HEMPCO FOOD AND FIBER INC.

Management's Discussion and Analysis

For the year ended August 31, 2017

This management discussion and analysis is dated December 22, 2017. The following is a discussion of the financial condition and operations Hempco Food and Fiber Inc ("Hempco" or the "Company") (formerly Genview Capital Corp. ("Genview")) for the year ended August 31, 2017 and of certain factors that the Company believes may affect its prospective financial condition, cash flows and results of operations. This discussion and analysis should be read in conjunction with the audited consolidated financial statements and accompanying notes of the Company for the years ended August 31, 2017 and 2016.

The Company's audited consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. References to notes are to notes of the audited consolidated financial statements unless otherwise stated.

Fiscal 2017 Overview, Highlights and Subsequent Events

During the fiscal year ended August 31, 2017, Hempco executed on a number of initiatives aimed at generating revenue growth, building additional capacity, developing new sales channels, delivering a diversified product portfolio, and entering into strategic partnerships.

- **Revenues**: Fiscal 2017 revenues increased by 25% to $6.5 million, as compared to $5.2 million for fiscal 2016.
- **Capacity**: during the year, the Company commenced development of its new hemp seed processing facility in Nisku. Once operational, the Company anticipates the new facility to have a capacity of 240,000 lbs per month.
- **Sales channel development**: during the year, the Company launched a number of initiatives to develop sales channels for the Company`s retail product line PLANET HEMP, predominantly in Canada and the UK. Sales in Canada are developing steadily, while efforts to break into the UK market are in the early stages.
- **Diversification:** during the year, the Company worked on the development of new product lines, such as hemp supplements for animal feed. The Company anticipates these products will become a material contributor to growth in 2018.
- **Partnerships:** Hempco entered into a partnership with, and received an investment from Aurora Cannabis Inc. (Aurora). The partnership positions Hempco exceptionally well to capitalize on the opportunities for whole-plant utilization, including the extraction of CBD, once the new Cannabis Act is adopted, among others through Aurora`s strategic extraction partner Radient Technologies.

Subsequent to August 31, 2017, Hempco raised a total of $5.65 million through a private placement with Aurora and through the exercise of options and warrants, as follows:

- On November 23, 2017, the Company completed a private placement with Aurora, which purchased 10.6 million units in the Company, being approximately 22% of the issued and outstanding shares, for $3.25 million. Each unit comprises one common share and one common share purchase warrant. Each warrant may be converted to a share of the Company for a period of 24 months, at a price of $0.41. If, after March 15, 2018, should the Hempco share price exceed $0.65 for 30 consecutive calendar days, the Company may accelerate the term of the warrant to 30 days. Aurora also negotiated the option to purchase existing 10.8 million shares from the founders.

- The Company raised $2.4 million through the exercise of 3.6 million warrants at an average exercise price of $0.57 per share and 0.7 million stock options at an average exercise price of $0.41 per share.

Overall Performance

Key Performance Indicators

Key performance indicators that we use to manage our business and evaluate our financial results and operating performance include new customers, revenues, gross margins, operating expenses and net income. We evaluate our performance on these metrics by comparing our actual results and normalized results to management budgets, forecasts and prior period performance.

Selected Financial Information

The table below summarizes key operating data for the last three fiscal years.

	Year Ended August 31, 2017 $	Year Ended August 31, 2016 $	Year Ended August 31, 2015 $
Total revenue	6,548,507	5,240,639	4,043,897
Cost of sales	5,663,779	3,705,632	2,911,286
Listing expense	-	1,866,146	-
Operating costs	3,496,281	2,932,176	924,153
Net and comprehensive loss	(2,611,553)	(3,263,315)	208,458
Total assets	4,998,697	5,129,512	2,142,184
Total liabilities	2,291,338	1,420,291	1,430,429
Total equity	2,707,359	3,709,221	711,755
Weighted average shares outstanding	34,509,888	34,112,188	20,000,000
Shares outstanding, end of period	34,369,389	23,757,181	20,000,000
Net loss per share	(0.08)	(0.14)	0.01

Summary of Quarterly Results

The following table presents unaudited selected financial information for each of the last eight quarters.

