

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than the Provinces of Quebec, Prince Edward Island and Newfoundland and Labrador, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the “United States”), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except as permitted by the Agency Agreement (as defined herein) and in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons. See “Plan of Distribution”.*

*Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from AgraFlora Organics International Inc. at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 telephone, (604) 687-2038, and are also available electronically at [www.SEDAR.com](http://www.SEDAR.com).*

## PRELIMINARY SHORT FORM PROSPECTUS

New Issue

August 29, 2019



**AGRAFLORA ORGANICS INTERNATIONAL INC.**

**\$●**

**● COMMON SHARES**

**\$● PER COMMON SHARE**

This preliminary short form prospectus (the “**Prospectus**”) qualifies the distribution and offering (the “**Offering**”) on a best-efforts basis up to ● common shares (the “**Offered Shares**”) of AgraFlora Organics International Inc. (“**AgraFlora**” or the “**Company**”) at a price of \$● (the “**Offering Price**”) per Offered Share for total gross proceeds of \$●. The Offered Shares will be offered pursuant to the terms of an agency agreement (the “**Agency Agreement**”) dated as of ●, 2019 among the Company and ● (the “**Agent**”). The Offering Price was determined by arm’s length negotiation between the Company and the Agent.

The outstanding common shares in the capital of the Company (the “**Common Shares**”) are listed and posted for trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “AGRA”. The Company also trades on the OTC Pink Sheets (“**OTCPK**”) under the symbol “PUFXF” and the Frankfurt Stock Exchange under the symbol “PU3”. The closing price of the Common Shares on the CSE, the OTCPK and Frankfurt Stock Exchange on August 28, 2019, the last trading day prior to the filing of this Prospectus, was \$0.25, US\$0.1936 and €0.172, respectively.

	Price to the Public <sup>(1)</sup>	Agent's Fee	Net Proceeds to the Company
Per Common Share	\$●	\$● <sup>(2)(3)</sup>	\$● <sup>(2)(3)</sup>
Total	\$●	\$● <sup>(3)(4)</sup>	\$● <sup>(3)(4)</sup>

(1) The Offering Price of the Common Shares was determined by arm's length negotiation between the Company and the Agents.

(2) The Company has agreed to pay to the Agent an aggregate cash fee equal to ●% of gross proceeds raised in respect of the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined herein)) (collectively, the "Agents' Fee"). As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Agents such number of non-transferable broker warrants (the "Broker Warrants") as is equal to ●% of: (i) the number of Common Shares sold under the Offering (including upon exercise of the Over-Allotment Option). Each Broker Warrant will entitle the holder thereof to acquire one Common Share (a "Broker Share") at an exercise price equal to \$● for a period of ● months following the Closing Date, subject to adjustment in certain customary events. This Prospectus qualifies the distribution of the Broker Warrants. See "Plan of Distribution".

(3) Before deducting expenses of the Offering, estimated at \$● (exclusive of all applicable taxes), which, together with the Agent's Fee, will be paid from the gross proceeds of the Offering.

(4) The Company has granted the Agent an option (the "Over-Allotment Option"), exercisable in whole or in part at any time until ● days following the closing of the Offering, to purchase common shares of the Company in an amount representing up to ●% of the number of Offered Shares sold pursuant to the Offering (the "Additional Shares"), at the Offering Price. The grant of the Over-Allotment Option and the distribution of the Additional Shares issuable upon exercise of the Over-Allotment Option, if any, are hereby qualified under this Prospectus. A person who acquires Additional Shares issuable on the exercise of the Over-Allotment Option acquires such Additional Shares under this Prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full the total price to the public, Agent's Fee and net proceeds to the Company (before deduction of the expenses of the Offering) will be \$●, \$● and \$●, respectively. See "Plan of Distribution" and the table below.

Agent's Position	Maximum size or number of securities available	Exercise Period	Exercise Price
Over-allotment Option	Option to purchase up to ● Additional Shares	At any time until ● days after Closing	\$● per Additional Shares
Broker Warrants	Up to ● Broker Warrants	● years from the Closing Date	\$● per Broker Share

Unless the context otherwise requires, when used herein, all references to "Offering" include the exercise of the Over-Allotment Option and all references to "Offered Securities" include the Additional Shares issuable on exercise of the Over-Allotment Option.

The Agent, as principals, conditionally offer the Offered Shares, subject to the prior sale, if, as and when issued, sold and delivered by the Company and accepted by the Agent in accordance with the conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Purdy Law Professional Corporation and on behalf of the Agent by ●.

Subject to applicable laws, in connection with the Offering, the Agent may over-allot or effect transactions which stabilize or maintain the market price of the Offered Shares at levels other than those which may prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. The Agent propose to offer the Offered Shares initially at the Offering Price. **After the Agent have made reasonable efforts to sell all of the Offered Shares at the Offering Price, the Agent may subsequently reduce the selling price to investors from time to time in order to sell any of the**

**Offered Shares remaining unsold. Any such reduction will not affect the proceeds received by the Company. See "Plan of Distribution".**

**An investment in the Offered Shares involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Before purchasing the Offered Securities, prospective purchasers should carefully review and evaluate the risk factors described under "Risk Factors" in this Prospectus and in the Annual Information Form (as defined herein), which can be found on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Shares. See "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors".**

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Agent have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. The Agent is offering to sell and seeking offers to buy the Offered Shares only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. Prospective purchasers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

Subscriptions for the Offered Shares will be received subject to rejection or allotment, in whole or in part, and the Agent reserves the right to close the subscription books at any time without notice. Closing of the Offering (the "**Closing**") is expected to take place on or about ●, 2019 or such other date as the Agent and the Company may mutually agree (the "**Closing Date**"), acting reasonably. See "**Plan of Distribution**".

Subscriptions for the Offered Shares will be received subject to rejection or allotment, in whole or in part, by the Agent and the Agent reserve the right to close the subscription books at any time without notice. The Offering will be effected only through the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). The Offered Shares must be purchased or transferred through a CDS participant and all rights of holders of Offered Shares must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder of Offered Shares holds such Offered Shares. Beneficial owners of Offered Shares will not, except in certain limited circumstances as required by law, be entitled to receive physical certificates evidencing their ownership of Offered Shares. Notwithstanding the foregoing, all Offered Shares offered and sold in the United States or to or for the account or benefit of U.S. Persons who are institutional "accredited investors" as such term is defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the U.S. Securities Act (the "**U.S. Accredited Investors**"), and who are not "qualified institutional buyers," as such term is defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**"), and together with the U.S. Accredited Investors, the "**U.S. Purchasers**") will be issued in certificated, individually registered form. See "**Plan of Distribution**".

**There is no minimum amount of funds that must be raised under the Offering. This means that the Company could complete the Offering after raising only a small proportion of the Offering amount set out above.**

**The Agent will have the option, but not the obligation, to purchase the Offered Shares on an underwritten basis. If initiated by the Agent, the terms and conditions of the underwritten offer will be negotiated in an underwriting agreement, substantially in the same terms as those of the Agency Agreement described in this Prospectus.**

**Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Shares.**

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Common Shares in any jurisdiction where such an offer or sale is prohibited.

