



AgraFlora Organics Provides Q3 2019 - Q4 2020 Guidance for ACMPR Licensed AAA Heidelberg Facility

VANCOUVER, June 14, 2019 /CNW/ - **AgraFlora Organics International Inc.** ("**AgraFlora**" or the "**Company**") (**CSE: AGRA**) (**Frankfurt: PU31**) (**OTCPK: PUFXF**), a growth oriented and diversified international cannabis company, is pleased to provide the following Q3 2019 – Q4 2020 operating guidance pertaining to its wholly owned AAA Heidelberg Facility ("AAA Heidelberg") including:

- Application and anticipated receipt of a Health Canada awarded Sales License;
- Application and anticipated receipt of a Health Canada awarded Processing License;
- Application and anticipated receipt of a Health Canada issued Export permit;
- Proposed on-site dispensary as per Alcohol and Gaming Commission of Ontario ("AGCO") regulations;
 - Potential 1,500,000-purchaser catchment area within a 90-minute radius
- Importation of a catalogue of premium craft cannabis genetics;
- Fully optimized production capabilities of circa 1,000,000 grams of ultra-premium dried craft cannabis flower, with potential production expansion based off surplus cultivation areas contemplated;
- Successful recapture of 225,000 grams of premium cannabis trim to be manufactured into ancillary value-added cannabis products;
- Successful harvest of inaugural ultra-premium craft cannabis crop; and,
- Proposed export of finished cannabis form factors to emerging marketplaces, including India and Thailand, achieving unit contribution of up to \$15 per gram.

AAA Heidelberg is a licenced cannabis cultivation facility under Health Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The AAA Heidelberg facility is equipped with five partitioned flower rooms, affording the Company ample canopy earmarked for ultra-premium craft cannabis cultivation.

The Company is presently working to import a catalogue of premium craft cannabis genetics into its AAA Heidelberg facility, under a one-time declaration from Health Canada. Upon successful importation, AgraFlora plans to initiate its first crop of ultra-premium cannabis at the London-based AAA Heidelberg facility.

Internal projections indicate that once fully optimized the AAA Heidelberg facility may achieve annualized dried cannabis production capabilities of circa 1,000,000 grams, including the successful recapture of 225,000 grams of premium cannabis trim to be manufactured into ancillary value-added cannabis products.

Brandon Boddy, Chief Executive Officer and Chairman of AgraFlora stated: "Successful receipt of a Health Canada awarded Export Permit, coupled with a Processing License and a Sales License will arm AAA Heidelberg with the ability export finished cannabis form factors into various emerging, high-profile cannabis jurisdictions such as India and Thailand, thus solidifying a distinctive first mover advantage, while realizing generous product margins. In conjunction with the Company's many other initiatives within the international cannabis vertical supply chain, it is anticipated that AAA Heidelberg will support revenue generation as early as Q1 2020."

Concurrently, the Company plans to apply to Health Canada for both sales and processing licenses, with the objective of producing finished cannabis form factors for domestic distribution including, but not limited to high margin products such as soft gels, tinctures, distillates and THC oils. AgraFlora also plans to conduct full analytical testing on terpene profiling and residual solvents for authorized clients upon application and receipt of appropriate licensing from Health Canada.

Furthering its vertically integrated mandate, AgraFlora is also contemplating establishing an on-site dispensary at the AAA Heidelberg facility, as per Alcohol and Gaming Commission of Ontario ("AGCO") regulations, capitalizing on a 1,500,000-purchaser catchment area within a 90-minute radius.

London, Ontario is Canada's 11th largest metropolitan area and is tactically located at the nexus of Toronto, Ontario, Detroit, Michigan and Buffalo, New York; affording the Company a lucrative opportunity to capture a significant portion of the cannabis tourism marketplace.

The Company is also considering submitting an application under Health Canada's Cannabis Act and Cannabis Regulations in accordance with Subsection 11(5) of the Cannabis Regulations, which would permit the Company to engage in the following value added activities:

- The sale and distribution of dried cannabis, fresh cannabis, cannabis plants and cannabis plant seeds to any of the following licence holders: micro cultivation, standard cultivation, processing, analytical testing, research or cannabis drug licence;
- The sale and distribution of cannabis plants and cannabis plant seeds to a holder of a licence for a nursery;
- The sale and distribution of cannabis plants and cannabis plant seeds, that are cannabis products, to: a holder of a licence for sale, or a person authorized to sell cannabis under a provincial act by reason of Subsection 69(1) of the act;
- The sale and delivery of cannabis plants and cannabis plant seeds, that are cannabis products, to the purchaser of the products at the request of: a person authorized to sell cannabis under a provincial act by reason of Subsection 69(1) of the act, or a holder of a licence for sale.

Successful receipt of the above stated license would allow AgraFlora to immediately engage in business-to-business ("B2B") sales to its strategic partners and/or other qualified licence holders under the Cannabis Act and Cannabis Regulations.

In addition, AgraFlora's AAA Heidelberg facility has begun preparations to submit an application package for an Export permit under Health Canada's Cannabis Act and Cannabis Regulations. The Company anticipates successful receipt of an Export Permit in the next 120 calendar days, granting it the unique ability to permeate emerging locales with craft cannabis products at unit contributions of up to \$15 per gram.

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

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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

This press release contains forward-looking information or forward-looking statements (collectively "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is frequently characterized by words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" "is on track" and similar references to future periods.. Forward-looking information is neither historical facts nor assurances of future performance. Instead, it is based only on the Company's current beliefs, expectations and assumptions regarding the future of the Company's business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control including, but not limited to delays or uncertainties with corporate or regulatory approvals, including approvals of the Canadian Securities Exchange, Health Canada or other applicable domestic and international regulatory bodies. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any forward-looking information. 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 frames 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. 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.

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