Quarter ended	Total Revenues	Gross Profit (Loss)	Net Income (Loss)	Earnings (Loss) per share
August 31, 2017	$ 1,561,599	$ (146,148)	$ (1,020,434)	$(0.03)
May 31, 2017	508,977	97,798	(825,995)	(0.02)
February 28, 2017	1,866,789	382,196	(359,259)	(0.02)
November 31, 2016	2,611,142	550,882	(405,865)	(0.01)
August 31, 2016	1,340,274	113,932	(559,544)	(0.02)
May 31, 2016	2,003,694	708,228	(2,614,375)	(0.16)
February 29, 2016	933,408	318,831	(145,769)	(0.00)
November 30, 2015	963,263	394,016	78,170	0.00

Results of Operations

Year ended August 31, 2017

Net loss for the 12-month period ended 31 August 2017 improved by $651,762 to $2,611,553, as compared to a net loss of $3,263,315 for same period in the prior year, due predominantly to the one-time go-public expense in 2016.

Gross profit margin fell to 13.5% from 29.3%, attributable predominantly to increased production costs at the Company`s MacGregor facility and falling margins in the Korean market where the Company was faced with significant pricing pressure due to competitors offering inferior, but lower-cost product. Gross profit in absolute terms came in at $884,728, as compared to $1,535,007 for the 12-month period in the prior year.

Other factors contributing to the change in net loss, were:

- An increase in costs related to operating as a public company, including certain Investor Relations and other related costs. The Company has terminated certain of its financial service provider contracts and replaced these with lower-cost options.
- During 2017, the Company invested in an ERP system
- Costs incurred in relation to the HAACP certification of the MacGregor facility.
- Professional fees increased due to an increase in corporate actions
- Sales, general and administrative expense increased by $986,734 due predominantly to:
    - Rental costs at the Nisku facility of $0.5 million, which were expensed in 2017. Once the facility is operational, these costs shall be assigned to cost of sales.
    - An increase in revenues.
    - An increase in general infrastructure costs to support the growth in sales.
- Reduced non-cash, stock-based compensation of $470,861 in 2017 (August 31, 2016 - $1,014,928), mostly associated with options and warrants granted during the go-public transaction in 2016.
- 2016 loss was affected by a $1.9 million one-time cost related to the go-public transaction.

Revenues

Revenues for the year ended August 31, 2017, were $6,548,507 compared to $5,240,639 for the year ended August 31, 2016, an increase of $1,307,868, or 25%. Revenue growth was driven predominantly by strong sales in Korea, offset partially by a fall in Canadian sales. The table below provides a geographic segmentation of the Company’s revenues.

Revenues		2017		2016
United States	$	2,180,058	$	2,180,900
Canada		672,559		903,810
Mexico/Latin America		22,244		12,093
Asia/Pacific		3,617,659		2,141,608
Europe		55,987		2,228
	$	6,548,507	$	5,240,639

Historically, Canada and the United States have been the Company's two primary markets. However, in 2016 and 2017, the Company's distribution contract with a large Korean customer resulted in Asia becoming Hempco's largest revenue contributor. Combined, Canada, the U.S. and Asia, represented 99% of sales in 2017. Canadian sales decreased by 34% in 2017, primarily due to the loss of a major customer.

The U.S. market represents 33% of sales and continues to be an important market for the Company. U.S. sales in 2017 were materially identical to 2016.

Hempco implemented product improvement initiatives in 2017, and will begin marketing its new SAFE quality assurance program once its Nisku facility is up and running, which management anticipates in the coming months.

Korean Contracts: A first trial contract was signed in April 2016 with a South Korean trading company, for the supply of hemp food products, valued at approximately $3 Million. In October 2016, the Company signed a second contract with the same company. Under the new contract, this company agreed to purchase $9M of product over 1 year, or 1 container load (45,000 lbs) per week of hulled hemp seed nut. However, as demand growth for hemp nut in Korea slowed during 2017, the market was impacted by a large influx of inferior quality, but low-cost product, resulting in loss of market share, and the contract was terminated before being serviced in full. It is anticipated that there will be a rebalancing in the Korean market with premium hemp product regaining market share, upon which management anticipates that the market will become viable again for Hempco to recommence sales to Korea.

The Company is working to diversify its revenue base through diversification and the entry of new geographic markets.

