

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

Item 1: Name and Address of Reporting Issuer

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

Item 2: Date of Material Change

May 20, May 21 and May 27, 2019.

Item 3: News Release

News releases were issued and disseminated on May 21, 2019, May 22, 2019, May 23, 2019 and May 27, 2019 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

The Company announced the following:

1. Appointment of Mr. Brandon Boddy as Chairman and CEO of the Company and the resignation of Mr. Derek Ivany as President, CEO and a director of the Company.
2. Execution of a commercial rights and offtake agreement (the “**Offtake Agreement**”) with ICC International Cannabis Corp. (“**ICC**”).
3. Execution of a letter of intent (the “**LOI**”) with Organic Flower Investments Group Inc. (“**Organic Flower**”).
4. Execution of an amended assignment agreement (the “**Amended Assignment Agreement**”) with Roughrider Capital Corp. (“**Roughrider**”) dated May 2, 2019.
5. Appointment of Brian O’Neill as a director of the Company.

Item 5: Full Description of Material Change

Management Changes:

The Company announced that, effective immediately, Brandon Boddy has been appointed Chairman and CEO of the Company. Mr. Boddy has been mandated with accelerating the Company’s licensed domestic cannabis production activities, as well as actively championing various corporate initiatives, including:

- Creating accretive shareholder value by way of mergers and acquisitions (“**M&A**”);
- Implementing the company's domestic and international supply chains processes; and,
- Executing on high-margin European downstream opportunities.

As a Co-Founder of Auxly Cannabis Group Inc. (“**Auxly**”), formerly Cannabis Wheaton Income Corp., Mr. Boddy was instrumental in raising over \$300 million in capital, as well as spearheading an array of corporate development and M&A initiatives. Auxly is globally recognized as a premier vertically integrated cannabis company and at its zenith achieved a market capitalization of over \$1.8 billion.

The Company also announces that Derek Ivany, is stepping down as President, CEO and a Director of the Company. Mr. Ivany will remain engaged with the Company in a formal consultative capacity, specifically tasked at overseeing the internal knowledge transfer process, as well as managing the Company’s diverse investment portfolio. In addition, Derek will continue to lead Natures Hemp Corp., which is progressing with its mandate within the holistic medicinal natural health-oriented Hemp and CBD segment. Natures Hemp was spun out to the shareholders of the Company on August 28, 2018 and is a reporting issuer in Alberta, British Columbia and Ontario.

Offtake Agreement:

The Company announced that it has entered into an Offtake Agreement dated May 21, 2019 with ICC. Under the terms of the Offtake Agreement, the Company will sell up to 100,000 kg of premium dried cannabis flower produced from its 2.2 million square foot greenhouse complex in Delta, BC (the “**Delta**”

Greenhouse Complex”), to ICC over the next five years, subject to approval of the Company’s cultivation and sales licenses by Health Canada. This is the second major supply agreement contracted with the Company, the first being with Namaste Technologies Inc. announced on December 13, 2018 for up to 25,000 kg of premium dried cannabis flower annually.

The Company’s Delta Greenhouse Complex is widely considered to be one of the most technically-advanced and environmentally-friendly greenhouse operations in the World, which boasts 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 an optimized illumination equilibrium.

Boasting 2.1 million square feet of grow space under glass, the Company and its Joint Venture partner have been collaborating with Health Canada since June 2018 to prepare the large-scale, ready-made Delta Greenhouse Complex for licensing. As a result of this commercial rights and off-take agreement, the Company has committed to allocating 10 per cent of the Delta Greenhouse Complex’s cumulative flower footprint to ICC.

Subject to the terms of the commercial rights and off-take agreement, the Company may sell up to 20,000 kg of dried cannabis per annum for a 5-year term from its large-scale Delta Greenhouse Complex, representing 100,000,000 grams over the duration of the initial term.

The aforementioned commercial rights and off-take agreements are contingent on the Company’s receiving its cultivation and sales licences from Health Canada for its Delta Greenhouse Complex operations.

