



AgraFlora Organics Provides Guidance and Facility Expansion Updates at Toronto, ON Brewhouse; Increases Production Capacities by 30%

VANCOUVER, British Columbia, June 25, 2019 (GLOBE NEWSWIRE) -- **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 operational guidance and retrofit updates pertaining to its ongoing facility expansion initiatives at the Brunswick Bierworks’ facility (the “Brewhouse”), located in Toronto, Ontario:

- | Increase of annual production capacities to over 130,000 hectolitres (“hl”);
 - | 30% increase over previous maximum volume capacity;
 - | By comparison, Canadian brewer Steam Whistle Brewing produces approximately 95,000 hl on an annualized basis;
- | Access to additional off-site contingent brewing capacity;
- | Installation of dedicated cannabinoid-infused beverage packaging line equipped with four, six and 12 can capabilities;
 - | Customized to incorporate AgraFlora’s patented pharmaceutical-grade dispensing cap technology and advanced cannabinoid delivery mechanisms designed to protect volatile ingredients such as cannabinoids, antibiotics, probiotics, vitamins and minerals resulting in superior shelf stability for infused bottled beverages;
- | Product formulation and batch testing projected to commence in fiscal Q3 2019;
 - | Developed by a roster of brew masters to better replicate the profile of traditional alcoholic beverages;
- | Forecasted commercial production scheduled for fiscal Q4 2019, corresponding with proposed Health Canada regulations;
- | Planned development of an adjoined, dedicated cannabinoid-infused beverage tasting and viewing facility; and,
- | Ongoing retrofit and required licensing of existing, on-site captive research, development and testing facility.

By way of an exclusive partnership agreement with prominent Canadian brewing collective Brunswick Bierworks, AgraFlora holds claim to the exclusive formulation, manufacturing and distribution rights for all cannabinoid-infused beverages developed at Brunswick’s Toronto, Ontario Brewhouse. Equipped with custom production equipment, captive research, development and testing facilities, as well as established brewing infrastructure, the Brewhouse now boasts annual output capacity capabilities in excess of 130,000 hl.

AgraFlora and Brunswick Bierworks continue to aggressively pursue expansion activities at its state of the art Brewhouse. Upon completion of the facility retrofit and planned expansion initiatives, aggregate capital expenditures deployed on the Brewhouse will exceed C\$20 million. Composed of a consortium of experienced brewery partners, the Brewhouse has completed multiple production runs for prominent European beverage brands, such as:

- | Guinness;
- | Augustiner; and,
- | Innes & Gunn.

Proprietary brewing processes and associated technologies firmly position the Brewhouse at the forefront of non-alcoholic, cannabinoid-infused beverage development. This partnership positions AgraFlora at the forefront of the Canadian cannabis beverage industry, affording the Company preeminent exposure to a collective of domestic and global brewery partners, as well as further crystallizes a leading production platform for the company’s carbonated beverage product offering, including:

- | Non-alcoholic beers;
- | Seltzers; and,
- | Ready-to-drink (“RTDs”) beverages.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “AgraFlora’s exclusive partnership with Brunswick Bierworks further bolsters the Company’s position as Canada’s premier cannabinoid-infused beverage consolidation platform. With Canada’s planned legalization of cannabis edibles/beverages later this year, AgraFlora had the corporate foresight to enter the cannabis beverage market early on, thus solidifying the brewing infrastructure, supplier relationships and product formulations required to achieve significant market share.

Augmented by Brunswick Bierworks’ proprietary brewing processes and best in class facility, we expect to bring to Canadian consumers cannabinoid-infused beverages that address the major issues currently limiting appeal of this category in other markets, a beverage that 1) actually tastes good and 2) provides an immediate and controllable cannabis experience.

This is the most opportune time to be a first mover within the adult-format beverage market vertical, further substantiated by the pending legalization of cannabis-infused edibles, which prohibits the combination of cannabis and alcohol.”

The Brewhouse has also secured additional capacity for packaged products to be brewed off-site. Complementary off-site capacity augurs well for AgraFlora’s mission to retain a first-mover advantage within the cannabinoid-infused beverage marketplace.

Additionally, AgraFlora and Brunswick are finalizing the installation of a dedicated cannabinoid-infused beverage packaging line; with four, six and 12 can capabilities- customized to incorporate AgraFlora’s patented pharmaceutical-grade dispensing cap technology and advanced cannabinoid delivery mechanisms. Designed to protect volatile ingredients such as cannabinoids, antibiotics, probiotics, vitamins and minerals, the Company’s pharmaceutical-grade dispensing cap technology has shown to promote superior shelf stability for infused bottled beverages.

Together, these retrofit initiatives coupled with planned follow-on Brewhouse enhancements and operational modernizations represent a

multi-million dollar capital investment that will usher in a new age in world-class carbonated beverage formulation, production and packaging.

AgraFlora is also pleased to announce the launch of the company's redesigned website, which can be viewed on-line at <https://www.agraflora.com/>. The Company encourages all current and potential shareholders to visit the website and explore AgraFlora recently completed rebranding and redesign initiatives.

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.

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