Cost of Sales and Gross Profit

The cost of sales for 2017 came in at $5,663,779, resulting in a gross profit of $884,728. In comparison, cost of sales were $3,705,632 in 2016, resulting in a gross profit of $1,535,007. The gross margin on the high-volume Korea contracts fell due to competitive price pressure and was significantly lower than gross margins for retail domestic sales.

Additionally, the achieved yield from raw materials was slightly lower in 2017, resulting in increased costs.

Increased production costs at the Manitoba facility also contributed to an overall increase in costs in 2017. The Company anticipates that its investments in quality control on raw materials and the commencement of operations at its new Nisku facility will contribute to a relative reduction in the costs of goods sold.

Expenses

Overall operating expenses increased by $613,934 from $3,550,449 in 2017 to $2,936,515 in 2016 due to the Company's growth and operation as a public company. The increase was primarily a result of new hires, investor relations, marketing commissions, travel expenses, R&D, and sales and marketing costs of the PLANETHEMP CPG retail products initiatives in the UK and Canada.

The change as compared to the same period in the prior year was due mainly to:

- Selling, general and administrative expenses increased to $2,052,884 in 2017 from $1,066,150 in 2016, mostly related to the Nisku plant, which is not operational at this time. Lease expense at the Nisku Plant is a general expense item until the facility is operational, at which time, costs will be included in the cost of sales. A portion of the contractor costs in 2017 related to the going public transaction are not expected to recur. Marketing/Advertising in 2017 includes UK advertising, Trade Shows, and Web based costs.

- Consulting fees decreased slightly to $214,026 in 2017, as compared to $227,311 in 2016.

- Stock-based compensation decreased to $470,861 from $1,014,928 in 2016.

- Investor relations and marketing in 2017 increased to $159,721 from $70,073 in 2016. Contracts with IR and marketing service providers expired April 2017 and were not renewed.

- Professional fees of $407,951 in 2017 increased from $321,435 in 2016, due predominantly to transaction tax related legal expense.

- Grant income recorded was $53,099 (nil in the prior period) – The Company received 3 grants in the current period, comprising $31,217 from the Government of Alberta and $21,882 from the Government of Manitoba, for new product food research and ongoing research into food safety.

Outlook

While the Company's temporary exit from the Korean market is likely to result in a short-term decline in revenues, initiatives to expand sales of bulk hemp products into other geographical markets are expected to offset this in the later part of 2018. Sales of bulk hemp-based supplements for animals, newly branded under the name Praise, commenced in late 2017 and are anticipated to become a material contributor to growth in 2018.

The Planet Hemp CPG brand is growing steadily in Canada since its launch in fiscal 2017, with the product line currently carried in over 70 retail stores. Further retail expansion and new product innovations are expected in 2018, to be showcased at the Canadian Health Food Association Show-West in February, targeting natural/specialty food and grocery retailers. Implementation of the Company's CPG e-commerce strategy will also commence in 2018.

The Company continues to work on the completion of its new hemp hurd processing capacity. Once operational, this facility will extract fibers from the hemp "stalk" for sale into a ready market. Hurd processing is anticipated to provide an additional revenue stream for both the Company and the farmers Hempco deals with.

One of the biggest recent developments for the hemp market is the anticipated ability under the new Cannabis Act, expected to be implanted in the summer of 2018, to start processing hemp for the extraction of CBD oils. The Company estimates it will be able to source in excess of 5 million pounds of chafe for potential sale through its farmer contacts, which would benefit the Company, as well as hemp farmers and the Company`s partners, Aurora and Aurora`s extraction partner Radient Technologies.

The partnership with Aurora provides Hempco with a highly visible partner. Leveraging of Aurora`s expanding infrastructure and growing constellation of trusted partners, management expects will contribute to the Company`s ability to accelerate its commercial development into new markets and revenue streams.

The potential addition of hurd and chafe processing would move the Company toward its vision of whole plant utilization, to the benefit of consumers, farmers and shareholders.

Assets

	August 31, 2017	August 31, 2016
Cash	$ 43,020	$1,454,047
Available-for sale assets	66,166	45,176
Sales tax recoverable	39,094	64,444
Accounts receivable	523,387	342,480
Inventory	1,539,365	1,557,863
Prepaid expenses	110,735	212,735
Long term deposits	152,350	78,244
Property and equipment	2,524,580	1,307,023
Total Assets	$ 4,998,697	$ 5,129,512

The Company recorded a decrease in total assets during the period of $130,815. An inflow of funds of $983,500 relating to a financing, which closed in August 2016, was offset by operating losses. Long-term deposits increased to $152,350, as at August 31, 2017, up from $78,244, as at August 31, 2016, related to a security deposit for the new Nisku production facility.