In this Prospectus, references to “**AgraFlora**”, the “**Company**”, “**we**”, “**us**” and “**our**” refer to AgraFlora Organics International Inc. and/or, as applicable, one or more of its subsidiaries. The Company’s registered office and head office is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

## TABLE OF CONTENTS

GENERAL MATTERS.....	6
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS .....	6
MARKET AND INDUSTRY DATA.....	8
CURRENCY PRESENTATION AND FINANCIAL INFORMATION.....	9
ELIGIBILITY FOR INVESTMENT .....	9
DOCUMENTS INCORPORATED BY REFERENCE.....	9
MARKETING MATERIALS.....	11
THE COMPANY.....	12
SUMMARY DESCRIPTION OF THE COMPANY'S BUSINESS.....	13
SHARE STRUCTURE.....	18
CONSOLIDATED CAPITALIZATION.....	18
USE OF PROCEEDS.....	18
PLAN OF DISTRIBUTION.....	19
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	22
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....	22
PRIOR SALES .....	25
TRADING PRICE AND VOLUME .....	28
RISK FACTORS.....	29
INTERESTS OF EXPERTS .....	31
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	31
LEGAL MATTERS.....	31
STATUTORY RIGHT OF RESCISSION.....	32

## GENERAL MATTERS

Investors should rely only on the information contained in or incorporated by reference into this Prospectus and should not rely on some parts of the Prospectus to the exclusion of others. The Company has not authorized any person to provide holders of the Common Shares with additional or different information. **Information contained on the Company's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and may not be relied upon by prospective investors for the purpose of determining whether to invest in the securities qualified for distribution under this Prospectus.** Investors should take caution if anyone provides holders of the Common Shares with additional, different or inconsistent information, including information or statements in media articles about the Company. We are not making an offer to sell or seeking an offer to buy the Common Shares offered pursuant to this Prospectus in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus and the documents incorporated by reference herein and therein is accurate only as of the date of such document, regardless of the time of delivery of this Prospectus. The business, financial condition, results of operations and prospects of the Company may have changed since those dates. Investors are urged to consult their own professional advisors in connection therewith. In this Prospectus, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "AgraFlora" or the "Company", refer to AgraFlora Organics International Inc.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Common Shares. We do not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws. Information contained on, or otherwise accessed through, our website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference herein contain certain statements which contain "**forward-looking information**" within the meaning of Canadian securities legislation (each a "**forward-looking statement**"). No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, the forward-looking statements included in this Prospectus should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements relating to the Company include, among others, statements pertaining to:

- the Company's use of proceeds and business objectives and milestones and the anticipated time of execution, see "Use of Proceeds";
- the performance of the Company's business and operations;
- the intention to expand the business, operations and potential activities of the Company;
- the methods used by the Company to deliver cannabis;
- the projected increase in production capacity;
- the competitive conditions of the cannabis industry;
- the competitive and business strategies of the Company;

- the Company's anticipated operating cash requirements and future financing needs;
- the anticipated future gross revenues and profit margins of the Company's operations;
- the Company's expectations regarding its revenue, expenses and operations;
- impacts of potential litigation;
- the Company's intention to build brands and develop cannabis products targeted to specific segments of the market;
- the ongoing and proposed expansion of the Company's facilities, products or services, including associated costs and any applicable Health Canada licencing;
- the current political, legal and regulatory landscape surrounding medical and recreational cannabis and expected developments in any jurisdiction in which the Company operates or may operate;
- the receipt of any regulatory and stock exchange approvals required at any given time;
- the applicable laws, regulations and any amendments thereof;
- medical benefits, viability, safety, efficacy and dosing of cannabis;
- the expected growth in the number of patients;
- the expected number of grams of medical cannabis used by each patient;
- expectations with respect to the advancement and adoption of new product lines and ingredients;
- the acceptance by customers and the marketplace of new products and solutions;
- the ability to attract new customers and develop and maintain existing customers;
- expectations with respect to future production costs and capacity;
- expectations with respect to the renewal and/or extension of the Company's permits and licences;
- the ability to protect, maintain and enforce the Company's intellectual property rights;
- the ability to successfully leverage current and future strategic partnerships and alliances;
- the ability to attract and retain personnel;
- anticipated labour and materials costs;
- the Company's competitive condition and expectations regarding competition, including pricing and demand expectations and the regulatory environment in which the Company operates; and
- anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates or may operate.

The forward-looking statements in this Prospectus are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only to such assumptions as of the date of this Prospectus. In addition, this Prospectus may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by the Company. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. Investors should not place undue reliance on forward-looking information contained in this Prospectus. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this Prospectus including, but not limited to, whether:

- the Company's ability to execute its investment strategy on acceptable terms, including its ability to identify potential investments and to successfully negotiate the terms of such investments;
- need for additional capital to expand operations;

- dependence on key personnel;
- the Company's reliance upon a limited number of revenue sources;
- ability to manage planned growth and integrate news business opportunities into existing operations.

Such factors are discussed in more detail under the heading "**Risk Factors**" in this Prospectus and in the AIF (as defined herein). New factors emerge from time to time, and it is not possible for management to predict all of those factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this Prospectus. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Holders of the Securities should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects associated with holding Securities.

Certain of the forward-looking statements contained herein concerning cannabis, the general expectations of the Company related thereto, and the Company's business and operations are based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the current cannabis industry involves risks and uncertainties that are subject to change based on various factors. It is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. **Readers are cautioned that actual future results may differ materially from management's current expectations and the forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements, please see "Risk Factors" in this Prospectus and in the Company's Annual Information Form for the period ended December 31, 2018, filed to the Company's profile on SEDAR and available at [www.sedar.com](http://www.sedar.com).**

## MARKET AND INDUSTRY DATA

Market and industry data contained and incorporated by reference in this Prospectus concerning economic and industry trends is based upon good faith estimates of our management or derived from information provided by industry sources. The Company believes that such market and industry data is accurate and that the sources from which it has been obtained are reliable. However, we cannot guarantee the accuracy of such information and we have not independently verified the assumptions



upon which projections of future trends are based.

## CURRENCY PRESENTATION AND FINANCIAL INFORMATION

Unless otherwise indicated, all references to monetary amounts in this Prospectus are denominated in Canadian dollars. The financial statements of the Company incorporated herein by reference are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Purdy Law Professional Corporation, counsel to the Corporation, and ●, counsel to the Agent, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder in force on the date hereof (together, the "**Tax Act**"), the Offered Shares, if issued on the date hereof, would be qualified investments under the Tax Act at that time for a trust governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans ("**DPSPs**"), registered education savings plans ("**RESPs**"), a registered disability savings plan ("**RDSP**") and tax free savings accounts ("**TFSA**") (each, an "**Exempt Plan**" and all as defined by the Tax Act), provided that the Offered Shares are listed on a "designated stock exchange" as defined by the Tax Act (which currently includes the CSE).

Notwithstanding the foregoing, if the Offered Shares are "prohibited investments" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP, RRIF, RDSP or RESP, the holder, annuitant or subscriber thereof, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Offered Shares will not be prohibited investments for a trust governed by a TFSA, RRSP, RRIF, RDSP or RESP provided the holder, annuitant or subscriber thereof, as the case may be (i) deals at arm's length with the Corporation for purposes of the Tax Act, and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Corporation. In addition, the Offered Shares will not be prohibited investments if the Offered Shares are "excluded property" as defined in the Tax Act for trusts governed by a TFSA, RRSP, RRIF, RDSP or RESP.

**Prospective investors who intend to hold Offered Shares in an Exempt Plan are advised to consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Corporate Secretary of the Company at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, and are also available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The following documents filed by the Company with securities commissions or similar authorities in Canada are and are specifically incorporated by reference into this Prospectus:

- a) the annual information form of the Company for the financial year ended December 31, 2018 dated July 22, 2019 (the "**AIF**");
- b) the audited financial statements of the Company as at and for the financial year ended December 31, 2018 and 2017, together with the notes thereto and the report of independent auditors thereon (the "**Annual Financial Statements**");

- c) management's discussion and analysis of the Company relating to the Annual Financial Statements (the "**Annual MD&A**");
- d) the unaudited condensed interim financial statements of the Company for the six month period ended June 30, 2019 and 2018, together with the notes thereto (the "**Interim Financial Statements**");
- e) management's discussion and analysis of the Company relating to the Interim Financial Statements (the "**Interim MD&A**");
- f) the management information circular and proxy materials pertaining to the Company, dated May 17, 2019 distributed in connection with an annual general meeting of shareholders of the Company held on June 28, 2019;
- g) the material change report of the Company dated October 18, 2018 in respect of the closing of the first tranche of \$40 million Equity Participation and Earn-In Agreement with Delta Organic Cannabis Corp. ("**DOCC**");
- h) the material change report of the Company dated December 10, 2018 in respect of the closing of the second tranche of the \$40 million Equity Participation and Earn-In Agreement with DOCC;
- i) the material change report of the Company dated December 19, 2018 in respect of acquisition of 100% interest in AAA Heidelberg Inc. ("**AAA Heidelberg**");
- j) the material change report of the Company dated January 4, 2019 in respect of the completion of debt settlements of certain loans and management fees owed by the Company;
- k) the material change report of the Company dated March 20, 2019 in respect of the acquisition of an additional 10% of the shares of Propagation Services Canada Inc. ("**PSC**");
- l) the material change report of the Company dated April 29, 2019 in respect of the completion of the issuance of shares pursuant to the share purchase agreement with PSC, payment of consulting services and letter of intent with Cornelius Houwelings;
- m) the material change report of the Company dated August 8, 2019 in respect of the entering into of a non-binding Cannabidiol Commercialization and Consulting Letter of Intent, dated July 31st, 2019, with one of Canada's largest food retailers;
- n) the material change report of the Company dated August 12, 2019 in respect of the completion of shares for debt settlements for past services and consulting; and
- o) the material change report dated August 20, 2019 in respect of the entering into a definitive agreement to acquire 50 percent of the issued and outstanding shares of Eurasia Infused Cosmetics Inc. ("**Eurasia**").

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") to be incorporated by reference in a short form prospectus, including those types of documents referred to above and press releases issued by the Company specifically referencing incorporation by reference into this Prospectus, if filed by the Company with the provincial securities

commissions or similar authorities in Canada after the date of this Prospectus and before the expiry of this Prospectus, are deemed to be incorporated by reference in this Prospectus.

Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus are not incorporated by reference in this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made.**

When we file a new annual information form and audited consolidated financial statements and related management discussion and analysis with and, where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is effective, the previous annual information form, the previous audited consolidated financial statements and related management discussion and analysis and all unaudited interim consolidated financial statements and related management discussion and analysis for such periods, all material change reports and any information circular and business acquisition report filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed to no longer be incorporated by reference in this Prospectus for purposes of future offers and sales of Common Shares under this Prospectus. Upon new interim financial statements and the accompanying management's discussion and analysis being filed by us with the applicable securities regulatory authorities during the term of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the filing of the new interim financial statements will be deemed to no longer be incorporated by reference into this Prospectus for purposes of future offers and sales of Common Shares hereunder.

## **MARKETING MATERIALS**

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 44-101 – Short Form Prospectus Distributions) will be incorporated by reference in the final short form prospectus. However, such "template version" of "marketing materials" will not form part of the final short form prospectus to the extent that the contents of the "template version" of "marketing materials" are modified or superseded by a statement contained in the final short form prospectus. Any "template version" of "marketing materials" filed on SEDAR after the date of the final short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated into the final short form prospectus.

## THE COMPANY

### INCORPORATION

The Company was incorporated on June 24, 2004 under the laws of the Province of British Columbia under incorporation number BC0698428. On July 20, 2004, the Company changed its name from 0698428 BC Ltd. to High Ridge Resources Inc. On January 1, 2010, the Company changed its name from High Ridge Resources Inc. to New High Ridge Resources Inc. On February 7, 2011, the Company changed its name from New High Ridge Resources Inc. to Newton Gold Corp. On November 7, 2013, the Company changed its name from Newton Gold Corp. to Chlormet Technologies, Inc. On November 13, 2015, the Company changed its name from Chlormet Technologies, Inc. to PUF Ventures Inc. On November 14, 2018, the Company changed its name from PUF Ventures Inc. to Agraflores International Inc. as well as completed a five for-one stock split of the issued and outstanding shares.

The Company's head office and registered and records office is located at Suite 804 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. Agraflores's corporate website is <https://agraflora.com>. The information contained on the Company's website is not incorporated by reference into this AIF.

The Company trades on the CSE under the symbol "AGRA". The Company also trades on the OTC Pink Sheets ("OTCPK") under the symbol "PUFXF" and the Frankfurt Stock Exchange under the symbol "PU3".

### INTERCORPORATE RELATIONSHIPS

The following chart illustrates, as at the date of this Prospectus, the Company's material subsidiaries, the percentage of voting securities of each that are held by Agraflores either directly or indirectly, and their respective jurisdictions of incorporation, continuance, formation or organization.

<b>Subsidiary Name</b>	<b>Ownership by Agraflores</b>	<b>Jurisdiction of Incorporation</b>
AAA Heidelberg Inc.	100%	Ontario
Pure Grow Medicinals S.A.*	100%	Colombia
Glow Lifetech Ltd.	20%	Ontario
Solaris Nutraceuticals Pty Ltd.	35%	Australia
Propagation Services Canada Inc.	70%	British Columbia
11122347 Canada Corp.	80%	Canada
Potluck Potions and Edibles Corp.	80%	Canada
11353675 Canada Corp.	80%	Canada

Subsidiary Name	Ownership by AgraFlora	Jurisdiction of Incorporation
11353705 Canada Corp.	80%	Canada
11406426 Canada Corp.	80%	Canada
1210391 BC Ltd.	100%	British Columbia
Trichome Cannabrands Inc.	100%	Ontario
Canutra Naturals Ltd.	100%	British Columbia
Eurasia Infused Cosmetics Inc.	50%	China

\*The Company operates in the jurisdictions of Canada and Colombia.

## SUMMARY DESCRIPTION OF THE COMPANY'S BUSINESS

### GENERAL

AgraFlora is a vertically integrated cannabis company equipped with a robust portfolio of licensed upstream, downstream and product formulation assets. The Company owns and operates an *Access to Cannabis for Medical Purposes Regulations (Canada)* (“**ACMPR**”) licensed indoor cultivation operation in London, Ontario, Canada, and controls a 70% interest in Propagation Services Canada Inc.’s (“**PSC**”) greenhouse operations and its 20-hectare facility located in Delta, British Columbia (the “**Delta Facility**”). The Delta Facility is equipped with 2.2 million square feet of dedicated cultivation area under glass.

***For a detailed description of the business of the Company, prospective investors should refer to the Company’s Annual Information Form incorporated by reference into this Prospectus and available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).***

### Significant Acquisitions

On June 7, 2019, the Company completed the acquisition of the downstream and product formulation portfolio of Organic Flower Investments Group Inc. (“**Organic Flower**”) pursuant to an asset purchase and sale agreement (the “**Asset Purchase Agreement**”) signed between the parties. As consideration for the asset purchase, and in accordance with the terms of the Asset Purchase Agreement, the Company issued 1.15 common shares in the capital of AgraFlora for each one 1 issued and outstanding share of Organic Flower, representing the issuance of 361,163,348 common shares.

On August 9, 2019, the Company announced its intention to make an offer (the “**Offer**”) directly to the shareholders of Eviana Health Corporation (“**Eviana**”) for the purchase of all of the issued and outstanding shares of Eviana. As consideration for the share purchase, the Company intends to issue 1.694915 common shares of the Company for each Eviana share tendered. To date no formal offer has been made; however, the proposed Offer, if undertaken, will be completed in accordance with National Instrument 62-104 – *Take-Over Bids and Issuer Bids* and will be subject to a number of customary conditions including: (i) receipt of all governmental regulatory stock exchange and third party approvals that the Company considers necessary or desirable in connection with the Offer; (ii) there being no legal prohibition against the Company making the Offer or taking up and paying for the Eviana shares; (iii)

Eviana not having adopted or implemented a shareholder rights plan disposed of any assets incurred any material debts implemented any changes in its capital structure or otherwise implemented or attempted to implement a defensive tactic; (iv) no material adverse change having occurred in the business affairs prospects or assets of Eviana; (v) the Company not becoming aware of Eviana having made any untrue statement of a material fact or omitting to state a material fact that is required to be made to any securities regulatory authority; (vi) approval by the shareholders of the Company in accordance with the policies of the Canadian Securities Exchange; and (vii) the statutory minimum condition that 50% of the Eviana shares having been tendered to the Offer and not withdrawn.

