recovery; and,
- Enhance fitness and performance.

NICORETTE-INSPIRED SUBLINGUAL CANNABINOID PRODUCT LINE

AgraFlora has secured the exclusive North American rights to a proprietary manufacturing system, enabling the production of cannabinoid-infused therapeutic gum, chewable tablets and capsules.

The Company's next-generation line of medicinal-use cannabis products is inspired by popular demand of Nicorette's branded therapeutic products, boasts the following:

- Proprietary dual-delivery technology: advanced patented processes reduce surface tensions, increase binding of molecules and enable homogenous mixing;
- Rapid sublingual activation: optimized absorption methodologies facilitate a rapid onset within the first 15 minutes of application; and,
- Metabolism efficacy: metabolizes in the liver to create a more lasting effect.

LIBRARY OF PATENTED PRODUCT FORMULATIONS

AgraFlora has also obtained the Canadian exclusive rights to a catalogue of cannabinoid-infused product formulations from a global formulation provider with over three decades of experience working with leading consumer product goods ("CPG") brands. The Company has engaged a roster of food engineers, nutritionists and scientists to optimize bioavailability, consistent dosing protocols and flavouring of the AgraFlora's licensed formulations.

AgraFlora will continue to leverage its production and processing assets, while further activating its downstream activities by launching cannabinoid-infused beverages, edibles and personal care products; specifically formulated with patented micro diffusion technologies.

These proprietary formulation and manufacturing processes are specifically adapted to ensuring consistent dose delivery, while maintaining taste and texture integrity. AgraFlora's patented formulations will be adjusted based on a various production variables, including:

- Altitude;
- Barometric pressures;

- Production time of day; and,
- Humidity.

BEVERAGE BOTTLING AND DOWNSTREAM DISTRIBUTION

The Company holds claim to a complementary exclusive cannabinoid-infused beverage supply and distribution agreement with a Canadian bottling facility (the “Bottler” or the “Facility”). The Facility is strategically situated in the Greater Toronto Area (“GTA”), affording AgraFlora unbridled access to the largest addressable Canadian marketplace. The GTA is buoyed by established infrastructure, offering the flexibility to accommodate shipments from multiple ports and hubs across North America.

The Facility is equipped with state-of-the-art bottling equipment, configured to conduct rapid production runs, with minimal downtime for production line changeovers. Fully operational, the Facility has been granted the following industry certifications:

- Good manufacturing practices (“GMP”);
- Canadian organic standards;
- Certified vegan;
- Fair trade certification (“ISO 17065”); and,
- Kosher facility status.

AgraFlora will leverage the Facility to produce a suite of both cannabinoid-infused and functional beverages. The Facility is currently configured to produce formulations for water, coffee, tea, juice and carbonated sodas in a variety of formats, including glass bottles, polyethylene terephthalate (“PET”) bottles and aluminum cans.

The Bottler has the capabilities to develop and produce premium beverages that exceed market standards, by leveraging innovative industry technologies, including:

- Pharmaceutical-grade mixing tanks;
- Advanced UV sterilization; and,
- Custom extended-shelf-life (“ESL”) bottling lines.

UNIQUE CANNABINOID DELIVERY SYSTEMS INTELLECTUAL PROPERTY (“IP”)

AgraFlora controls the exclusive rights to a portfolio of disruptive cannabis beverage delivery assets and intellectual property (IP). This acquisition will position AgraFlora as the industry's sole Canadian manufacturer and distributor of an innovative beverage dispensing cap technology, equipped with a proprietary cannabinoid delivery mechanism.

The Company will incorporate its planned cannabinoid-infused beverages lines with its patented pharmaceutical-grade dispensing cap technology, as well as advanced delivery mechanisms, providing optimized ingredient effectiveness for the end consumers. Refined over five years, with research and development expenditures of \$30 million, AgraFlora will leverage its exclusive rights to a marquee dispensing cap technology and delivery mechanism to revolutionize the North American cannabinoid-infused beverage marketplace.

The state-of-the-art delivery technology is certified for health care and pharmaceutical applications; AgraFlora anticipates that it will pioneer an elevated industry standard of quality.