Share capital at August 31, 2017 was $5,774,480 (August 31, 2016 - $5,526,059). Share transactions in 2017 included shares for services at a deemed cost of $46,250, the exercise of warrants for $196,217 and stock options for $5,954.

The deficit at August 31, 2017 was $5,307,406 (August 31, 2016: Deficit of $2,674,863).

The Company reported working capital of $30,429 at August 31, 2017 compared to working capital of $2,323,954 at August 31, 2016, a decrease of $2,293,525. Accounts receivable increased due to significant sales late in the year as compared to August 2016. Short-term prepaids were reduced in 2017, as services were expensed as used. Current liabilities, as at August 31, 2017 were $2,291,338 (August 31, 2016 - $1,420,291). 2017 current liabilities included a $750,000 loan, which was repaid subsequent to August 31, 2017. There was no deferred revenue as at August 31, 2017 (August 31, 2016 - $216,851).

Financing Activities

In August 2016, the Company completed a non-brokered private placement in the aggregate of 4,370,000 units for total gross proceeds of $2,185,000, of which $983,500 was received subsequent to August 2016. Each unit consists of one common share and one-half of one common share purchase warrant exercisable at $0.65 per common share for a period of 15 months from closing date. The Company issued an aggregate of 283,500 finder’s warrants, each of which is exercisable to acquire one common share of the Company at a price of $0.65 per common share for a period of 15 months from date of issue.

During the year ended August 31, 2017, a total of 14,700 finder's warrants and 250,000 target warrants were exercised at a price of $0.40 per share and an aggregate of 264,700 common shares were issued for total proceeds of $105,880. In addition, a reallocation of $90,337 from reserves to share capital was recorded on the exercise of these warrants. This amount constitutes the fair value of warrants recorded at the original grant date.

During the year ended August 31, 2017, a total of 8,000 stock options were exercised at a price of $0.40 per share and 8,000 common shares were issued for total proceeds of $3,200. In addition, a reallocation of $2,754 from reserves to share capital was recorded on the exercise of these warrants. This amount constitutes the fair value of warrants recorded at the original grant date.

During the year ended August 31, 2017, a total of 125,000 common shares were issued for services at a value of $46,250, based on market prices on the date of issue.

Liquidity

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Working capital at August 31, 2017 is $30,429 compared to a working capital of $2,323,954 at August 31, 2016. Management anticipates that financings completed subsequent to the quarter, including the strategic investment from Arora Cannabis, as well as revenues from contracts signed, should be sufficient to meet the Company's ongoing needs. Management believes that there is sufficient working capital, either on hand or available, to maintain the Company's day-to-day operations for the next 12 months.

The $3.25 million Aurora raise subsequent to the end of the year and potential $4.4 million of additional cash on exercise of Aurora warrants should provide sufficient funds for capital expansion and ongoing operations. However, corporate development and expansion opportunities may create the need for additional financing in 2018.

The Company has no long-term debt obligations that must be serviced.

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and other payable	$ 2,291,338	2,291,338	-	-	-
Lease obligation	9,186,315	851,671	1,792,000	2,053,328	4,489,316
Total contractual obligations	$11,477,653	3,143,009	1,792,000	2,053,328	4,489,316

Capital Resources

The Company's objective is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

Management defines capital as the Company's shareholders' equity. The Company does not have any significant capital needs other than the desire to open a new production facility. As the cost of new equipment installed in a leased facility is not considered an extraordinary item, management is of the view that a modest financing or long-term debt will be sufficient to address this area.

The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable profitable growth. The Company is not subject to externally imposed capital requirements.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Changes to Management and Board

During 2017, John Ross assumed the role of Chief Financial Officer. Subsequent to August 31, 2017, Diane Jang assumed the role of Chief Executive Officer, succeeding Charles Holmes, who now serves as the Company's President. Allan Cleiren and Steve Dobler, both of Aurora Cannabis, were added to the Board of Directors.

Transactions with Related Parties

Related parties and related party transactions impacting the financial statements not disclosed elsewhere in these financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise of the directors and officers of the Company, executive and non-executive.

