



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Enters Into Non-Binding CBD Commercialization and Distribution LOI; Commences Discussions With One of Canada's Largest Food Retailers To Achieve National Branded and Private Label CBD Product Exposure

Vancouver, British Columbia / August 8th, 2019 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF), a growth oriented and diversified international cannabis company, is pleased to announced the Company has commenced discussions, as well as entered into a non-binding Cannabidiol (“CBD”) Commercialization and Consulting Letter of Intent (“LOI”), dated July 31st, 2019, with one of Canada’s largest food retailers (the “Canadian Food Retailer”).

The Canadian Food Retailer boasts brick and mortar stores from coast to coast, which operate under a variety of renowned retail banners. Under the terms of the non-binding LOI, AgraFlora and the Canadian Food Retailer will pursue a Supply and Consulting Agreement (the “Supply Agreement”), whereby AgraFlora will supply the Canadian Food Retailer with a portfolio of CBD-infused consumer packed goods (“CPGs”).

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “Following a protracted assessment of the Canadian cannabis marketplace, as well as the associated Health Canada regulations, we are elated to announce that this prominent Canadian Food Retailer has selected AgraFlora as a potential partner of choice for CBD commercialization and distribution, due our assets, human capital and manufacturing capabilities.

Equipped with scalable manufacturing processes, substantiated by measurable capital expenditures on property, plant and equipment, AgraFlora’s downstream separate business units will be well positioned to fulfill the projected demand for the next generation of cannabinoid-infused CPGs.

This Canadian Food Retailer is the ideal potential partner for AgraFlora throughout our pursuit to achieve significant shelf space for our innovative suite of cannabinoid-infused cosmetics, edibles and beverages. This proposed partnership with one of Canada’s most respectable and influential food retailers will function as a beachhead towards the capture of material market share.”

The non-binding LOI contemplates the branded and private label creation and supply of AgraFlora’s diverse portfolio of CBD-infused and/or hemp-oil derived CPG products across the Canadian Food Retailers diverse brand umbrellas, including but not limited to:

- Edibles;
- Cosmetics;
- Beverages;
- CBD Performance Products; and,

- Pet Products.

Over the past four quarters, AgraFlora has continued to deploy an assertive corporate acquisition strategem, successfully amassing a diverse portfolio of vertically integrated cannabis assets and industry partnerships. The Company now boasts a portfolio of cannabinoid-infused CPG downstream operations, partnerships, exclusive licences and asset exposure.

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

Brandon Boddy
Chairman & CEO
T: (604) 682-2928

For additional information:

AgraFlora Organics International Inc.
Tim McNulty
E: ir@agraflora.com
T: (800) 783-6056

For French inquiries:
Remy Scalabrini, Maricom Inc.
E: rs@maricom.ca
T: (888) 585-MARI

The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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.