A finder’s fee is payable on this transaction.

LOI:

The Company announced that it has entered into a LOI dated May 20, 2019 with Organic Flower, whereby the Company will acquire 100 per cent of Organic Flower’s assets including Organic Flower’s 20% interest in the Company’s Delta Greenhouse Complex, an array of domestic downstream/product formulation operations and the rights to an trans-European distribution network (the “**Proposed Transaction**”).

It is anticipated that the sale price for the assets will be comprised of 1.15 shares of the Company for each one (1) issued and outstanding share of Organic Flower at the time of closing (the “**Consideration Shares**”), with the Consideration Shares to be distributed to the shareholders of Organic Flower. Closing of the Proposed Transaction remains subject to applicable corporate, securities and exchange approvals and/or filings, as the case may be.

The Proposed Transaction will thereby reunite 70% ownership of Propagation Services Canada Ltd. and the Delta Greenhouse Complex, under the Company’s corporate umbrella. The combined interest in 2020-funded production of the Delta Greenhouse Complex is forecasted to be 175,000,000 grams of premium dried cannabis flower.

The Company’s recently announced 100,000 kg Offtake Agreement with ICC coupled with Organic Flower’s revenue sharing and distribution arrangement with ICC will allow the combined AgraFlora-Organic Flower entity to capture significant cash flows at both the upstream and downstream levels; realizing material exposure to both the wholesale and eventual retail distribution of dried cannabis into high value European territories.

AgraFlora's Delta operations are set to emerge as the World's second largest cannabis cultivation operation under glass and, coupled with Organic Flower's unique portfolio of downstream and product formulation assets, will solidify a first-mover trajectory into the second phase of cannabis normalization.

To date, Organic Flower has assembled a unique portfolio of downstream and product formulation operations/assets including:

CANDY, CHOCOLATE & EDIBLES

- Joint-Venture (“**JV**”) with one of North America's largest manufacturer and distributor of chocolate and sugar confectionary products:
 - Planned development of a 50,000-square-foot manufacturing and product formulation facility, located in Winnipeg, Manitoba- fitted with industry-leading manufacturing equipment capable of producing an assortment of both cannabinoid/terpene-infused products for medicinal, functional and adult use
 - Forecasted to be fully operational by the first quarter of 2020 and projected to generate in excess of \$750-million in annual sales revenue once optimized
 - Operated by a roster of experienced chocolatiers and confectioners
 - Option to acquire 100% of JV Partner.

BEERS, CIDERS, ETC.

- Exclusive partnership with a leading Toronto-based Brewhouse with planned output capacity of over 200,000 HL per annum, to formulate, manufacture and distribute cannabinoid-infused beverages;
 - Brewhouse has completed multiple production runs for prominent European beverage brands such as: Guinness, Augustine, and Innes & Gunn
 - Proprietary brewing processes and associated technologies
 - 24-head rotary canning line, capable of packaging a variety of container dimensions at a rate of over 100,000,000 containers per year
 - Product formulation and batch testing to commence Q2 of 2019, with forecasted commercial production slated to begin in Q4 2019.

COSMETICS

- Proposed acquisition of a Canadian CBD cosmetics/topicals manufacturing company (Canutra Naturals Ltd), equipped with a vertically integrated, farm-to-face model:
 - 76 acres of un-zoned agricultural land with 1,000 feet of river frontage in Kent County, New Brunswick- 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
 - Industrial hemp licence for its New Brunswick land parcel in 2017
 - Co-packing agreements
 - Whole Hemp Health brand sold by way of brick-and-mortar retail outlets, Amazon Prime, as well as direct to consumer, through an integrated Shopify e-commerce platform
 - Cannabis research licence granted by Health Canada in 2018.