Remuneration attributed to key management personnel for the year ended August 31, 2017 and August 31, 2016 are summarized as follows:

	2017	2016
Administrative fees	$ 148,950	$ 129,450
Consulting fees	100,200	100,200
Professional fees	29,250	-
Share-based compensation	173,290	121,306
	$ 451,690	$ 350,956

Other related party transactions and balances

a) Selling, general and administrative expenses includes contractor fees of $19,500 (August 31, 2016 - $81,280) and sales-related activities of $48,000 (August 31, 2016 - $6,505) that were paid or accrued to family members of the Company's CEO and COO.

   As at August 31, 2017, $2,007 (August 31, 2016 - $1,021) was payable to family members of the Company's CEO and COO. This amount was included in accounts payable at August 31, 2017 and is non-interest bearing, unsecured and due on demand.

b) Selling, general and administrative expenses includes advertising, marketing consultation and strategic planning expenses of $138,554 (2016 - $142,825) that were paid or accrued to a company in which a director of the Company has controlling interest.

   As at August 31, 2017, $87,217 (August 31, 2016 - $35,131) was payable to this company in which a director of the Company has controlling interest. This amount was included in accounts payable at August 31, 2017, and is non-interest bearing, unsecured and due on demand.

c) Sales includes $nil (August 31, 2016 - $1,369) to a company owned by a family member of the Company's CEO and COO. Sales includes $nil (August 31, 2016 - $1,692) of purchases from a company owned by the CEO.

   As at August 31, 2017, $nil (August 31, 2016 - $1,369) was receivable from the company owned by a family member of the Company's CEO and COO.

d) Selling, general and administrative expenses includes rent recovery of $12,000 (August 31, 2016 - $16,326) received from the Company's CEO.

   As at August 31, 2017, $nil (August 31, 2016 - $4,539) was payable to the CEO and companies owned by the CEO. This amount was included in accounts payable at August 31, 2017 and is non-interest bearing, and has no specific terms of repayment.

e) During the year ended August 31, 2016, in connection to the Qualifying Transaction (Note 4), the amount due to shareholder (CEO) was extinguished in full upon completion of the Qualifying Transaction. The resulting gain of $703,789 was recorded as reserves in the statement of changes in equity during the year ended August 31, 2016.

Critical Accounting Estimates and Changes in Accounting Policies

All significant critical accounting estimates are fully disclosed in Note 2 of the consolidated financial statements for the years ended August 31, 2017, and 2016.

Financial Instruments and Other Instruments

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and available for sale securities are measured at fair value using Level 1 inputs.

There has been no change between the fair value levels during the year ended August 31, 2017 compared to the year ended August 31, 2016.

<u>Credit Risk</u>
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company is subject to credit risk on its cash and accounts receivable. The Company limits its exposure to credit loss on cash by placing its cash with a high quality financial institution. The Company has no investments in asset-backed commercial paper. The Company has concentrations of credit risk with respect to accounts receivable as large amounts of its accounts receivable are concentrated geographically in Canada amongst a small number of customers. The Company controls credit risk through credit approvals and credit limits. The Company performs credit evaluations of its customers but generally does not require collateral to support accounts receivable. The Company has certain amounts of aged receivables that are not deemed impaired as follows:

Aging of accounts receivable	August 31, 2017		August 31, 2016
1 - 60 days	499,910	$	277,928
61 - 90 days	8,199		15,963
Over 90 days	15,278		48,589
Total	523,387	$	342,480

Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company continuously monitors and reviews both actual and forecasted cash flows, and matches the maturity profile of financial assets and liabilities, when feasible.

Contractual undiscounted cash flow requirements for financial liabilities as at August 31, 2017 are as follows:

	Less Than 1 Year **$**	Years 2 and 3 $	Years 4 and 5 $	More Than 5 Years $	Total $
Accounts payable and accrued liabilities	1,541,338	–	–	–	1,541,338
Loans	750,000				750,000
	2,291,338	–	–	–	2,291,338

Market Risk

Market risk is the risk that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows will fluctuate from changes in interest rates. The Company has interest bearing debt through its bank indebtedness. The Company is exposed to fluctuations in profit or loss from varying interest rates on the bank indebtedness. A 10% change in the financial institution's prime rate would give rise to an insignificant variation in profit or loss.

