



AGRAFLORA ORGANICS INTERNATIONAL INC.
(formerly PUF Ventures Inc.)

NEWS RELEASE

AgraFlora Organics to Focus on Cannabis Flowering in its 2,200,000 Square Foot Greenhouse

Vancouver, British Columbia / December 12, 2018 – AgraFlora Organics International Inc. (formerly PUF Ventures Inc.) (“**AgraFlora Organics**” or the “**Company**”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: PUFXF), a growth oriented and diversified international cannabis company, is pleased to announce its joint venture company Propagation Services Canada is to focus on the cultivation of cannabis flowering plants and conduct propagation for its own internal needs.

“We have discovered the cannabis industry is not quite ready for outsourcing plant propagation and therefore will move to cultivate cannabis flowering plants due to the superior economics,” said Derek Ivany, President and CEO of AgraFlora Organics International Inc. “The retrofit of the 2,200,000 square foot greenhouse is going very well, and we will be planting our first crop early next year. The economics of a 2,220,000 sq. ft. greenhouse complex producing approximately 0.12 kilogram per square foot of cannabis flower is staggering. We look forward to expanding our cultivation of cannabis flower to include the majority of our large-scale greenhouse floor space.”

Propagation Services Canada is a joint venture between AgraFlora Organics, the Houweling’s Group and Delta Organic Cannabis Corp. and is the process of retrofitting a large-scale greenhouse complex in Delta, BC. The 2,200,000 square foot complex will be readied for cannabis cultivation in three phases:

- Phase 1 includes the retrofit of 350,000 square feet, including 100,000 post-production facilities, completion scheduled for Q2 2019;
- Phase 2 includes an additional 1,450,000 square feet to be completed by Q4 2019;
- Phase 3 consists of 400,000 square feet scheduled for completion in Q2 2020.

When completed early next year, the first phase of the retrofit will provide over 250,000 square feet of production space with an estimated annualized capacity of 30,000 kilograms of cannabis. Total production capacity is anticipated to be approximately 200,000 kilograms per year by late 2019 when the Phase 2 is completed, and in excess of 250,000 kilograms annually when the third and final phase is completed in 2020.

The Delta greenhouse complex includes advanced growing systems for HVAC, watering and lighting. It includes its own natural gas co-gen energy plant which provides cost effective electricity for lighting and heating of the large-scale greenhouse. The result is a highly efficient and one the most cost-effective growing operation in the industry.

Phase one of the retrofit includes site preparation for 250,000 square feet of flowering area, development of standard operation procedures, completion of security audit, development of overall security plan, and the ordering of long lead time items and planning with plant genetic experts in preparation for the first crop.

About AgraFlora Organics International Inc.

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. It has ownership in several cannabis companies including AAA Heidelberg and Propagation Services Canada in Canada and is actively pursuing other opportunities within the cannabis industry. AgraFlora Organics has an option to purchase 100% of AAA Heidelberg Inc., a licensed producer under the Access to Cannabis for Medical Purposes Regulations. For more information please visit www.agraflora.com and follow @agraflora on Twitter.

ON BEHALF OF THE BOARD OF DIRECTORS

Derek Ivany
President & CEO

For additional information:

AgraFlora Organics International Inc.

E: ir@agraflora.com

T: (800) 783-6056

No stock exchange or securities regulatory authority has reviewed or accepted responsibility for the adequacy or accuracy of this release.

Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Issuer's future plans, objectives or goals, including words to the effect that the Issuer or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties.