

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

August 19, 2019.

Item 3: News Release

A news release was issued and disseminated on August 20, 2019 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

The Company has entered into a definitive agreement to acquire 50 percent of the issued and outstanding shares of Eurasia Infused Cosmetics Inc. (“**Eurasia Infused**”).

Item 5: Full Description of Material Change

The Company announced that it has entered into a definitive agreement to acquire 50 percent of the issued and outstanding shares of Eurasia Infused. AgraFlora and Eurasia will collaborate to integrate the Company’s vertically integrated, farm-to-face CBD processing, manufacturing and distribution model into the Asia Pacific region.

Eurasia Infused, by way of a commercial concession with Hong Kong domiciled CBD Group Asia Limited (“**CBD Group Asia**”) controls a distribution agreement for CBD and hemp-derived beauty and wellness products for the territories of People's Republic of China (“**China**”) and Hong Kong Special Administrative Region. The distribution agreement extends to AgraFlora's diverse portfolio of CBD-infused and/or hemp-oil-derived CPG personal care products, for which CBD Group Asia will have an exclusive for sales in China, including but not limited to:

- CBD-infused cosmetics;
- Hemp body soaps;
- Hemp-derived lotions and skin serums; and,
- CBD-infused sunscreen; and,

CBD Group Asia’s principals boast over ten years’ experience specializing in the importation and customization of premium Canadian consumer packaged goods (“**CPGs**”) for the Chinese marketplace. CBD Group Asia management team have previously distributed premium Canadian CPGs into China’s largest retail chains and C-stores, including RT-Mart International Ltd and Carrefour SA. RT Mart alone operates over 484 retail locations covering 233 cities and 29 provinces in China and generated \$20 billion in sales in 2018.

AgraFlora and CBD Group Asia have commenced collaboration on a variety of product customization and distribution initiatives for its Whole Hemp Health line of all natural skin care products, with the objective of tailoring the Company's product offering for rapid uptake into the Asian CPG markets. The Company's Whole Hemp Health product line derived from 100 per-cent organic Canadian hemp seed oil and is presently marketed by way of brick-and-mortar retail outlets, Amazon Prime, as well as direct to consumer, through an integrated Shopify e-commerce platform. AgraFlora and CBD Group Asia's ongoing CPG customization and distribution deliverables include:

- National CPG listings, leveraging CBD Group Asia's high-traffic distribution channels;
- Hemp oil certificate of Analysis ("COA") authorization;
- Product and packaging customization;
 - <https://wholehemphealth.ca/pages/preview>
- Development of a full-spectrum CBD facial serum, infused with hemp root oil;
- Architecture of a network of Chinese Canutra/Whole Hemp Health branded pop-up shops, further expanding the company's retail footprint and brand presence in an economical and contemporary manner;
- Integration into CBD Group Asia's proprietary direct to customer Asia sales WeChat platform;
 - Unencumbered access to 1.08 billion current daily users
- Customs brokerage; and,
- Logistics optimization;

By way of its wholly owned, cannabinoid-infused cosmetics/topicals subsidiary, Canutra, Agraflora is equipped with robust cultivation, extraction, manufacturing and distribution capabilities from the company's flagship facility in Kent County, New Brunswick. Canutra owns and operates 76 acres of unzoned, arid agricultural land, including 1,000 feet of river frontage.

The Company's New Brunswick facility, formerly a federally owned farm and research facility, boasts over 17,500 square feet of commercial-grade production facilities, as well as 12 separate free-standing structures. Canutra was granted an industrial hemp licence by Health Canada for its New Brunswick land parcel and expects the imminent award of its 2019 Health Canada cannabis research licence.

Canutra manufactures and distributes premium personal care, cosmetics and cannabinoid-infused product lines including a suite of trusted consumer brands such as Whole Hemp Health; a Canadian all-natural, hand-made skin care line, formulated with 100-per-cent-Canadian organic hemp seed oil.

Under the terms of the Securities Purchase Agreement (the "**Agreement**"), AgraFlora will acquire 50 percent of the issued and outstanding shares in the capital of Eurasia Infused, in exchange for an aggregate of 15 million common shares in the capital of the Company, based upon the five-day volume-weighted average price ("**VWAP**") of AgraFlora common shares for the five trading sessions prior to the announcement of the definitive agreement. The closing of this acquisition is subject to customary terms and conditions.

A finder's fee is payable on this transaction.

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

For additional information:

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Item 9: Date of Report

August 20, 2019.