On August 19, 2019, The Company entered into a Securities Purchase Agreement (the “**Securities Purchase Agreement**”) to acquire 50 percent of the issued and outstanding shares of Eurasia. Under the terms of the Securities Purchase Agreement, AgraFlora will acquire 50 percent of the issued and outstanding shares in the capital of Eurasia, 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 of AgraFlora common shares for the five trading sessions prior to the announcement of the Securities Purchase Agreement.

## **Production and Facilities**

### **Delta, British Columbia, Canada**

The Delta facility is forecasted to produce 175 million grams of premium dried cannabis flower by 2020. The Company is projected to have the first 250,000 square foot facility operational by the summer of 2019 and the rest of the capacity increase is fully funded and expected to be operational by 2020. The Delta Facility is at the centerpieces of the Company’s ambitious growth strategy and is expected to make the Company one of the leaders in the industry. When complete the Delta greenhouse complex projects to be one of the most efficient greenhouses in Canada with advanced technology operating HVAC, water and lighting, and its own natural gas cogeneration energy plant.

Upon successful award of its Health Canada cultivation license, the Delta greenhouse complex projects to be the world’s second largest cannabis cultivation operation under glass, as at the date of the Prospectus.

### **London, Ontario, Canada**

AAA Heidelberg is a boutique, small-batch, craft grower that produces high-quality cannabis with unique genetics demanding a premium price. AAA Heidelberg operates out of an 8,800 square foot indoor growing facility in London, Ontario. The facility has the most up-to-date growing and security technologies available and meets the highest level of pharmaceutical standards. It features a state-of-the-art HVAC system, a Surna Water Chilled Climate Control system and a security system that meets or exceeds all requirements demanded by Health Canada. These systems are backbone of the facility’s automated control for the complete operations of the growing process.

Once fully optimized, it is forecasted that the AAA Heidelberg facility will achieve annualized dried cannabis production capabilities of one million grams, including the successful recapture of 225,000 grams of premium cannabis trim to be manufactured into ancillary value-added cannabis product.

## **Brands**

### **Canutra Naturals**

Canutra Naturals Ltd. (“**Canutra**”) is equipped with cultivation, extraction, manufacturing and distribution capabilities from its flagship facility in Kent county, New Brunswick. Canutra manufactures and distributes

premium skin care, cosmetics and cannabinoid product lines, including a suite of trusted consumer brands.

Canutra's wholly owned subsidiary, Canutra Farms, owns and operates 76 acres of un-zoned agricultural land with 1,000 feet of river frontage in Kent county, New Brunswick. Canutra Farms was formerly a federally owned farm and research facility and is equipped with over 17,500 square feet of commercial-grade agricultural facilities and 12 separate structures. Canutra Farms was granted an industrial hemp license by Health Canada for its New Brunswick land parcel in 2017. Canutra was also awarded a cannabis research licence by Health Canada in 2018.

Canutra's turnkey manufacturing infrastructure positions the Company to capitalize on current and future market trends in the rapidly expanding cannabis consumer products space. Canutra is finalizing the development phase of a suite of innovative SKUs including:

- organic cosmetics with anti-aging properties;
- shampoos and conditioners; and
- sunscreens.

### Whole Hemp Health

Through AgraFlora's wholly owned subsidiary Canutra, Whole Hemp Health markets the "Whole Hemp Health" suite of premium natural hemp skincare products. Developed by an expert team of natural product formulators, Whole Hemp Health boasts a fusion of Canadian hemp with synergistic all natural ingredients. Whole Hemp Health's proprietary formulation includes premium hemp seed oil which penetrates the skin and deliver rich nourishment and moisture. Whole Hemp Health's innovative portfolio of Hemp Seed oil infused includes:

- total body renewal lotions;
- hydrate and revive face creams;
- nourishment serums;
- cleansing milks;
- hemp body soaps; and,
- liquid hand soaps.

AgraFlora markets its Whole Hemp Health product line by way of brick-and-mortar retail outlets, Amazon Prime, as well as direct to consumer through Canutra's integrated Shopify e-commerce platform.

### Edibles & Infusions

By way of an executed asset purchase agreement with Organic Flower Investments Group Inc. ("**OFIG**"), AgraFlora controls an 80 per cent interest in The Edibles and Infusions Corp. ("**Edibles and Infusions**"), a joint venture with one of North America's largest manufacturer and distributor of chocolate and sugar confectionary products.

Edibles and Infusions was established nearly a century ago and has since become North America's largest confectionary fruit slice manufacturer, supplying products to over 20,000 locations across North America — most prominently Costco and Wal-Mart.

The Company is in the process of building on of North America's largest cannabis specific facilities. This state-of-the-art operation will be run by our talented roster of experienced chocolatiers and confectioners that have decades of experience in developing only the highest quality food products.

Edibles and Infusions will design and develop a 50,000 square foot manufacturing and product formulation facility, located in Winnipeg, Manitoba. The facility will be operated by a roster of experienced

chocolatiers and confectioners, as well as equipped with industry leading manufacturing equipment capable of producing an assortment of both cannabinoid/terpene-infused products for medicinal, functional and adult-use. Edibles and Infusions has the following business objectives and milestones:

- current applications for a Health Canada standard processing licence, as well as a cannabis sales licence;
- negotiating various contract manufacturing agreements with Tier 1 Canadian licensed producers; and
- construction of a manufacturing facility to be fully operational by the first quarter of 2020 – once optimized the facility will be capable of generating \$750-million in annual retail sales revenue.

### HowlBrands

By way of an exclusive North American manufacturing and distribution agreement with the Toronto Wolfpack RLFC (“**TWP**”) and HowlBrands, AgraFlora is positioned at the nexus of the burgeoning CBD-infused performance products marketplace and the vast captive audience of professional sports.

In collaboration with TWP and HowlBrands, the company will leverage its unique downstream and product formulation asset portfolio to manufacture and distribute a suite of athlete-focused, CBD performance products, including:

- CBD-infused topical creams;
- therapeutic relief balms;
- sport pain CBD tinctures;
- CBD-infused soaks; and
- CBD-infused roll-ons and healing sticks — engineered for optimal topical absorption.

AgraFlora and HowlBrands are preparing to launch an inaugural CBD-infused SKU, “Rugby Strength”, a replenishing body topical cream infused with 125 milligrams of CBD extract, derived from organically grown cannabis sativa L.

Rugby Strength is uniquely formulated to optimize the transdermal absorption of CBD’s analgesic, anti-inflammatory and anti-anxiety healing properties. HowlBrands and TWP aim to cater to professional and amateur sports teams, as well as individual athletes through diverse product offerings formulated to:

- reduce the pain and discomfort resulting from intense and/or frequent wear and trauma on weight-bearing joints;
- support reparation and recovery; and
- enhance fitness and performance.

### True Focus Canada

The Company has entered into an exclusive sublicensing agreement with 1205293 B.C. Ltd. (“**True Focus**”) for True Focus’ Canadian product suite and proprietary intellectual property portfolio, including its patent-pending THC overdose antidote. The sublicense permits the exclusive domestic marketing, distribution and development of the aforementioned THC overdose antidote for a period of 10 years.

AgraFlora intends to match its suite of all-natural, nutraceutical formulations with the intuitive delivery system designed to mitigate the negative side effects associated with excessive THC consumption. The aforementioned product formulations are considered patent pending by way of a U.S. Patent and Trademark Office (USPTO) patent application. True Focus’s formulations are designed to be ingested in a sublingual manner by way of a pocket-sized, user-friendly spray bottle.



### Potluck Potions & Edibles Inc.

Potluck Potions and Edibles Corp. (“**Potluck**”) is a Canadian based short-run, multi-use beverage manufacturing facility set up to host a suite of cannabis infused beverages. Through an exclusive partnership agreement between Potluck and a leading Toronto-based brewery, it holds the exclusive formulation, manufacturing and distribution rights for all cannabinoid-infused beverages developed at said brewhouse. Composed of a consortium of experienced brewery partners, the brewhouse has completed multiple production runs for prominent European beverage brands, such as:

- Guinness;
- Augustiner;
- Innes & Gunn.

