

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Reporting Issuer

AgraFlora Organics International Inc. (the “Company”)
#804-750 West Pender Street
Vancouver, BC V6C 2T7

Item 2: Date of Material Change

March 27, 2020.

Item 3: News Release

A news release was issued and disseminated on March 27, 2020 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

The Company announced that its wholly owned subsidiary Sustainable Growth Strategic Capital Corp. (“SGSC”), a federally licensed cannabis company based in the Greater Toronto Area (GTA), has received Health Canada approval to commence extraction at its licensed facility pursuant to an amendment to its Standard Processing License.

Item 5: Full Description of Material Change

The Company announced that its wholly owned subsidiary SGSC, a federally licensed cannabis company based in the GTA, has received Health Canada approval to commence extraction at its licensed facility pursuant to an amendment to its Standard Processing License. SGSC also holds Standard Cultivation and Medical Sales Licenses issued pursuant to the *Cannabis Act*.

SGSC has been actively engaged in the Canadian CBD business, working with partner farmers to optimize the harvest to hemp-crops to maximize the efficiency of subsequent CBD extraction. In March, SGSC commenced a trial extraction (the “Trial”) of hemp-biomass which will be extracted using third-party extraction services and sold as a combination of CBD Crude Oil, CBD Distillate and CBD Isolate to Canadian purchasers. If the Trial yields favourable results with respect to product quality, efficiency and margin SGSC intends to move quickly with a second production cycle of up to 1,300 KG of high-quality hemp biomass containing CBD concentrations over 8%.

The current SGSC facility is designed to facility up to 250,000 kg of biomass extraction capacity utilizing chilled ethanol for primary extraction followed by distillation and/or isolation. SGSC intends to use the Trial and subsequent third party extraction cycles to properly design and size its in-house extraction capacity to maximize the profitability and return on capital invested. Once built, SGSC intends to improve its profitability by reducing the cost of extraction, purification and fulfilment by bringing those processes in-house.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

For additional information:

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Item 9: Date of Report

March 27, 2020.