



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Closes \$28,750,000 Private Placement at \$0.30 / Share

Vancouver, British Columbia / November 25th, 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 closed a non-brokered private placement offering consisting of 28,750 unsecured convertible debentures (the “Debentures”) with an aggregate face value of \$1,000 for gross aggregate proceeds of \$28,750,000.

The debentures were issued at a deemed value of 30 cents per share, which is a 66.67 per cent premium to the Company’s closing price on November 25, 2019. The debentures shall bear interest at a rate of 10.0 per cent per annum from the date of issue, payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2019. Interest shall be computed on the basis of a 360-day year composed of 12 30-day months. The Debentures shall mature on December 31, 2021.

Proceeds from the placement will be used as general working capital and to continue the Company's continuing capital expenditures at its 2.2 million square foot Delta Greenhouse Complex, as well as its 51,500 square foot Winnipeg Edibles Facility.

The Debentures will be convertible at the holder's option into: (i) that number of common shares of the Company (the “Debenture Shares”) calculated on the basis of the aggregate principal amount of the Debentures being converted divided by the conversion price of \$0.30 per share (the “Conversion Price”); and (ii) a cash payment equal to the additional interest amount that such holder would have received if it had held the Debenture from the date of conversion to the Maturity Date (the “Make-Whole Amount”). Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion. If converted the Debentures will convert into approximately 95,833,333 common shares in the capital of the Company.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “While Tier 1 LP peers continue to encounter challenges in remaining adequately capitalized throughout these dynamic market conditions, this material cash infusion at a substantial premium to market is indicative of our AgraFlora's pole position throughout the next phase of cannabis normalization. The immense potential of our portfolio of accretive upstream and downstream assets is once again validated by this strategic investment from Canada’s premier cannabis fund.”

All securities issued pursuant to the offering are subject to a statutory four-month-and-one-day hold period from the date of issuance pursuant to applicable securities laws of Canada.

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.

ON BEHALF OF THE BOARD OF DIRECTORS

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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.