This exclusive partnership provides AgraFlora with exposure to a collective of domestic and global brewery partners, as well as further crystallizes a leading production platform for the Company’s cannabinoid-infused carbonated beverage product offering.

### Health Cap Holdings

Through 11122347 Canada Corp. (“**Health Cap**”), the Company controls the exclusive rights to a portfolio of disruptive cannabis beverage delivery assets and intellectual property including the innovative beverage dispensing cap technology, and proprietary cannabinoid delivery mechanism.

The Company will incorporate its planned cannabinoid-infused beverages lines with its patented pharmaceutical-grade dispensing cap technology and advanced delivery mechanisms to provide optimized ingredient effectiveness for the end-consumers. The patented dispensing cap can deliver medicinal benefits with superior stability and consists of a twist-cap and a chamber that stores active ingredients. The Health Cap offering is pharmaceutical-grade and certified as a medical device pursuant to 3 patents in the United States.

## **Intellectual Property**

### Exclusive Registered Trademark Portfolio

By way of its wholly owned subsidiary, Trichome Cannabrands Inc., the Company has an aggregated portfolio of 57 registered trademarks in Canada for a diversified range of cannabis products and services, including:

- medicinal cannabis: for the relief of nerve pain, treatment of muscle spasms caused by multiple sclerosis, relief of nausea caused by chemotherapy, temporary relief of seizures and cannabis oil for the treatment of cancer;
- recreational cannabis: on-line and retail sale of cannabis, cannabis-related products, derivatives of cannabis and natural health products containing cannabis;
- CBD-infused performance products: CBD oil for medical purposes, topical anesthetics, antibiotic cream and anti-inflammatory ointments;
- packaging and vape products: packaging of cannabis, cannabis-related products, derivatives of cannabis and natural health products containing cannabis, and cannabis oil for electronic cigarettes;
- cosmetics: makeup, beauty care cosmetics, eye cream, body creams, massage creams, massage oils, skin care preparations, body powders, body oils, bath soap, moisturizing skin lotions, body sprays used as personal deodorants and fragrances, non-medicated bath salts, exfoliating scrubs for the body, and bath oils;

- candy, chocolate and edibles: cannabis oil for food and edible oils, chocolate bars infused with cannabis, brownies containing marijuana, chocolate, and sugar confectionery;
- beverages and bottling: non-alcoholic fruit-based beverages, carbonated soft drinks, sports drinks, beverage flavourings, beverages made of coffee and tea; and
- cannabinoid infused beers and ciders: alcoholic-based beverages, alcoholic fruit beverages and alcoholic tea-based beverages. Included in the portfolio of trademarks are regional airport codes, telephone area codes and other such recognizable regional identifiers that show significant branding potential for the cannabis space.

The Company intends to leverage these registered trademarks throughout its diversified product offerings and brands.

## **SHARE STRUCTURE**

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date of this Prospectus, there are 873,405,880 Common Shares issued and outstanding. In addition, as of the date of this Prospectus and there were 36,400,000 Common Shares issuable on the exercise of stock options.

## **CONSOLIDATED CAPITALIZATION**

There has been no material change in the share capitalization or in the indebtedness of the Company since June 30, 2019, the date of the Interim Financial Statements, other than the issuance of an aggregate of (i) 377,663,348 Common Shares as consideration for material acquisitions, (ii) 319,551 Common Shares on settlement of debt, and (iii) 5,500,000 Common Shares on conversion of stock options previously issued. See “**Prior Sales**”.

## **USE OF PROCEEDS**

### **Proceeds**

The net proceeds to the Company from the Offering are estimated to be \$●, after deducting the payment of the Agents’ Fee of \$●, but before deducting the expenses of the Offering (estimated to be approximately \$200,000). If the Over-Allotment Option is exercised in full for Additional Shares, the net proceeds to the Company from the Offering are estimated to be \$●, after deducting the Agents’ Fee of \$●, but before deducting the expenses of the Offering.

### **Principal Purposes**

In addition to requiring funds for general working capital purposes, including the working capital necessary for operations, the Company believes it prudent to have capital on hand for new investment opportunities, including investments in product development and expenses associated with the recreational cannabis market as it evolves. While the Corporation has not identified specific investments or projects it wishes to undertake, the Corporation believes it to be in its best interests to have access to capital as opportunities arise. This is particularly important given the evolving regulatory landscape for cannabis. The Company believes it may require cash in order to position itself to participate in new opportunities in the cannabis market in a meaningful way, if, and when, new opportunities arise. To the extent the Company requires additional capital, it may raise funds through debt and equity financing in the future. See “*Risk Factors – Use of Proceeds*” and “*Risk Factors – Additional Financing*”.

The Company currently anticipates using the net proceeds from the Offering (assuming no exercise of the Over-Allotment Option) as set forth in the following table:

<u>Principal Purpose</u>	<u>Approximate Use of Net Proceeds</u>
Future acquisitions	\$●
Working capital	\$●
General & Administrative	\$●
Offering expenses	\$400,000
<b>Total</b>	<b>\$●</b>

The above-noted allocation represents the Company's intention with respect to its use of proceeds based on current knowledge and planning by management of the Company (excluding potential contingencies and any deficiencies). Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, a reallocation may be deemed prudent or necessary. Pending actual expenditures, the Company may invest the funds in short-term, investment grade, interest-bearing securities, in government securities or in bank accounts at the discretion of management. The Company cannot predict whether the proceeds invested will yield a favourable return. See "*Risk Factors*" in the AIF and "*Risk Factors Relating to AAA Heidelberg*" in the Interim MD&A for the period ended June 30, 2019.

The Company had a negative operating cash flow for the financial year ended December 31, 2018, and the six months ended June 30, 2019. Although the Company anticipates it will have positive cash flow from operating activities in future periods, the Company cannot guarantee it will have a cash flow positive status from operating activities in future periods. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities, see "*Risk Factors – Risks Related to the Offering - Negative cash flow from operations*".

## PLAN OF DISTRIBUTION

### General

This Prospectus qualifies the distribution of the Offered Shares in each of the provinces of Canada, other than the Provinces of Québec, Prince Edward Island and Newfoundland and Labrador, to purchasers upon completion of the Offering and any Additional Shares issued pursuant to the exercise of the Over-Allotment Option.

Pursuant to the Agency Agreement, the Company has agreed to retain the Agent to offer for sale, on a "best efforts" agency basis, to the public in all of the provinces of Canada, except Québec, Prince Edward island, and Newfoundland and Labrador, subject to prior sale, if, as and when issued by the Company, ● Offered Shares for aggregate gross proceeds of \$● at a price of \$● per Offered Share, subject to compliance with all necessary legal requirements and to the conditions contained in the Agency Agreement.

The obligations of the Agent under the Agency Agreement may be terminated at their discretion on the basis of certain stated events as set out in the Agency Agreement. The Offering Price was determined by arm's-length negotiation between the Company and the Agent.

The Company has granted to the Agent the Over-Allotment Option, exercisable in whole or in part at the sole discretion of the Agents for a period ending 30 days following the Closing of the Offering to purchase (or arrange for the purchase by substituted purchasers of) up to ● Additional Shares at the Offering Price. The Over-Allotment Option represents an option to acquire up to ●% of the Offered Securities offered pursuant to the Offering. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Shares to be delivered upon the exercise of the Over-Allotment Option. A purchaser who acquires Additional Shares forming part of the Agent's Over-Allotment Option acquires such Additional Shares under this Prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Agent exercises the Over-Allotment Option in full, the total price to the public relating to the Offering, the Agency Fee and the net proceeds to the Company before deducting the expenses of the Offering will be \$●, \$● and \$●, respectively.

