

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

July 31, 2019.

Item 3: News Release

A news release was issued and disseminated on August 8, 2019 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

The Company announced that it has commenced discussions, as well as entered into a non-binding Cannabidiol (“CBD”) Commercialization and Consulting Letter of Intent (“LOI”), dated July 31st, 2019, with one of Canada’s largest food retailers (the “Canadian Food Retailer”).

Item 5: Full Description of Material Change

The Company announced that it has commenced discussions, as well as entered into a non-binding CBD Commercialization and Consulting LOI, dated July 31st, 2019, with the Canadian Food Retailer.

The Canadian Food Retailer boasts brick and mortar stores from coast to coast, which operate under a variety of renowned retail banners. Under the terms of the non-binding LOI, AgraFlora and the Canadian Food Retailer will pursue a Supply and Consulting Agreement (the “**Supply Agreement**”), whereby AgraFlora will supply the Canadian Food Retailer with a portfolio of CBD-infused consumer packaged goods (“CPGs”).

The non-binding LOI contemplates the branded and private label creation and supply of AgraFlora’s diverse portfolio of CBD-infused and/or hemp-oil derived CPG products across the Canadian Food Retailers diverse brand umbrellas, including but not limited to:

- Edibles;
- Cosmetics;
- Beverages;
- CBD Performance Products; and,
- Pet Products.

Over the past four quarters, AgraFlora has continued to deploy an assertive corporate acquisition stratagem, successfully amassing a diverse portfolio of vertically integrated cannabis assets and industry partnerships. The Company now boasts a portfolio of cannabinoid-infused CPG downstream operations, partnerships, exclusive licences and asset exposure.

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

August 8, 2019.