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NEWS RELEASE

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

For Immediate Release

Vancouver, BC

Date: September 19, 2017

HEMPCO ISSUES OPERATIONAL UPDATE

Vancouver, British Columbia, Canada – Tuesday, September 19, 2017 – Hempco Food and Fiber Inc. (TSX.V: HEMP) (“**Hempco**” or the “**Company**”) today provided an update on the Company’s operational progress.

Fiscal Year 2017 Gross Sales (all sales numbers in CAD\$)

The company today announced gross sales (unaudited) of approximately \$6.7M for the fiscal year ended August 31, 2017, reflecting solid 28% growth over the prior fiscal year (2016: \$5.2M). This growth was fueled predominantly by international bulk sales, and predominantly growth in the EU and US markets. Additional growth was generated following the launch of the Company’s PLANETHEMP product line of Consumer Packaged Goods (CPG), which started selling in multiple countries including a recent launch in Mexico.

Supporting the Company’s pursuit of further growth, Hempco is currently progressing negotiations with a number of larger prospective customers.

New Distribution and Sales Contracts

Hempco secured several new distribution and sales contracts for bulk hemp seed foods and PLANETHEMP Consumer Packaged Goods (CPG) retail products:

- An agreement was signed with a Mexico-based distributor for the provision of PLANETHEMP CPG products. Under the terms of the agreement, the distributor has guaranteed a minimum \$200,000 per year in PLANETHEMP CPG products, and submitted its first Purchase Order for approximately \$64,000.
- An agreement was signed with a UK-based ingredient supplier of bulk hemp protein.
- An agreement was signed with a U.S.-based formulator and distributor for the supply by Hempco of hemp-based products. A first purchase order for approximately \$35,000 was received.
- The Company’s application for the commencement of online sales in the UK was approved and Hempco will commence servicing this channel.



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HEMPCO Obtains HACCP Certified Producer Status

Following third party inspection of its MacGregor Manitoba hemp seed processing facility, the Company, together with its local service provider, has achieved HACCP certified processor status.

Following a two-year implementation program, which included leasehold improvements and upgrades to double production capacity, the Company has now obtained a positive outcome of the mandatory third-party inspection, carried out by TRC, confirming the Company's compliance with HACCP standards. While Hempco has operated in compliance with HACCP standards for nearly a year, to secure contracts with many large customers, a third-party inspection is required to provide confidence that the Company is operating at the highest level of quality control standards. The Company will continue to have spot inspections by the Canadian Food Inspection Agency (CFIA), further strengthening the standing of the Company as a trusted supplier.

Hempco now intends to achieve the British Retail Consortium (BRC) Global Standard for Food Safety, the world's most highly regarded standards on food safety and quality control. The efforts to comply with the BRC standards are now being implemented as part of the Company's production expansion initiatives at its Nisku, Alberta facility. The facility is scheduled to be operational by winter 2017/2018.

Stock Option Grant

The Company announces that it has granted 1,050,000 stock options (the "Options") to various Directors, officer, employees and consultants of the Company, at an exercise price of \$0.53 per Option. Directors and Officer were granted 550,000 of these Options. Each Option will have an exercise term of three (3) years.

Management Commentary

"Obtaining HACCP producer status is an incredibly important milestone in our development and future growth, as it will allow us to engage more formally with larger prospect customers who require this level of compliance," said Charles Holmes, CEO of Hempco. "We are witnessing positive momentum in sales and continue to expand our footprint internationally through new agreements in markets such as the U.S., Mexico and the UK. As announced recently, we have also completed the investment agreement with Aurora, which, once approved by our shareholders, we believe will help us further accelerate growth."

About Hempco



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For more than 12 years Hempco has been a trusted and respected pioneer, innovator and provider of premier hemp seed foods. Hempco is committed to developing hemp foods, hemp fiber and hemp nutraceuticals, a “tri-crop” opportunity for producers and processors. Hempco is expanding its processing ability to meet global demands in a 56,000 sq. ft. facility located at Nisku, Alberta. Hempco’s common shares trade on the TSX Venture Exchange under the symbol “HEMP”. Hempco has grown its business significantly and is generating value and profits for shareholders.

ON BEHALF OF THE BOARD

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This news release includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"). Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements in this press release include the Company's anticipation of further growth, its expectation that continued spot inspections by the Canadian Food Inspection Agency will strengthen its standing as a trusted supplier, its intent to achieve the BRC Global Standard for Food Safety and its efforts to implement these standards at its Nisku, Alberta facility, its expectation that the Nisku facility will be operational by Winter 2017/2018, and its belief that the investment agreement with Aurora will be approved by its shareholders and help accelerate further growth. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Companies are under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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