



# AgraFlora Organics Provides Update to 2,200,000 Square Foot Greenhouse Retrofit at Delta, BC and Equity Participation and Earn-In Agreement with Delta Organic Cannabis Corp.

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VANCOUVER, Nov. 19, 2018 /CNW/ - **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 report on the progress of the retrofit of the large-scale greenhouse complex in Delta, BC. The retrofit of the 2,200,000 square foot complex has been split into three phases: Phase 1 includes the retrofit of 350,000 square feet, including post-production facilities, completion scheduled for Q1 2019; Phase 2 includes an additional 1,450,000 square feet to be completed by Q4 2019; and the final phase consisting of 400,000 square feet. Initial activities of the retrofit include site preparation for propagation operations including 250,000 square feet of flowering area, development of standard operation procedures and completion of security audit and development of overall plan, plus ordering of long lead time items and planning with plant genetic experts in preparation for the first crop.

"We are working aggressively to prepare the large-scale greenhouse complex in Delta, BC for the first 250,000 square feet of cannabis flowering and propagation plants," said Derek Ivany, President and CEO of AgraFlora Organics International Inc. "The retrofit of the 2,200,000 square foot greenhouse is on schedule and when completed and fully licensed will constitute the largest cannabis propagation operations in Canada and likely one of the largest cannabis flowering facilities in the world. We continue to work diligently toward our goal of becoming one of the premier cannabis companies in Canada."

The Company is also pleased to provide an update to the previously announced Equity Participation and Earn-In Agreement (the "**Agreement**") with **Delta Organic Cannabis Corp. ("DOCC")**, a privately held Toronto-based cannabis investment company backed by preeminent leaders in Canadian cannabis enterprise, for up to a \$40 million investment at a price of approximately \$0.45 per AGRA share for the development of a large-scale, 2,200,000 square foot commercial medical cannabis cultivation operation in Delta, British Columbia.

AGRA and DOCC have agreed to modify the Agreement payment terms announced on September 25, 2018 to the following draw down table:

- October 18, 2018, DOCC advanced \$12,500,000 for 5,572,755 PUF Ventures Shares (pre-split);
- November 30, 2018, DOCC to advance \$7,500,000 for 16,718,265 post-split AgraFlora shares (3,343,653 pre-split shares);
- January 15, 2019, DOCC to advance \$5,000,000 for 11,145,510 post-split AgraFlora shares (2,229,102 pre-split shares);
- March 1, 2019, DOCC to advance \$15,000,000 for 33,436,530 post-split AgraFlora shares (6,687,306 pre-split shares).

Changes to the Agreement also result in modifications to the Earn-In Right to be exercised according to the following earn-in schedule from AGRA's current 50% portion of Propagation Services Canada Inc. ("PSC"):

- DOCC has earned a 6.25% of PSC, by satisfaction of \$12,500,000 of the defined subscription obligation;
- DOCC shall earn an additional 3.75% (for a total of 10%) of PSC by satisfaction of a further \$7,500,000 of the defined subscription obligations;
- DOCC shall earn an additional 2.5% (for a total of 12.5%) of PSC by satisfaction of a further \$5,000,000 of the defined subscription obligations;
- DOCC shall earn an additional 7.5% (for a total of 20%) of PSC by satisfaction of a further \$15,000,000 of the defined subscription obligations

The proceeds of the subscriptions are to be used exclusively to develop the Delta propagation complex consisting of 2,200,000 square feet of illuminated greenhouse space and 1,700,000 square feet of "ebb and flood" irrigation space. This is an arm's length transaction and no finder's fees are to be paid.

The Company, a 35% shareholder of Solaris Nutraceuticals, also reports the Australian Office of Drug Control (ODC) has rejected Solaris' application for both a medicinal cannabis license and cannabis research license due to management's failure to provide certain documents and information in a timely manner. Key members of the Solaris board are currently collecting the missing documentation and information and hope to be in a position to submit the information within the 90-day appeal time frame.

### **About Delta Organic Cannabis Corp.**

DOCC is Canadian focused vertically integrated cannabis company formed by some of the most successful early-movers in the space.

### **About AgraFlora Organics International Inc.**

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. It has ownership in several cannabis companies including AAA Heidelberg and Propagation Services Canada in Canada and is actively pursuing other opportunities within the cannabis industry. AgraFlora Organics has an option to purchase 100% of AAA Heidelberg Inc., a licensed producer under the Access to Cannabis for Medical Purposes Regulations. For more information please visit [www.agraflora.com](http://www.agraflora.com) and follow @agraflora on Twitter.

ON BEHALF OF THE BOARD OF DIRECTORS

Derek Ivany  
President & CEO

***No stock exchange or securities regulatory authority has reviewed or accepted responsibility for the adequacy or accuracy of this release.***

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