CBD-INFUSED PERFORMANCE PRODUCTS

- Exclusive North American contract manufacturing and distribution agreement with the world's first professional sports team to introduce its own branded CBD-infused product line:
 - To produce 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
 - Extraction-ready hemp inventories will result in near-immediate access to superior CBD concentrates and hemp oils
 - Immediate access to the vast captive audience of professional sports:
 - International broadcast reach to over 140,000,000 homes
 - Facebook Live game day audience of over 200,000 viewers (50,000 of viewers originating in the UK)

- Social media presence of over 100,000 verified followers
- THC-free, non-GMO, gluten free, vegan and organic accreditations.

BEVERAGES AND BOTTLING

- Exclusive cannabinoid-infused supply and distribution agreement with a premier Canadian Bottler:
 - Throughput of up to 30 million bottles per year
- State-of-the-art bottling equipment, configured to conduct rapid production runs, with minimal downtime for production line changeovers
- Pharmaceutical-grade mixing tanks
- Advanced UV sterilization
- Custom extended-shelf-life (“ESL”) bottling lines.

UNIQUE DELIVERY SYSTEMS IP

- Sole Canadian manufacturer and distributor of an innovative beverage dispensing cap technology, equipped with a proprietary cannabinoid delivery mechanism:
 - Certified for health care and pharmaceutical applications
 - Research and development expenditures of \$30-million
 - Exclusive licensing agreement will extend for an initial period of 10 years, option to extend the exclusive licensing agreement for an additional successive 10-year term.

ACCESS TO THE EUROPEAN MARKET

In addition, AgraFlora will inherit Organic Flower’s European distribution and EU-GMP cannabis processing/finishing agreement capabilities. Organic Flower’s trans-European distribution network is comprised 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. The European distribution network is augmented by various value-added services, including:

- Strategic procurement;
- Warehousing;
- Product registration; and,
- Regulatory representations

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.

About Organic Flower Investments

Organic Flower, an investment holding firm, is leveraging strategic relationships, proprietary investments and exclusive partnerships with preeminent international cannabis cultivators and formulators for the development of best in class products and brands to be marketed and distributed throughout our global footprint.

Amended Assignment Agreement

On May 27, 2019, the Company announced that it has entered into it has entered into an Amended Assignment Agreement with Roughrider dated May 2, 2019, whereby the parties agreed to amend the original assignment agreement dated April 30, 2019 to reduce the purchase price of the optioned shares from €600,000 to €500,000 resulting in a reduced number of common shares of Roughrider (the “**Roughrider Shares**”) to be issued to the Company, from 3,600,000 Roughrider Shares to 3,010,000 Roughrider Shares at a deemed price of \$0.25 per Roughrider Share. The terms of the original option agreement (the “**Option Agreement**”) are defined below.

Option Agreement:

On April 2, 2019, the Company entered into the Option Agreement with Emmanouil Kaldis, whereby Mr. Kaldis, who is the registered shareholder of 25,000 common shares (the “**AgraLeaf Shares**”) of AgraLeaf SA (“**AgraLeaf**”), a company incorporated under the laws of Greece that has as its primary asset a license application for the cultivation and exploitation of Pharmaceutical Cannabis products in the Greek territory, granted the Company an option to purchase the AgraLeaf Shares for €30,000 up until April 2, 2020.

Appointment of Brian O’Neill:

Additionally, the Company is pleased to announce the appointment of Brian O’Neill as a member of the Company’s board of directors, effective immediately.

Mr. O’Neill has been a practicing securities lawyer since 2009 and is a partner at O’Neill Law LLP. Mr. O’Neill represents a number of start up companies and companies that are listed or quoted on the TSX Venture Exchange, Canadian Securities Exchange and U.S. over-the-counter markets. Mr. O’Neill has represented clients in a variety of industries in securities matters including public and private securities offerings, mergers and acquisitions, securities exchange listings, public company reporting requirements and corporate governance. Mr. O’Neill is a licensed to practice law in British Columbia, Nevada and Washington.

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

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Item 9: Date of Report

May 27, 2019.