(ii) Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

The Company also maintains investments in certain available-for-sale securities. There can be no assurance that the Company can exit these positions, if required, resulting in proceeds approximating the carrying value of these securities.

(iii) Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company exports bulk orders to the USA. As a result, the Company is exposed to currency risk.

As at August 31, 2017, the Company had net financial assets of US$242,495. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately $24,000.

As at August 31, 2017, the Company has net financial assets denominated in GBP and Euros of €(12,727). A 10% change in the Canadian dollar versus the GBP and Euro would give rise to a gain/loss of approximately $187.

As at August 31, 2016, the Company has net financial assets of US$52,070. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately $6,830.

Overview

Hempco Food and Fiber Inc. was incorporated under the Business Corporations Act (British Columbia) on March 15, 2007. Hempco's head office is located at Suite 112-5589 Byrne Road, Burnaby, BC and registered and records office is located at 900-885 West Georgia Street, Vancouver, BC, V6C 3H1 Canada.

The Company has a wholly-owned subsidiary, Hempco Canada Superfoods Inc. ("Hempco Superfoods") (formerly Dharma Distributors Ltd.) incorporated in BC, Canada on July 14, 2008 and Hempco Superfoods has one wholly-owned subsidiary, Hempco Europe Ltd., incorporated under the Registrar of Companies for England and Wales on November 12, 2015.

On April 15, 2016, Genview completed a qualifying transaction (the "Qualifying Transaction") by acquiring Hempco Superfoods. The Qualifying Transaction was accomplished through an exchange of shares which resulted in the former shareholders of Hempco Superfoods obtaining control of the Company. Accordingly, this transaction was recorded as a reverse acquisition for accounting purposes as Hempco Superfoods was deemed to be the acquirer. These consolidated financial statements are a continuation of the financial statements of Hempco Superfoods while the capital structure is that of the Company. The consolidated financial statements include the historical operations and assets and liabilities of Hempco Superfoods from its inception and those of Genview from April 15, 2016.

Concurrent with this transaction, the Company changed its name from Genview Capital Corp. to Hempco Food and Fiber Inc., and effected a change in directors, management and business. On April 20, 2016, its common shares resumed trading on the TSX Venture Exchange ("TSX-V") under the symbol "HFF". On November 17, 2016 the symbol was changed to "HEMP".

Hempco was historically a family run business with over 15 years of experience and dedication to pioneering and innovating processes and products in the hemp seed industry. Hempco is in the business of extracting value from the hemp plant.

Corporate history

Since Hempco has processed hemp seeds into four product segments: hemp seed nut, hemp seed protein powder, hemp seed oil, and hemp seed shells. Hempco sells its products through bulk sales for repackaging or resale by wholesale customers. In 2012, Hempco developed a small retail line of products under the OMEGA brand and began sales through distribution into stores in Canada, the U.S. and Mexico.

The growing recognition of the nutritional value of hemp, and the legalization of hemp farming in many US States, led Hempco to expand its product line, re-brand as PLANETHEMP and re-position its resources for greater brand awareness in the emerging retail sector. Products such as: protein shakes, snack items, meatless and non-dairy gluten free organic products are in very high demand in affluent markets around the world. Accordingly, Hempco entering these markets with innovative and nutritionally superior value-added hemp based product formulations, and expertise in hemp seed processing, which Hempco can deploy anywhere in the world.

There was no specific off-the-shelf equipment for processing hemp seed foods. The Holmes family dedicated years of R&D to develop the most efficient and effective hemp seed food processing equipment in the world, by adapting other equipment and customizing newly developed ideas. Hempco's hulling equipment returns on average 40% hemp seed nut from the shells, while our competitors' return is approximately 38%, creating a significant competitive advantage for cost of goods.

Hempco is dedicated to the highest quality hemp seed foods possible, and has implemented several SAFE "clean steps" to ensure that microbial action is as low as possible without reducing nutritional value using processes like heat treatment or radiation. SAFE was also introduced as an incentive program to train and empower farmers to "soil supplement" with key ingredients that may increase crop yield and increase nutritional value of hemp seeds. For seeds grown using this process, Hempco pays a 10% premium to the farmer and supports the farmer to stop using chemical pesticides, fungicides and herbicides and transition to advanced organic growing methods.

