

**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

May 19, 2020.

Item 3: News Release

A news release was issued and disseminated on May 19, 2020 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

The Company announced that Propagation Services Canada Inc. has secured a Standard Cultivation License (the “License”) from Health Canada.

Item 5: Full Description of Material Change

The Company announced that, Propagation Services Canada Inc., the Company’s flagship cultivation asset located in Delta, British Columbia (the “Delta Facility” or “PSC”) has secured the License from Health Canada.

The Delta Facility’s first phase represents 422,828 sq. ft. of cultivation space utilizing a state-of-the-art pressurized, semi-open Venlo greenhouse design considered to be one of the most technically advanced and environmentally friendly greenhouse platforms in North America and is uniquely located in an agricultural micro-climate on the shores of the Pacific. The Delta Greenhouse is scalable up to 2,200,000 sq. ft. Key features of the Delta Greenhouse include:

- Fully integrated on-site natural-gas-powered power plant
- Advanced climate and humidity control management infrastructure;
- Proprietary energy-efficient air exchange to maintain stable climate conditions at a fraction of the cost of traditional HVAC systems;
- Ebb-and-flow watering systems to enhance complete irrigation recapture and water treatment;
- Multistage supplemental lighting augmented by natural sunlight to foster optimized illumination equilibrium; and
- A proprietary ERP system to allow for efficient resource management and cost tracking.

PCS will now commence the cultivation of its curated portfolio of elite live plant genetics (see press release dated February 28, 2020) which were specially curated by an award winning Canadian cultivator with a focus on combining high potency with above-average yields and favourable agricultural traits such as disease and pest resistance. Combined with the agricultural experience and expertise of the PSC management team, these genetics will support the Company’s strategy of producing high-potency, low cost cannabis to support national value brands.

With today’s granting of the standard cultivation license, the company’s consultants, in conjunction with the PSC team, indicate that the inaugural harvest of high potency THC genetics at its Delta greenhouse complex will occur within the fourth quarter of 2020.

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

May 20, 2020.