

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Reporting Issuer**

AgraFlora Organics International Inc. (formerly PUF Ventures Inc.) (the “**Company**”)  
#804-750 West Pender Street  
Vancouver, BC V6C 2T7

**Item 2: Date of Material Change**

December 19, 2018.

**Item 3: News Release**

A news release was issued and disseminated on December 19, 2018 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Item 4: Summary of Material Changes**

The Company announced the acquisition of 100% interest in the London, Ontario based licensed cannabis producer, AAA Heidelberg Inc.

**Item 5: Full Description of Material Change**

The Company announced the acquisition of 100% interest in the London, Ontario based licensed cannabis producer, AAA Heidelberg Inc.

In conjunction with the acquisition the Company has issued 12,216,509 common shares (the “**Shares**”) at a deemed price of \$0.1667 per share to the shareholders of AAA Heidelberg Inc. (“**AAA Heidelberg**”) pursuant to the share exchange agreement entered into between the Company, AAA Heidelberg and the shareholders of AAA Heidelberg dated January 26, 2015. The completed share transfer has resulted in the acquisition of the remaining interest of the AAA Heidelberg licensed facility and the entity is now a wholly owned subsidiary of the Company.

The Company’s AAA Heidelberg personnel are currently working with Canopy Growth to initiate the first crop of high quality medical cannabis at the London, Ontario based facility.

In Delta, BC the Company continues the retrofit of the existing 2,200,000 square foot Delta Greenhouse Complex and operations are currently on schedule to complete 250,000 sq. ft. of flowering area by the end of the Q2 2019. The Company intends on completing the total of 1,700,000 sq. ft. of flowering area by the end of 2019 and the final phase of the greenhouse retrofit is planned to include an additional 450,000 sq. ft. of flowering area scheduled for completion in the summer of 2020.

The shares issued pursuant to the Agreement and the debt settlements are subject to a four month hold period.

The acquisition of the remaining interest in licensed cannabis producer AAA Heidelberg follows the Company’s December 13, 2018 announcement of a supply agreement with Namaste Technologies Inc.’s wholly-owned subsidiary, Cannmart Inc. for the right of first refusal to purchase up to 10% of the total annual production from the Company’s large-scale Delta Greenhouse Complex. This represents up to 25,000,000 grams per year, at a price of \$4 per gram.

As announced on December 10, 2018 the Company recently closed on a \$7.5 million second tranche of a \$40 million financing to be used exclusively to develop the Delta Greenhouse Complex. A total of \$20 million have been raised with the remaining \$20 million to be paid in two tranches of \$5 million on January 15 and \$15 million on March 1, 2018.

**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](http://www.agraflora.com).

**Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7: Omitted Information**

None.

**Item 8: Executive Officer**

For further information, please contact:

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**Item 9: Date of Report**

December 19, 2018.