

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

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

Item 2: Date of Material Change

January 22, 2019.

Item 3: News Release

A news release was issued and disseminated on January 22, 2019 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

The Company has announced its wholly owned subsidiary, AAA Heidelberg Inc. is preparing to acquire a high-quality strain of cannabis to begin cultivation at its 8,800 square foot facility in London, Ontario.

Item 5: Full Description of Material Change

The Company has announced its wholly owned subsidiary, AAA Heidelberg Inc. is preparing to acquire a high-quality strain of cannabis to begin cultivation at its 8,800 square foot facility in London, Ontario.

AAA Heidelberg owns an 8,800 square foot indoor growing facility in London, Ontario. The facility has the most up-to-date growing and security technologies available and meets the highest level of pharmaceutical standards. It features a state-of-the-art HVAC system, a Surna Water Chilled Climate Control system and a security system that meets or exceeds all requirements demanded by Health Canada. These systems are backbone of the facility’s automated control for the complete operations of the growing process.

This announcement follows the Health Canada grant of a cultivation license to AAA Heidelberg on October 15, 2018 and the acquisition of the remaining interest in AAA Heidelberg by the Company on December 15, 2018.

In Delta, BC the Company continues to work with its joint venture partners to convert an existing 2,200,000 square foot tomato greenhouse complex to cannabis production. The first phase of the retrofit is on schedule to complete 250,000 sq. ft. of flowering area by the summer of 2019. Propagation Services Canada 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.

On January 7, 2019 the Company announced that management had initiated discussions regarding supply agreements and product development partnerships with several European Union based pharma companies. The discussions have advanced on both fronts and the management team will be travelling to Europe in early February to finalize potential agreements.

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.

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

January 22, 2019.