The delivery mechanism boasts a patented airtight and moisture-resistant bottle cap to protect volatile ingredients such as cannabinoids, antibiotics, probiotics, vitamins and minerals resulting in superior shelf

stability for infused bottled beverages. The dispensing cap technology allows for increased efficacy when compared with premixed beverages, which are susceptible to rapid nutrient deterioration.

THC OVERDOSE ANTIDOTE

The Company has been granted the Canadian exclusive sublicense (the “sublicense”) for True Focus Canada’s product suite and proprietary IP portfolio, including its patent pending ‘THC Overdose Antidote’. The sublicense permits the exclusive domestic marketing, distribution and development of the aforementioned THC Overdose Antidote for a period of ten years.

With this exclusive sublicense, AgraFlora is now armed with a suite of all-natural, nutraceutical formulations, coupled with an intuitive delivery system designed to mitigate the negative side effects associated with excessive THC consumption. The aforementioned product formulations are considered patent pending by way of a U.S. Patent and Trademark Office (“USPTO”) patent application.

Delivered to the end consumer through a pocket-sized, user-friendly spray bottle, True Focus's revolutionary formulations are designed to be ingested in a sublingual manner.

Recreational cannabis consumption for the purpose of achieving desired levels of euphoric or psychoactive effects can at times lead to adverse and unwanted side effects, given the lack of consistent doses distinction or historical use. True Focus's patent-pending formulation offers a unique solution to alleviating undesirable symptoms associated with a THC overdose.

EXCLUSIVE REGISTERED TRADEMARK PORTFOLIO

By way of its wholly owned subsidiary, Trichome Cannabrands Inc. (“Trichome”), the Company has aggregated portfolio of 57 registered trademarks in Canada for a diversified range of cannabis products and services, including:

- Medicinal cannabis: for the relief of nerve pain, treatment of muscle spasms caused by multiple sclerosis, relief of nausea caused by chemotherapy, temporary relief of seizures and cannabis oil for the treatment of cancer;
- Recreational cannabis: on-line and retail sale of cannabis, cannabis-related products, derivatives of cannabis and natural health products containing cannabis;
- CBD-infused performance products: CBD oil for medical purposes, topical anesthetics, antibiotic cream and anti-inflammatory ointments;
- Packaging and vape products: packaging of cannabis, cannabis-related products, derivatives of cannabis and natural health products containing cannabis, and cannabis oil for electronic cigarettes;
- Cosmetics: makeup, beauty care cosmetics, eye cream, body creams, massage creams, massage oils, skin care preparations, body powders, body oils, bath soap, moisturizing skin lotions, body sprays used as personal deodorants and fragrances, non-medicated bath salts, exfoliating scrubs for the body, and bath oils;
- Candy, chocolate and edibles: cannabis oil for food and edible oils, chocolate bars infused with cannabis, brownies containing marijuana, chocolate, and sugar confectionery;
- Beverages and bottling: non-alcoholic fruit-based beverages, carbonated soft drinks, sports drinks, beverage flavourings, beverages made of coffee and tea;
- Cannabinoid infused beers and ciders: alcoholic-based beverages, alcoholic fruit beverages and alcoholic tea-based beverages.

Included in the portfolio of trademarks are regional airport codes, telephone area codes and other such recognizable regional identifiers that show significant branding potential for the cannabis space.

AgraFlora intends to leverage these registered trademarks throughout a wide array of corporate branding exercises.

OFF-TAKE AND COMMERCIAL RIGHTS AGREEMENTS

Furthermore, AgraFlora has secured commercial rights and off-take agreements with ICC International Cannabis Corp. (CSE: WRLD.U)(FWB: 8K51)(OTC: WLDCF) ("ICC" or "International Cannabis"), as well as Namaste Technologies Inc. (TSXV: N)(FWB: M5BQ)(OTCQB: NXTTF) ("Namaste"), whereby ICC and Namaste may purchase up to 100,000,000 grams and 25,000,000 grams of premium dried cannabis from the Company's Delta Greenhouse Complex, respectively.

These off-take agreements will further de-risk AgraFlora's low cost domestic cannabis production by providing the Company with the opportunity to capture significant cash flows at both the upstream and downstream layers of the cannabis value chain; realizing material exposure to both the wholesale and eventual retail distribution of dried cannabis into high-value domestic and international patient populations.

