



## AGRAFLORA ORGANICS INTERNATIONAL INC.

### NEWS RELEASE

#### **AgraFlora Organics Completes Construction of Pharma-Grade R&D Laboratory at 51,500 Sq. Ft. GMP Winnipeg Edibles Facility**

**Vancouver, British Columbia / November 21<sup>st</sup>, 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 completed construction of its pharmaceutical-grade research and development laboratory (the “R&D Laboratory”) at its 51,500 square foot GMP edibles manufacturing facility in Winnipeg, Manitoba (the “Winnipeg Edibles Facility”).

The Company’s 750 square foot, turnkey R&D Laboratory boasts a comprehensive suite of made-to-order cannabinoid-testing and product formulation equipment, including:

- High Performance Liquid Chromatography (“HPLC”);
- Microbiological testing instruments;
- Custom confectionery testing, manufacturing and origination/formulation technologies;
- Deposit throughput in excess of 1000 pieces of premium chocolates or gummy edibles per hour;
- Proprietary triple shot depositor capable of producing infused chocolate or liquid filled centre in shell pieces, as well as a full vacuum pressure confectionery-cooking system.

The Company’s Winnipeg Edibles Facility is also equipped with the ability to formulate and mass-produce cannabinoid-infused fruit/vegetable purees, which conform to the more rigorous Cannabis 2.0 regulations instilled by the Province of Quebec. This unique product development capability will permit the capture of defendable market share of the edibles, topicals and concentrates industry in Canada’s second most populous province. As announced on November 8, 2019, AgraFlora intends to initially produce four pectin and/or gelatine based CBD or THC infused gummy SKUs branded with Mesoamerican attributes.

AgraFlora also announces that the Company is in the process of finalizing product formulation, contract manufacturing and R&D agreements with various Canadian Licensed Producers (“LPs”). The Company forecasts that its R&D Laboratory will emerge as a hub for innovation, as well as set the industry’s benchmark standard for the industrial-scale production of value-added cannabis products. AgraFlora’s R&D Laboratory will be fully operational upon receipt of Health Canada issued research and development license.

AgraFlora’s Winnipeg Edibles Facility is equipped with over 30,000 square feet of dedicated edibles production space. Once activated, the Winnipeg Edibles Facility will be operated by a roster of third generation chocolatiers/confectioners and boasts state-of-the-art manufacturing equipment capable of producing an assortment of both cannabinoid/terpene-infused products for medicinal, functional and adult use.

The Winnipeg Edibles Facility is outfitted with fully automated production flows; therefore, reducing associated labour costs and optimizing product throughput, as follows:

- **Cooking automation:** The Winnipeg Edibles Facility's confectionery line is powered by a custom, made-to-order cooking and mixing system. Recipes are programmed into the confectionery line's operating system and are queued for production runs. Once the production run is initiated, pumping, and heating, mixing, and the cooking of formulations is executed in continuous automated process, requiring no human intervention.
- **Depositing automation:** A starchless confectionery mogul corrals the cooked cannabis infused confectionery and deposits the product into silicon moulds, with resulting deposit accuracy of greater than 99.5 per cent. Flavours, colours and cannabis oil can be substituted during production runs, with no downtime required for changeovers. The confectionery is then automatically cooled, demoulded, sour sanded or oiled and then individually wrapped. From the moment ingredients arrive at the plant to the time products emerge as finished cannabis-infused edibles, no manual processes or human intervention are required.
- **Packaging automation:** The Winnipeg Edibles Facility is equipped with industrial high-speed packaging infrastructure that can wrap, bag and bottle cannabis edibles at speeds exceeding 15,000 packages per hour. Excise stamps are robotically applied to the packages and they are packed into finished cases leveraging automated pick and place systems.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “The completion of our pharma-grade R&D Laboratory positions us to secure consistent cash flows as a result of product formulation and contract manufacturing agreements with our peers. We had the corporate foresight to invest in state-of-the-art plant, property and equipment prior to the arrival of cannabis 2.0, of which inherent value continues to be evidenced by growing market demand. Armed with this state-of-the-art facility, we expect to become the unequivocal leader within the highly lucrative cannabinoid-infused edibles and functional food marketplaces.”

#### **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 Inc. 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](http://www.agraflora.com).

#### ON BEHALF OF THE BOARD OF DIRECTORS

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