Upon completion of the Offering, the aggregate Agent Fees payable by the Company in respect of the Offering will be \$● (\$● if the Over-Allotment Option is exercised in full). The net proceeds to the Company will be \$● (\$● if the Over-Allotment Option is exercised in full). The total number of Offered Shares sold pursuant to the Offering will be ● (● if the Over-Allotment Option is exercised in full), the total price to the public will be \$● (\$● if the Over-Allotment Option is exercised in full). As additional consideration for the services rendered in connection with the Offering, upon completion of the Offering, the Company will issue to the Agent Broker Warrants exercisable into ● Broker Shares (● Broker Shares if the Over-Allotment Option is exercised in full). The distribution of the Broker Shares issuable upon exercise of the Broker Warrants are qualified by this Prospectus.

The expenses of the Offering, including the reasonable fees and disbursements and taxes thereon of the Agents' counsel but not including the Agents' Fees, are estimated to be \$200,000 and are payable by the Company.

The Agents are entitled under the Agency Agreement to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments that they may be required to make in respect thereof.

The Company has agreed in favour of the Agent not to, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities convertible or exchangeable into Common Shares, other than (i) pursuant to the Offering; (ii) pursuant to the exercise of options issued pursuant to the Company's employee stock option plan dated June 28, 2019 (the "**Stock Option Plan**"); (iii) pursuant to the exercise of warrants outstanding as at the date of this Prospectus; or (v) in connection with the bona fide acquisition by the Company of the shares or assets of other corporations or entities, until ● days following Closing, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed.

Subscriptions for the Offered Shares will be received, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice.

**The Company has applied to list the Offered Shares distributed under this Prospectus, including any Additional Shares issuable on the exercise of the Over-Allotment Option on the CSE.** Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

The Agent proposes to offer the Offered Shares initially at the Offering Price. After the Agent has made a reasonable effort to sell all of the Offered Shares, the price of the Offered Shares may be decreased and may be further changed from time to time to an amount not greater than the Offering Price and the

compensation realized by the Agent will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the price paid by the Agent to the Company. This decrease in price will affect the Agent's Fee payable by the Company to the Agent. Notwithstanding any reduction by the Agent in the Offering Price specified, the proceeds received by the Company will not be affected.

The Offered Shares will be offered through the Agent or its affiliates who are registered to offer the Offered Shares for sale in such provinces and such other registered dealers as may be designated by the Agent. Subject to applicable law, the Agent may offer the Offered Shares in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Agent.

### **United States Sales**

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person, unless pursuant to an exemption to the registration requirements of such laws. Accordingly, the Agent has agreed that it will not offer, sell or deliver the Offered Shares within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agency Agreement permits the Agent to (i) offer and resell, acting through their United States broker-dealer affiliates, the Offered Shares that they have acquired pursuant to the Agency Agreement in the United States and to, or for the account or benefit of U.S. Persons, that are Qualified Institutional Buyers in compliance with Rule 144A under the U.S. Securities Act and applicable U.S. state securities laws, and (ii) offer the Offered Shares for sale by the Company in the United States and to or for the account or benefit of U.S. Persons to substituted purchasers that are U.S. Accredited Investors, in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws. In addition, the Agents will offer and sell the Offered Shares outside the United States to non-U.S. Persons only in accordance with Regulation S under the U.S. Securities Act. The Common Shares that are sold in the United States will be restricted securities within the meaning of Rule 144 of the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act. The Offered Shares will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) may bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after commencement of the Offering, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

### Common Shares

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company and to attend and cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Company's Board of Directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro-rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or 45 class of shares ranking senior in priority to or on a pro-rata basis with the holders of Common Shares with respect to dividends or liquidation.

### Pre-emptive, Conversion and Other Rights

No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of the Common Shares.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Purdy Law Professional Corporation, counsel to the Corporation, and ●, counsel to the Agent, the following is a summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires Common Shares pursuant to this Offering. This summary only applies to a holder who is a beneficial owner of such Common Shares and who, for the purposes of the Tax Act and at all relevant times: (i) deals at arm's length and is not affiliated with the Corporation or the Agent, and (ii) holds the Common Shares as capital property (a "Holder"). Common Shares will generally be considered to be capital property to a Holder unless such securities are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon: (i) the current provisions of the Tax Act and the Regulations in force as of the date hereof; (ii) all specific proposals (the "Tax Proposals") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. This summary assumes that all such Tax Proposals will be enacted in the form currently proposed, but no assurance can be given that they will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Common Shares in their particular circumstances.**

## **Residents of Canada**

This section of the summary applies to a Holder who, for the purposes of the Tax Act and at all relevant times, is, or is deemed to be, resident in Canada (a “**Resident Holder**”). This summary is not applicable to: (i) a Holder that is a “specified financial institution” within the meaning of the Tax Act; (ii) an interest in which is a “tax shelter investment” within the meaning of the Tax Act; (iii) a Holder that is a “financial institution” within the meaning of section 142.2 of the Tax Act; (iv) a Holder that reports its “Canadian tax results” within the meaning of the Tax Act in a currency other than Canadian currency; (v) a Holder that enters into or will enter into, with respect to the Common Shares, a “derivative forward agreement” within the meaning of the Tax Act; or (vi) a Holder that is a corporation and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Common Shares, controlled by a (i) non-resident corporation, (ii) non-resident individual, (iii) non-resident trust, or (iv) group of any of the foregoing who do not deal at arm’s length with each other, for the purposes of section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in the Common Shares.

A Resident Holder whose Common Shares do not otherwise qualify as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Common Shares, and any other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and advisable in their particular circumstances.

## ***Dividends***

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividend received, or deemed to be received, on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividend will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation that are designated by the corporation as “eligible dividends” will be subject to an enhanced gross-up and tax credit regime in accordance with the rules in the Tax Act. There may be limitations on the Corporation’s ability to designate dividends as “eligible dividends.”

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a “private corporation” or a “subject corporation”, each as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the year. This tax will generally be refunded to the corporation based on the amount of taxable dividends paid while it is a private corporation or a subject corporation for purposes of the Tax Act.

## ***Disposition of Common Shares***

A Resident Holder who disposes of, or is deemed for the purposes of the Tax Act to have disposed of, a Common Share will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Holder of the Common Share immediately before the disposition or deemed disposition. The adjusted cost base to the Resident Holder of a Common Share acquired pursuant to this Offering will be determined by averaging the cost of such Common Share with the adjusted cost base of all other Common Shares owned by the Holder as capital property at that time, if any.

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one half of the amount of any capital loss (an “allowable capital loss”) realized in the taxation year of disposition against taxable capital gains realized in the same taxation year. Allowable capital losses in excess of taxable capital gains realized in a taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such taxation years, to the extent and under the circumstances specified in the Tax Act.

If a Resident Holder is a corporation, any capital loss realized by such Resident Holder on a disposition or deemed disposition of Common Shares may, in certain circumstances, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such Common Shares (or on shares for which the Common Shares have been substituted). Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares directly or indirectly through a partnership or a trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including taxable capital gains realized on the disposition of Common Shares.

## ***Alternative Minimum Tax***

In general terms, a Resident Holder who is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

## ***Non-Resident Holders***

This section of the summary applies to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty convention and at all relevant times: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold, and will not be deemed to use or hold, Common Shares in the course of carrying on a business in Canada (a “**Non-Resident Holder**”). This summary does not apply to a Non-Resident Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act) and such Non-Resident Holders should consult their own tax advisors.



## ***Dividends***

Dividends paid or credited, or deemed under the Tax Act to be paid or credited, by the Corporation to a Non-Resident Holder on the Common Shares will generally be subject to Canadian non-resident withholding tax at the rate of 25% of the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. For example, where the Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the Canada–United States Income Tax Convention (1980) (the “Convention”) and is the beneficial owner of the dividends, the applicable rate of Canadian withholding tax is generally reduced to 15%. Not all persons who are residents of the United States will qualify for the benefits of the Convention. Non-Resident Holders who are residents of the United States are advised to consult their tax advisors in this regard.

## ***Dispositions of Common Shares***

A Non-Resident Holder who disposes of, or is deemed to have disposed of, a Common Share will not be subject to income tax under the Tax Act unless, at the time of disposition: (i) the Common Share is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder; and (ii) the Non-Resident Holder is not entitled to an exemption under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, Common Shares acquired pursuant to this Offering will not constitute taxable Canadian property to a Non-Resident Holder at a particular time provided that the Common Shares are listed at that time on a designated stock exchange (which currently includes the CSE), unless (a) at any time during the 60-month period that ends at the particular time: (i) one or any combination of (x) the Non-Resident Holder, (y) persons not dealing at arm’s length with the Non-Resident Holder and (z) partnerships in which the Non-Resident Holder or a person described in (y) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the Corporation, and (ii) more than 50% of the fair market value of the Common Shares was derived, directly or indirectly, from any combination of (A) real or immovable property situated in Canada, (B) “Canadian resource property” (as defined in the Tax Act), (C) “timber resource property” (as defined in the Tax Act), or (D) options in respect of, or interests in, or for civil law rights in, property described in any of (A) through (C) above, whether or not the property exists; or (b) the Common Shares are otherwise deemed under the Tax Act to be taxable Canadian property.

In the event that a Common Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident, the income tax consequences discussed above for Resident Holders under “Residents of Canada – Dispositions of Common Shares” will generally apply to the Non-Resident Holder. Non-Resident Holders whose Common Shares are, or may be, taxable Canadian property should consult their own tax advisors.

## **PRIOR SALES**

Other than as set forth in the following table, we have not sold or issued any Common Shares and securities convertible into Common Shares during the 12 months prior to the date of this Prospectus.

<b>Date</b>	<b>Number and Type of Securities<sup>1</sup></b>	<b>Issue / Exercise Price Per Security<sup>1</sup></b>	<b>Reason for Issuance</b>
August 21, 2019	16,500,000 Common Shares	\$0.275	Pursuant to a share purchase agreement with Eurasia dated August 19, 2019
August 21, 2019	919,355 Common Shares	\$0.096	Stock option exercise
August 9, 2019	30,000,000 Stock Options	\$0.31	Pursuant to Stock Option Plan
August 16, 2019	2,080,645 Common Shares	\$0.093	Stock option exercise
August 16, 2019	2,500,000 Common Shares	\$0.142	Stock option exercise
August 12, 2019	161,621 Common Shares	\$0.34	Shares for debt issuance
August 12, 2019	157,930 Common Shares	\$0.36	Shares for debt issuance
July 11, 2019	361,163,348 Common Shares	\$0.40	Pursuant to an asset purchase agreement with Organic Flower dated June 6, 2019
June 26, 2019	1,250,000 Common Shares	\$0.425	Pursuant to a letter of intent with David Parry, Peter Cummings and Cornelius Houweling dated May 22, 2018
June 28, 2019	3,750,000 Common Shares	\$0.168	Stock option exercise
June 25, 2019	1,250,000 Common Shares	\$0.51	Pursuant to letter of intent dated with David Parry, Peter Cummings and Cornelius Howeling dated May 22, 2018
April 25, 2019	281,690 Common Shares	\$0.71	Pursuant to a supply agreement with Vendure Genetics Labs Inc. dated December 26, 2018
April 25, 2019	10,000,000 Common Shares	\$0.51	Shares for services issuance
April 25, 2019	20,588,235 Common Shares	\$0.68	Pursuant to a share purchase agreement with PSC dated effective March 19, 2019
May 28, 2019	2,000,000 Common Shares	\$0.49	Finder compensation in connection with a commercial rights and offtake agreement with ICC International Cannabis Corp. dated May 21, 2019
March 28, 2019	375,000 Common Shares	\$0.168	Stock option exercise
March 25, 2019	375,000 Common Shares	\$0.168	Stock option exercise
March 22, 2019	44,852,040 Common Shares	\$0.44861	Pursuant to an equity participation and earn-in agreement with DOCC dated September 25, 2018
March 14, 2019	500,000 Common Shares	\$0.142	Stock option exercise
March 14, 2019	372,000 Common Shares	\$0.168	Stock option exercise
March 13, 2019	3,750,000 Common Shares	\$0.168	Stock option exercise
March 13, 2019	2,500,000 Common Shares	\$0.142	Stock option exercise
March 8, 2019	100,000 Common Shares	\$0.08	Warrant exercise
March 7, 2019	415,700 Common Shares	\$0.08	Warrant exercise
March 6, 2019	1,900,000 Common Shares	\$0.08	Warrant exercise
March 5, 2019	500,000 Common Shares	\$0.168	Stock option exercise
March 5, 2019	250,000 Common Shares	\$0.128	Stock option exercise
March 5, 2019	250,000 Common Shares	\$0.168	Stock option exercise
March 4, 2019	250,000 Common Shares	\$0.08	Warrant exercise

<b>Date</b>	<b>Number and Type of Securities<sup>1</sup></b>	<b>Issue / Exercise Price Per Security<sup>1</sup></b>	<b>Reason for Issuance</b>
March 4, 2019	1,137,000 Common Shares	\$0.08	Warrant exercise
March 1, 2019	1,600,000 Common Shares	\$0.08	Warrant exercise
February 26, 2019	125,000 Common Shares	\$0.08	Warrant exercise
February 21, 2019	420,000 Common Shares	\$0.08	Warrant exercise
February 7, 2019	200,000 Common Shares	\$0.08	Warrant exercise
February 6, 2019	1,000,000 Common Shares	\$0.08	Warrant exercise
February 4, 2019	150,000 Common Shares	\$0.08	Warrant exercise
January 31, 2019	250,000 Common Shares	\$0.168	Stock option exercise
January 29, 2019	750,000 Common Shares	\$0.08	Warrant exercise
January 25, 2019	1,500,000 Common Shares	\$0.08	Warrant exercise
January 22, 2019	500,000 Common Shares	\$0.08	Warrant exercise
January 17, 2019	250,000 Common Shares	\$0.142	Stock option exercise
January 16, 2019	500,000 Common Shares	\$0.08	Warrant exercise
January 14, 2019	250,000 Common Shares	\$0.053	Stock option exercise
January 11, 2019	250,000 Common Shares	\$0.08	Warrant exercise
January 11, 2019	150,000 Common Shares	\$0.08	Warrant exercise
January 10, 2019	750,000 Common Shares	\$0.053	Stock option exercise
January 9, 2019	250,000 Common Shares	\$0.08	Warrant exercise
January 8, 2019	250,000 Common Shares	\$0.08	Warrant exercise
January 8, 2018	600,000 Common Shares	\$0.08	Warrant exercise
January 4, 2019	750,000 Common Shares	\$0.08	Warrant exercise
January 4, 2019	500,000 Common Shares	\$0.093	Stock option exercise
January 4, 2019	250,000 Common Shares	\$0.128	Stock option exercise
January 3, 2019	100,000 Common Shares	\$0.08	Warrant exercise
January 3, 2019	750,000 Common Shares	\$0.053	Stock option exercise
January 2, 2019	500,000 Common Shares	\$0.053	Stock option exercise
December 31, 2018	2,291,727 Common Shares	\$0.1667	Debt settlements
December 28, 2018	550,000 Common Shares	\$0.08	Warrant exercise
December 21, 2018	250,000 Common Shares	\$0.08	Warrant exercise
December 19, 2018	12,216,509 Common Shares	\$0.1667	Pursuant to a share exchange agreement with AAA Heidelberg dated January 26, 2015
December 18, 2018	600,000 Common Shares	\$0.08	Warrant exercise
December 17, 2018	1,500,000 Common Shares	\$0.08	Warrant exercise
December 10, 2018	16,718,265 Common Shares	\$0.448	Pursuant to an equity participation and earn-in agreement with DOCC dated September 25, 2018

