



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics To Develop Terpene-Infused Over-the-Counter CBD Alternative at New Brunswick Cannabis Campus

Vancouver, British Columbia / October 24th, 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 the Company has initiated development of Cannessence, a terpene-infused, organic cannabis sativa seed oil consumer packaged good (“CPG”). AgraFlora will position Cannessence within the marketplace as a legal, over-the-counter (“OTC”) substitute to conventional CBD.

Cannessence will have a unique formulated terpene profile coupled with organic cannabis sativa seed oil to amplify the activation of the endocannabinoid system (the “ECS”); thus optimizing cannabinoid uptake, as well as standardizing pharmacological effects within the ECS of both humans and pets. The Company anticipates that it will market its Cannessence product portfolio in capsule, topical and tincture format.

The Company also plans to incorporate its proprietary Cannessence formulation as a base serum into its existing Whole Hemp Health (“WHH”) product line. This scalable integration will further augment its vertically integrated “farm-to-face” mandate while increasing the efficiency of the Company’s existing premium WHH SKUs. An ultra-premium all-natural, skin care line, WHH is formulated with 100 per cent organic cannabis sativa seed oil and is marketed by way of brick-and-mortar retail outlets, Amazon Prime, as well as direct to consumer, through an integrated Shopify e-commerce platform.

The initial synthesis of Cannessence will be championed by AgraFlora’s cannabinoid R&D consultancy arm in conjunction with the Université de Moncton (“UM”) and will be comprised of the following initial deliverables:

- Cannabinoid extraction and essential oil recovery;
- Purification stage for the separation of fats and lipids, or other modifications deemed necessary; and,
- A mixing/emulsification stage with the objective of formulating a unique matrix. [L] [SEP]

AgraFlora plans to pursue secure national listings of its Cannessence product portfolio through prominent, high-traffic distribution channels including: c-store, pharmacies, naturopathic clinics, salons/spas, as well as health and wellness retailers. The Company will also integrate Cannessence in its 17,500 North American points of distribution.

The Company will leverage its 76-acres riverfront Kent County, New Brunswick cannabis campus (the “Cannabis Campus”) and its cannabis research licence from Health Canada under the Cannabis Regulations Act to formulate/synthesize its revolutionary Cannessence product suite. AgraFlora’s

Cannabis Campus, formerly a federally owned farm and research facility, boasts over 17,500 square feet of commercial-grade production facilities, as well as 12 separate free-standing structures.

AgraFlora also announces the commencement of a retrofit to seven of the non-core operating buildings at its Cannabis Campus. The retrofit is projected to be completed concurrent to AgraFlora's 2020 industrial hemp plating initiatives and will include:

- Structural restorations;
- Water system restoration;
- Ventilation system maintenance; and
- Additional processing/laboratory/storage area preparation.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: "The formulation of an over-the-counter CBD alternative that boasts measurable efficacy, as well as therapeutic-grade terpene blends will further differentiate AgraFlora within an increasingly competitive dried flower marketplace. By way of our precisely formulated Cannessence terpene profile and complementary omega compounds, we intend to optimize the function of the ECS in human and pets alike through the activation of one of its main receptors- thus magnifying cannabinoid uptake and promoting organic endocannabinoids production.

Cannessence has all the hallmarks of a disruptive Cannabis 2.0 SKU that we plan to introduce across Gateway Newstand's 200 plus locations. Our Cannessence formulation will harness power of terpenes, coupled with all-natural essential oils including limonene, alpha-pinene, beta-caryophyllene, linalool, and beta-myrcene to afford our consumers a safe, non-prescriptive alternative to conventional CBD products."

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 Services 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

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