

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

June 6, 2019.

Item 3: News Release

A news release was issued and disseminated on June 7, 2019 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

The Company announced it has completed a transaction relating to the acquisition of downstream and product formulation portfolio (the “**Assets**”) from Organic Flower Investments Group Inc. (CSE: SOW) (FWB: 2K6) (OTC: QILFF) (“**Organic Flower**” or “**OFIG**”).

Item 5: Full Description of Material Change

The Company announced it has completed a transaction relating to the Assets from Organic Flower (CSE: SOW) (FWB: 2K6) (OTC: QILFF). Pursuant to the terms of an executed Asset Purchase and Sale Agreement (the “**Agreement**”), this transaction reunites 70 percent of the Company’s joint venture entity, Propagation Services Canada’s (“**PSC**”) 2,200,000 square foot Delta Greenhouse Complex under a consolidated corporate umbrella.

Under the terms of the executed Agreement, the Company will issue 1.15 common shares in the capital of the Company for each one (1) issued and outstanding share of Organic Flower (the “**Consideration Shares**”). It is anticipated that the Consideration Shares will be distributed to the shareholders of Organic Flower upon formal establishment of a record date.

As per the terms of the executed Agreement, the Company has acquired the following Assets from Organic Flower:

- 20% interest in the flagship 2,200,000 square foot Delta Greenhouse Complex;
- Exclusive trans-European distribution and GMP cannabis processing/finishing agreements comprised of 80,000 retail endpoints/pharmacies, spanning 16 countries; and,
- An array of domestic downstream/product formulation operations comprised of:
 - Joint-Venture (“**JV**”) with one of North America’s largest manufacturer and distributor of chocolate and sugar confectionary products;
 - 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;
 - Canadian CBD cosmetics/topicals manufacturing company, equipped with a vertically integrated, farm-to-face model;
 - 76 acres of un-zoned agricultural land with 1,000 feet of river frontage in New Brunswick, including 17,500 square feet of commercial-grade facilities and 12 separate structures;
 - Health Canada awarded cannabis research licence and an Industrial Hemp License;
 - Exclusive North American contract manufacturing and distribution agreement with the world’s first professional sports team to introduce its own branded CBD-infused performance product line;
 - Strategic procurement, warehousing, domestic/international product registration and regulatory representation capabilities;
 - Exclusive cannabinoid-infused supply and distribution agreement with a premier Canadian Bottler;
 - Sole Canadian manufacturer and distributor of an innovative beverage dispensing cap technology- equipped with a proprietary cannabinoid delivery mechanism;
 - Proprietary manufacturing process and formulation catalogue for a Nicorette-inspired medicinal cannabinoid product line;
 - Canadian exclusive rights to a catalogue of cannabinoid-infused product formulations;
 - Exclusive rights to a portfolio of 57 registered trademarks in Canada for a diversified range of cannabis products and services; and,
 - Sub-licensing agreement exclusive sub-license to market and distribute patent-pending “**THC overdose antidote**”.

With the reunification of Organic Flower's 20 per cent interest in PSC under a consolidated banner, the Company's interest in the projected 2020-funded production from the Delta Greenhouse Complex is forecasted to be 175,000,000-grams of premium dried cannabis flower. The Company's low-cost domestic cannabis production potential is further de-risked by a five year, 100,000,000-gram off-take agreement with ICC International Cannabis Corp. (CSE: WRLD.U) (FWB: 8K51) (OTC: WLDCF) ("ICC"), as well as a 25,000,000-gram per annum off-take agreement with Namaste Technologies Inc. (TSXV:N) (FWB: M5BQ) (OTCQB: NXTTF); subject to approval of its cultivation and sales licenses by Health Canada.

Projected cannabis production from the Delta Greenhouse Complex, coupled with a previously announced revenue sharing and distribution arrangement with ICC, will afford the Company the opportunity to capture significant cash flows at both the upstream and downstream layers of the cannabis value chain; realizing material exposure to both the wholesale and eventual retail distribution of dried cannabis into high-value European patient populations.

About Organic Flower Investments

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. Via its wholly owned subsidiary, Delta Organic Cannabis Corp., Organic Flower is launching one of the largest and most efficient cannabis facilities on the planet. Learn more about Organic Flower by visiting our website at: <https://sowcannabis.ca/>.

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

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Item 9: Date of Report

June 17, 2019.