In addition, AgraFlora and ICC have entered into a commercial rights agreement, affording the Company unencumbered access to cannabis processing/finishing at ICC's EU-GMP certified facilities.

In anticipation off-take delivery from AgraFlora, ICC is architecting its first purpose-built, EU-GMP compliant cannabis processing, manufacturing and packaging facility. It is anticipated that ICC's finishing facility will function as a premier European cannabis-processing hub, through which:

1. Cannabis produced/procured from ICC's contract farming and off-take agreements can be securely shipped to the finishing facility;
2. Cannabis manufacturing and processing will then be initiated at ICC's finishing facility according to GMP-certified manufacturing specifications and ; and,
3. The now finished GMP-certified cannabis can be packaged for export and/or leveraged as GMP-compliant cannabis inputs to produce a portfolio of diverse, designer product formulations.

GMP-certified cannabis products are eligible for import/export to the European Union, thus achieving higher margins, all while removing barriers to entry for the penetration of high-value EU patient populations. GMP certification is an internationally recognized system, mandated with ensuring all produced goods meet the highest consumer health and safety standard.

The aforementioned commercial rights and off-take agreements are contingent on AgraFlora receiving its cultivation and sales licences from Health Canada for its Delta greenhouse complex operations.

EUROPEAN DISTRIBUTION AND COLLABORATION AGREEMENT

In addition, AgraFlora has inherited a European distribution and collaboration agreement with ICC, affording the Company unbridled access to a trans-European distribution network is composed of 80,000 retail outlets and pharmacies, spanning 16 countries, including: Germany, the United Kingdom, Ireland, Denmark, Italy, France, Spain, Poland, the Netherlands and Greece.

AgraFlora's European distribution network is augmented by various value-added services, including:

- Strategic procurement;
- Warehousing;
- Product registration;
- Regulatory representations.

AgraFlora will remunerate International Cannabis according to a floating royalty matrix based on the net sales of products sold through ICC's European distribution channels.

Brandon Boddy, Chief Executive Officer and Chairman of AgraFlora stated: “By way of astute acquisitions, synergistic partnerships and surgical execution, AgraFlora has grown from a \$2.5 million market capitalization to over \$175 million in rapid fashion. The acquisition of Organic Flower instantaneously amplified our enterprise value by a factor of two, in addition to crystalizing our corporate roadmap as the Company prepares to enter the billion-dollar arena.

These tactical acquisitions from proven operators further augment our existing portfolio upstream cannabis assets with a suite cannabinoid-infused food/beverage product formulation and manufacturing assets. Turnkey solutions, including ingredient sourcing, manufacturing, testing and analytics, will further crystallize AgraFlora’s pole position as a thought leader throughout the next phase of cannabis normalization,” continued Boddy.

Further to the Company’s recently completed transaction relating to the acquisition of downstream and product formulation portfolio (the “Asset Portfolio”) from Organic Flower (see June 7th, 2019 news release), the aggregate purchase price (the “Purchase Price”) payable by AgraFlora to Organic Flower for the Asset Portfolio shall be the issuance of an aggregate number of common shares in the capital of AgraFlora that is equal to 1.15 multiplied by 302,703,697 (the “Payment Shares”), as fully paid and non-assessable. ^[1]_[SEP]

AgraFlora and Organic Flower also agree that with respect to the issued and outstanding convertible securities of the Company (the “Convertible Securities”), the holders thereof (the “Organic Flower Convertible Security Holders”) shall have the option to exercise their respective Convertible Securities into either common shares in the capital of Organic Flower or AgraFlora on identical terms and conditions of the Convertible Securities effective as at closing of the transaction. For greater certainty, the Convertible Securities may be exercised for either common shares of Organic Flower or common shares of AgraFlora, and not common shares of both parties. The Company and Organic Flower will do all such acts and things as may be necessary or desirable, including without limitation, amending the certificates and documents evidencing the Convertible Securities, to assure that the exercise rights are fully effected. There will a voluntary 12-month hold period applied to all Convertible Securities exercised into the share capital of AgraFlora.

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 Inc. 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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Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for AgraFlora Organics described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at www.sedar.com.