## 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

April 24, 2020.

#### **Item 3:** News Release

A news release was issued and disseminated on April 24, 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 successfully produced the first full run of full spectrum winterized CBD crude oil ("CBD Oil") and CBD distillate.

### **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 successfully produced the first full run of full spectrum winterized CBD Oil and CBD distillate.

SGSC is focused on taking advantage of the underserviced market for CBD Oil, CBD Distillate and CBD Isolate by crafting partnerships to generate revenue while limiting fiscal and operational risk. SGSC has previously partnered with Micro C45 Inc. ("MC45"), a Canadian company that has developed a unique post-harvest mechanical separation process for hemp that results in higher extraction value. Under this partnership, SGSC has entered into agreements with multiple Canadian companies licensed under the Canadis Act to create formulations and finished products with CBD Oil, CBD Distillate and CBD Isolate from high-quality Canadian grown hemp, sourced and processed by MC45. Recently, SGSC completed the first batches of CBD Oil and CBD Distillate which are in the final stages of being prepared for sale. SGSC expects to have its first batch of CBD Isolate completed in the second quarter of 2020.

SGSC expects to utilize up to 225,000 kg of Canadian hemp from MC45 in calendar 2020. The Company anticipates that the processing of the committed hemp will generate up to 12,500 kg of Distillate or up to 10,000 kg of CBD isolate, or some combination thereof to be determined by the Company based on market demand.

# 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

April 24, 2020.

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