



. the seed of possibility

HEMPCO FOOD AND FIBER INC. Symbol: TSX.V – HEMP

For Immediate Release

Vancouver, BC

Date: May 5, 2017

Not for distribution to U.S. Newswire Services or for dissemination in the United States.

**Hempco Food and Fiber Announces Additional Exemptions for Private Placement
Also Announces Engagement of Haywood Securities and Resignation of Director**

HEMPCO FOOD AND FIBER INC. (“**Hempco**” or the “**Company**”) announces that, further to its news release of May 3, 2017, it is expanding its non-brokered private placement (the “**Offering**”) to include investors purchasing pursuant to the existing securityholder exemption and the “investment dealer exemption, as further described below. As previously announced, the Offering will consist of up to 4,000,000 units of the Company (each, a “**Unit**”) at a price of \$0.40 per Unit, for gross proceeds of \$1,600,000. Each Unit will consist of one common share in the capital of the Company (each, a “**Share**”) and one share purchase warrant, with each warrant exercisable into an additional Share at a price of \$0.60 per Share for a period of 24 months from the closing of the Offering.

As noted above, the Company has determined that a portion or all of the Offering may be made available to existing securityholders of the Company (“**Existing Security Holders**”) who qualify under the “existing securityholder prospectus exemption” available in certain jurisdictions in Canada (the “**Existing Security Holder Exemption**”). As the Existing Security Holder Exemption contains certain restrictions and is only available in certain jurisdictions in Canada, investors that do not qualify under the Existing Security Holder Exemption may qualify to participate in the Offering under other prospectus exemptions.

To comply with the criteria of the Existing Security Holder Exemption, the Offering to Existing Security Holders will be subject to, among other criteria, the following:

- Existing Security Holders must have been holding securities of the Company as at May 2, 2017, which has been set as the record date for the purpose of determining Existing Security Holders (the “Record Date”);
- Existing Security Holders must be purchasing Units as principal for their own account and not for any other party;
- the aggregate acquisition cost to a subscriber under the Existing Security Holder Exemption cannot exceed \$15,000 per twelve month period unless that subscriber has obtained advice from a registered investment dealer regarding the suitability of the investment;

In the event that aggregate subscriptions for Units under the Offering exceed the maximum number of Units to be distributed, then Units will be sold to qualifying subscribers on a pro rata basis based on the number of Units subscribed for.



In addition to the Existing Security Holder Exemption and other available prospectus exemptions, a portion or all of the Offering may be completed pursuant to Multilateral Notice 45-318 – *Prospectus Exemption for Certain Distributions through an Investment Dealer* (“**CSA 45-318**”) and the corresponding blanket orders and rules implementing CSA 45- 318 in the participating jurisdictions in respect thereof (collectively with CSA 45-318, the “**Investment Dealer Exemption**”). As at the date hereof, the Investment Dealer Exemption is available in each of Alberta, British Columbia, Saskatchewan, Manitoba and New Brunswick. Pursuant to CSA 45-318, each subscriber relying on the Investment Dealer Exemption must obtain advice regarding the suitability of the investment from a registered investment dealer.

The proceeds of the Offering will be used for working capital purposes, particularly new hires, marketing, equipment purchase and installation, quality control and software systems implementation. The securities issued pursuant to the Offering will be subject to statutory hold periods expiring four months and one day from the date of issuance of such securities, and such other restrictions as are required by applicable securities laws. There is no material fact or material change of the Company that has not been generally disclosed. The Company does not expect to provide any offering materials to subscribers in connection with the Offering. For more information concerning the Company, please refer to the Company’s profile on the SEDAR website at www.sedar.com.

Engagement of Haywood Securities Inc.

The Company also announces that, effective May 4, 2017, it entered into an engagement letter (the “**Engagement Letter**”) with Haywood Securities Inc. (“**Haywood**”) pursuant to which the Company has agreed to engage Haywood to provide financial advisory services to the Company, including advice on financing options, the development and review of strategic opportunities and assisting with investor communication initiatives. In consideration for such services, the Company has agreed to: (i) issue Haywood 125,000 Shares, having an aggregate value of \$50,000, at a deemed price per Share of \$0.40 per Share, effective as of the execution of the Engagement Letter; and (ii) such number of additional Shares as have an aggregate value of \$50,000 based on the market price of the Shares on the TSX Venture Exchange (the “**TSXV**”) on the date that is 30 days following the execution of the Engagement Letter. In the event that the Company is unable to issue such Shares, the Company will pay Haywood the cash value of any Shares not so issued. The Company will also reimburse Haywood for its reasonable out of pocket expenses.

The Engagement Letter and the completion of the Offering are subject to the approval of the TSXV.

None of the securities to be issued in connection with the Offering or the Engagement Letter have been, or will be, registered under the United States *Securities Act of 1933*, as amended (the “**1933 Act**”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of any offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.



Resignation of Director

The Company also announces the resignation of James Longshore, a director of the Company, effective May 5, 2017. The Company thanks Mr. Longshore for his service to the Company and wishes him the best in his future endeavors.

About Haywood Securities Inc.

Founded in 1981, Haywood is a 100 per cent employee-owned investment dealer with more than 275 employees in its Canadian offices in Vancouver, Calgary and Toronto. Haywood is a member of the Toronto Stock Exchange, the TSX Venture Exchange, the Montreal Exchange (MEX), the Canadian National Stock Exchange (CNSX), the Canadian Investor Protection Fund (CIPF), and the Investment Industry Regulatory Organization of Canada (IIROC). In addition, Haywood Securities (USA) Inc., a wholly owned subsidiary, is a broker-dealer registered to transact securities business in the United States and is a member of the Financial Industry Regulatory Authority (FINRA).

About Hempco

Hempco® and the Holmes family is a trusted and respected pioneer, innovator and provider of premier hemp seed foods for 17 years. Hempco® is committed to a triple bottom line – People, Planet, Profits and to capitalizing on the amazing hemp plant as a: hemp foods, hemp fiber and hemp functional food / nutraceuticals, “tri-crop” opportunity for producers and processors. Hempco® has grown its business significantly and is generating value and profits for shareholders.

ON BEHALF OF THE BOARD

“Charles Holmes”

Charles Holmes

Chief Executive Officer

HEMPCO FOOD AND FIBER INC.

604-317-3879

FOR MORE INFORMATION, PLEASE CONTACT:

Don Mosher, VP Capital Markets

don@hempcocanada.com

P: 604-685-6465

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the content of this release.

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “intend”, “may”, “will”, “expect”, and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current beliefs or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular,



this press release contains forward-looking information with respect to the Offering; the Engagement Letter and the compensation payable thereunder; statutory hold periods; the principal uses of the proceeds of the Offering; and the exemptions that may be relied on in connection with the Offering. Various assumptions are typically applied in drawing conclusions set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The material facts and assumptions include obtaining approval of the TSXV for the proposed Offering and the Engagement Letter; the availability of certain prospectus exemptions in respect of the Offering; and the intended use of proceeds thereof remaining in the best interests of the Company. The Company cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Due to the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities Laws.