Date	Number and Type of Securities <sup>1</sup>	Issue / Exercise Price Per Security <sup>1</sup>	Reason for Issuance
November 21, 2018	163,000 Common Shares	\$0.08	Warrant exercise
October 31, 2018	7,000,000 Stock Options	\$0.14	Pursuant to Stock Option Plan
October 30, 2018	2,000,000 Common Shares	\$0.05 / \$0.06	Warrant exercise
October 30, 2018	500,000 Common Shares	\$0.06	Warrant exercise
October 18, 2018	27,863,775 Common Shares	\$0.448	Pursuant to equity participation and earn-in agreement with DOCC dated September 25, 2018
October 2, 2018	2,000,000 Common Shares	\$0.05	Warrant exercise
September 27, 2018	1,400,000 Common Shares	\$0.08	Warrant exercise
September 26, 2018	500,000 Common Shares	\$0.047	Stock option exercise
September 18, 2018	10,000,000 Common Shares	\$0.146	Payment of consulting services
September 17, 2018	300,000 Common Shares	\$0.05	Warrant exercise
September 17, 2018	500,000 Common Shares	\$0.047	Warrant exercise
September 11, 2018	500,000 Common Shares	\$0.047	Stock option exercise
September 10, 2018	10,000,000 Stock Options	\$0.13	Pursuant to Stock Option Plan
August 14, 2018	500,000 Common Shares	\$0.015	Warrant exercise

1. The number of Common Shares and issuance prices have been adjusted to reflect the Company's stock split on basis of five (5) new Common Shares for every (1) Common Share effected on November 19, 2018.

## TRADING PRICE AND VOLUME

The Common Shares trade on the CSE under the symbol "AGRA". The Company also trades on the OTC Pink Sheets under the symbol "PUFXF" and the Frankfurt Stock Exchange under the symbol "PU3". The following tables show the high and low trading price and volume traded for the Common Shares for each of the previous 12 months plus such information for the current month to the last trading day before the date of this Prospectus.

### CANADIAN SECURITIES EXCHANGE

Month	High (CDN\$)	Low (CDN\$)	Total Volume
August 1–28, 2019	\$0.34	\$0.24	23,605,897
July 2019	\$0.425	\$0.31	24,374,855
June 2019	\$0.495	\$0.34	31,236,222
May 2019	\$0.56	\$0.355	51,396,313
April 2019	\$0.70	\$0.465	55,092,067
March 2019	\$0.86	\$0.37	186,285,893
February 2019	\$0.405	\$0.29	31,562,266
January 2019	\$0.335	\$0.24	50,117,508
December 2018	\$0.24	\$0.11	38,549,476
November 2018	\$0.216	\$0.135	15,204,450
October 2018	\$0.316	\$0.136	81,354,625
September 2018	\$0.31	\$0.114	73,403,265
August 2018	\$1.34	\$0.078	21,058,970

## OVER THE COUNTER PINK SHEETS

Month	High (USD\$)	Low (USD\$)	Total Volume
August 1-28, 2019	\$0.2777	\$0.1825	8,912,950
July 2019	\$0.3366	\$0.2337	9,519,156
June 2019	\$0.3788	\$0.2554	13,566,396
May 2019	\$0.392	\$0.3593	1,838,018

## FRANKFURT STOCK EXCHANGE

Month	High (EUR€)	Low (EUR€)	Total Volume
August 1-28, 2019	€0.235	€0.165	1,989,214
July 2019	€0.285	€0.2	2,279,520
June 2019	€0.325	€0.23	1,730,350
May 2019	€0.368	€0.2342	3,461,913
April 2019	€0.477	€0.3027	3,262,066
March 2019	€0.565	€0.241	18,731,965
February 2019	€0.265	€0.185	1,832,817
January 2019	€0.227	€0.151	8,386,753
December 2018	€0.157	€0.071	6,464,941
November 2018	€0.762	€0.089	286,649
October 2018	€0.202	€0.093	2,141,065
September 2018	€0.1836	€0.0754	1,983,835
August 2018	€0.088	€0.052	1,137,560

## RISK FACTORS

The Common Shares are subject to certain risks. When evaluating the Company and its business, potential holders of the Common Shares should consider carefully the information set out in this Prospectus and the risks described below and in the documents incorporated by reference in this Prospectus and under the heading "**Risk Factors**" in the AIF, which are incorporated by reference herein. Some of the risk factors described herein and in the documents incorporated by reference are interrelated and consequently prospective investors should treat such risk factors as a whole. The risks described below and in the AIF are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. We cannot assure you that we will successfully address any or all of these risks. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below or in the AIF actually occur, the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the AIF and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

**A positive return on Common Shares is not guaranteed.**

There is no guarantee that the Common Shares will earn any positive return in the short term or long term. A holding of Common Shares is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Common Shares is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

**The Company has broad discretion to use the net proceeds from an offering.**

The Company intends to use the net proceeds raised under this Prospectus to achieve its stated business objectives as set forth under "Use of Proceeds" under this Prospectus. The Company maintains broad discretion to spend the proceeds in ways that it deems most efficient as well as the timing of expenditures. As a result, investors will be relying on the judgment of management as to the application of the remaining proceeds of an offering. Management may use the remaining proceeds of an offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the remaining proceeds are uncertain. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds as set forth under "Use of Proceeds", or the failure of the Company to achieve its stated business objectives set forth in such section, could adversely affect the Company's business, financial condition and/or operating results and, consequently, could adversely affect the price of the Common Shares on the open market.

**Additional issuances and financings may result in dilution.**

The Company may sell additional Common Shares or other Securities that are convertible or exchangeable into Common Shares in subsequent offerings or may issue additional Common Shares or other Securities to finance future acquisitions. The Company cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares or other securities that are convertible or exchangeable into Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares or other securities that are convertible or exchangeable into Common Shares, investors will suffer dilution to their voting power and economic interest in the Company. Furthermore, to the extent holders of the Company's stock options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares on the CSE may decrease due to the additional amount of Common Shares available in the market.

**Negative cash flow from operations.**

The Company had a negative operating cash flow for the financial year ended December 31, 2018, and the six months ended June 30, 2019. Although the Company anticipates it will have positive cash flow from operating activities in future periods, the Company cannot guarantee it will have a cash flow positive status in the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities, see "Use of Proceeds".

**Discretion in the use of proceeds.**

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if they believe it would be in the Company's best

interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company results of operations may suffer.

**There is no assurance of a sufficient liquid trading market for the Company's Common Shares in the future.**

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Company's Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the CSE or achieve listing on any other public listing exchange.

**INTERESTS OF EXPERTS**

Certain legal matters in connection with the Offering will be passed upon on behalf of the Company by ●, and on behalf of the Agent by ●. As at the date hereof, the designated professionals of ●, as a group, and the designated professionals of ●, as a group, beneficially own, directly or indirectly, less than one percent of the securities of the Company.

**AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are Dale Matheson Carr-Hilton Labonte LLP located at 1500 - 1140 West Pender Street, Vancouver, BC V6E 4G1. Dale Matheson Carr-Hilton Labonte LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The transfer agent and registrar in respect of the Common Shares is National Securities Administrators Ltd., located at 760 – 777 Hornby Street, Vancouver, BC, V6Z 1S4.

**LEGAL MATTERS**

Certain legal matters related to our securities offered by this Prospectus will be passed upon on our behalf by ●, with respect to matters of Canadian law. To the knowledge of the Company, ● does not have any beneficial interest, direct or indirect, in the securities of the Company or any of its subsidiaries or in the assets of the Company or any of its subsidiaries.

## **STATUTORY RIGHT OF RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

**[the balance of this page is left intentionally blank]**



## CERTIFICATE OF THE COMPANY

Date: August 29, 2019

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in each of the provinces of Canada, other than the Provinces of Quebec, Prince Edward Island and Newfoundland and Labrador.

*“Brandon Boddy”*

Brandon Boddy  
Chief Executive Officer

*“Peter Nguyen”*

Peter Nguyen  
Chief Financial Officer

On Behalf of the Board of Directors:

*“Christopher Hornung”*

Christopher Hornung  
Director

*“Jerry Habuda”*

Jerry Habuda  
Director

*“Joseph Perino”*

Joseph Perino  
Director

*“Brian O’Neill”*

Brian O’Neill  
Director