



the seed of possibility

NEWS RELEASE

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

For Immediate Release

Vancouver, BC

Date: October 19, 2017

Hempco Provides Operational Update

Company Entering Animal Feed Sector

Process in Motion for Approval Strategic Partnership with Aurora

Vancouver, British Columbia, Canada – Thursday, October 19, 2017 – Hempco Food and Fiber Inc. (TSX.V: HEMP) (“Hempco®” or the “Company”) today provides an operational update on a new product launch and the process towards approval of the proposed strategic investment by Aurora.

Strategic Investment Aurora

The Company has initiated the process towards securing the vote for approval of the proposed strategic investment by Aurora Cannabis Inc. (“Aurora”). Upon Aurora’s full exercise of its investment in the private placement and the option to purchase shares from the co-founders, Aurora will obtain a controlling interest in Hempco through an over 50% ownership position. Completion of the strategic investment requires consent from the majority of the dis-interested (non-controlling) shareholders, as per TSX Venture regulations.

The Hempco Board recommends that shareholders vote in favour of the transaction so that the Company may complete its financing. Details regarding the investment and the Aurora option to purchase founder shares can be found in the Company’s Management Circular and other documents filed on www.sedar.com.

Hempco to Launch New Animal Supplements Product Line

As part of its whole-crop-utilization strategy, the Company will be launching a new product line aimed at the animal feed supplement market for horse and dogs. Hempco has conducted a thorough research and testing program with specific focus on horse and dog feed supplements, which included extensive consultation with veterinarians. The program was in compliance with the standards set by the Canadian Food Inspection Agency (“CFIA”), and aimed to assess the viability of developing a line of hemp-based products that would meet the Low Risk Veterinary Health Products standards, as administered by North American Compendiums. The program showed a number of important health and well-being benefits for animals, and consequently Hempco intends to launch its new product line, PRAISE, for the dog and horse food supplements market in the next 60 days.



the seed of possibility

NEWS RELEASE

Leadership changes

Per the investment agreement with Aurora, Hempco has appointed two new board members proposed by Aurora. Steve Dobler, President of Aurora, and Allan Cleiren, COO of Aurora, have been appointed to the Board, which now counts seven members, five of whom are independent. The Company believes that the addition of Mr. Dobler and Mr. Cleiren to its Board will provide a broader knowledge-base, network and skill set to help the Company execute on its growth strategy, as well as strengthen the Company's corporate governance.

Additionally, the Company has commenced the search for a new Chief Executive Officer, also per the agreement with Aurora. A number of candidates has been identified and interviewed, and Hempco hopes to make this key appointment as soon as reasonably possible.

Management Commentary

"Having achieved growth rates in excess of 25% per year for four consecutive years, reaching gross sales of \$6.7 million for fiscal 2017 (unaudited), we are now ready to enter the next phase in our development to further accelerate growth," said Charles Holmes, CEO of Hempco. "We look forward to executing on our partnership with Aurora. Their strategic investment, once approved by our shareholders, will enable us to complete our Nisku expansion, providing us with the capacity to serve a rapidly growing customer base. It will also provide the funds to enter the animal feed sector, enabling us to capitalize on a very significant opportunity in a large and growing market. Finally, we anticipate changes in legislation that will remove industrial hemp from the Controlled Substances Act and place it under oversight by the agriculture department. This will allow for whole-crop utilization, including the extraction of cannabidiol (CBD), a substance that is associated with a growing number of therapeutic benefits."

About Hempco

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



the seed of possibility

NEWS RELEASE

Charles
Chief Executive Officer
HEMPCO FOOD AND FIBER INC.
charles@hempcocanada.com

Holmes

FOR MORE INFORMATION, PLEASE CONTACT:

John Ross, Chief Financial Officer
HEMPCO FOOD AND FIBER INC.
john@hempcocanada.com

P: 647-291-4234

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.

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 this release.