



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Prepares for October 17th Health Canada Regulations with Vertically Integrated Edibles Infrastructure, To Commercialize High-CBD Varietals Under R&D License

Vancouver, British Columbia / October 3rd, 2019 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF), a growth oriented and diversified international cannabis company, is pleased to announce that the Company’s wholly-owned subsidiary, Canutra Naturals Ltd., in conjunction with the Université de Moncton (“UM”) continues to achieve material advancements pertaining to the genetic-engineering and phenotyping of a portfolio of high-CBD cannabis varietals at its flagship 76-acre campus in Kent County, New Brunswick.

Canutra holds a cannabis research licence from Health Canada under the Cannabis Regulations Act, which permits the development of proprietary cannabis genetics and phenotypes. Upon achievement of required ancillary licenses, as well as regulatory guidance, AgraFlora plans to commercialize its proprietary, CBD-rich strains as formulation/base inputs at its state-of-the art 51,500 square foot edibles manufacturing facility in Winnipeg, Manitoba (the “Winnipeg Edibles Facility”) (<https://ediblesandinfusions.com/>).

AgraFlora will also leverage advanced extraction methodologies, developed throughout its continued intellectual property (“IP”) aggregation campaign to supplement internal SOPs, as well as process flows at its Winnipeg Edibles Facility; further reinforcing the Company’s vertical integration and knowledge transfer mandates.

The Winnipeg Edibles Facility totalling 51,500 square feet is equipped with over 30,000 square feet of dedicated edibles production space, as well as an 8,000 square foot pharmaceutical-grade, edibles research laboratory. Once activated, the Winnipeg Edibles Facility will be operated by a roster of third generation chocolatiers/confectioners and will boast state-of-the-art manufacturing equipment capable of producing an assortment of both cannabinoid/terpene-infused products for medicinal, functional and adult use, including:

- Gummies, hard candy, and gums;
- Baked goods;
- Flavoured tinctures;
- Gourmet snacks, including cannabis-infused honey, maple syrup, sugar and fruit, and vegetable puree-based snacks; and,
- CBD-infused pet products.

AgraFlora continues to adhere to previously announced Winnipeg Edibles Facility infrastructure upgrade timelines and expects to submit applications to Health Canada for standard processing and sales licences on October 17, 2019. AgraFlora continues to participate in provincial edibles product calls, as well as

other mandated provincial edibles, topicals and concentrates procurement activities. The Company anticipates that the Winnipeg Edibles Facility will be fully operational by the first quarter of 2020.

The Company has submitted its application to Health Canada for a corresponding cannabis research and development licence at its Winnipeg Edibles Facility, with anticipated award of said license within the next 30 days. Receipt of full-spectrum cannabinoid concentrates is expected post licensing to assist with product development and ancillary research and development activities. Pharmaceutical-grade equipment for the Winnipeg Edibles Facility's, research and development laboratory has been shipped from the manufacturer and is expected to arrive on site within the next 15 business days.

AgraFlora is also pleased to reaffirm the following operational updates and licencing guidance relating to the Winnipeg Edibles Facility:

- All applicable cooking, depositing, packaging and lab equipment has been identified and ordered:
 - Once completed, the facility will be turnkey in nature and boast complete automation, from the time inputs arrive in tankers to the time finished products are shipped;
- Product and packaging has been designed with capability to package child resistant re-sealable bags, bottles, droppers and tubes;
- Security system designed and ordered for install in the next 60 days; and,
- Anticipated licence application and submission of its affirmation of readiness and video evidence package to Health Canada by December 2019.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora, stated: "Unparalleled corporate foresight, coupled with the dedicated deployment of capital into accretive assets, such as the Winnipeg Edibles Facility, has positioned AgraFlora to materialize as a market leader within the landscape of cannabis 2.0. Our robust, downstream asset portfolio, highlighted by marquee operations within the edibles and topicals industries, has levered us to capture geometric upside from Health Canada's impending October 17th regulations. Our ability to capitalize on material revenues from upstream cultivation to downstream product formulation, manufacturing, extraction and end-retail distribution will become a significant differentiator among our Tier 1 industry peers.

We are of the opinion that, once complete, our Winnipeg Edibles Facility will emerge as the most efficient and technologically advanced edibles manufacturing facility on planet. Once again demonstrated by the planned commercialization of our proprietary, CBD-rich strains as base inputs at our Winnipeg Edibles Facility- AgraFlora's successful implementation of full vertical integration will support increased efficiency across business channels and allow for maximum economic margin capture for the enterprise."

About AgraFlora Organics International Inc.

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. It owns an indoor cultivation operation in London, ON and is a joint venture partner in Propagation Service Canada and its large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC. The Company is also retrofitting a 51,500-square-foot good manufacturing practice ("GMP") edibles manufacturing facility in Winnipeg, Manitoba. AgraFlora has a successful record of creating shareholder value and is actively pursuing other opportunities within the cannabis industry. For more information please visit: www.agraflora.com.

ON BEHALF OF THE BOARD OF DIRECTORS

Brandon Boddy
Chairman & CEO
T: (604) 398-3147

For additional information:

AgraFlora Organics International Inc.

Tim McNulty
E: ir@agraflora.com
T: (800) 783-6056

For French inquiries:
Remy Scalabrini, Maricom Inc.
E: rs@maricom.ca
T: (888) 585-MARI

The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for AgraFlora Organics described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at www.sedar.com.