Principal Products

Hempco recently began offering several retail level hemp-based food products into stores: (i) premium shelled hemp seed, (ii) premium hemp protein powders, (iii) premium hemp seed oil and (iv) premium hemp snack bar items under the PLANETHEMP brand. The target market for these products includes, but is not limited to, consumers seeking to reduce or eliminate their animal products intake as well as an increasing number of consumers focused on managing and preventing a variety of health issues through a healthy diet, known as "LOHAS", Lifestyles of Health and Sustainability, and "millennials" looking for clean and "green" product.

Product	Description
Shelled Hemp Seed Nut	A versatile superfood that can be consumed on its own as a snack or as a condiment on any meal, and added to shakes and smoothies and even whipped with water to make a delicious non-dairy beverage.
Hemp Protein Powder	An easily digestible and an excellent and concentrated source of protein. It can replace all other protein sources and is packed with live enzymes, EFA's, essential amino acids, vitamins and minerals. Hemp Protein Powder complements any juice or smoothie and is ideal for vegans and vegetarians. The protein in hemp seed is 2/3 Edestin, the highest quality protein for humans, and the other 1/3 is albumin protein.
Hemp Seed Oil	A nutritional oil that can be used as an alternative to olive and flax oils. Hemp oil has a 3:1 ratio linoleic acid Omega 6 to alpha-linolenic acid Omega 3 and is the most concentrated food source of the Omega 3 and 6 EFA's. Hempco believes that the target market for this product is broad as Hemp Seed Oil adds taste and nutritional value to meals.
Hemp Snacks	A blend of shelled hemp seed nut, coconut, dried fruit, chia seeds, maple syrup and cinnamon, formed into a small bite size bar. Hempco believes this product is a healthy on-the-go snack for anyone of any age.
Hemp for Pets	Hemp byproducts from human consumption offerings are used to supplement the nutritional value found in conventional pet foods, while furthering Hempco's goal of whole plant use.

Hempco's bulk sales of these products were mainly in Korea, USA, Canada, Europe and Mexico. Hempco is also in the business of distributing hemp-based consumer packaged natural health products for retail sales in Canada, UK and Mexico. Subsequent to August 31, 2017, Korea sales are no longer material.

Currently, Hempco's retail sales only represent <1% of revenue, averaging between $10,000 and $30,000 in sales per month.

Hempco is intent on creating the highest quality hemp seed foods possible and the SAFE soil supplementation and organic "kill step" is an important aspect. The NEO-PURE seed treatment equipment purchased was delivered in May 2016. However, management has decided to postpone the NEO-PURE installation at the MacGregor, Manitoba processing facility location and instead, to install it at the expansion location in Nisku, Alberta.

Hempco has contracted R&D services, with intent to take up incubator space at the Leduc Alberta Food Development Centre, on meatless and snack items. In August 2016, the Company completed its formula testing of meatless products: hemp burgers, meatballs, deli slices and chubs as well as new healthy hemp snack items. The pilot plant level of production and test marketing began in the November 2017 fiscal quarter.

Hempco is in the process of expanding its hemp seed food processing capacity at its new facility located in Nisku, AB. As of the date of this MD&A, Hempco has moved much of its MacGregor, MB stored / spare part assets including the "Neo Pure" seed treatment equipment, along with much of its new equipment purchases for expansion to the Nisku facility. It is expected that the balance of the new equipment delivered to the Nisku facility by January 2017 will be installed to start production by April 2018.

The Alberta government has been very supportive and calls the Hempco agri-business its "sweet spot" for support and development.

On November 18, 2016, the Company entered into a 10-year lease agreement commencing January 1, 2017 with an option to purchase its new production facility in Nisku, Alberta. The total commitment over the 10-year term is $10 million. The Nisku facility has obtained all required operating licences for food processing.

Risk Factors

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any order of priority. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on the Company's business.

Limited Operating History

Although Hempco continues to increase its revenue, it is not currently profitable and there is no assurance that it will achieve profitability in the future. The Company's business operations and desire to move into retail sales are at an early stage and its success will be largely dependent upon its ability to market its products, increase sales and, if warranted, develop new products. There is no assurance that the Company will be successful in its ability to increase sales and develop new products.

Additional Requirements for Capital

Substantial additional financing may be required if Hempco is to be successful in developing its business. No assurances can be given that Hempco will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to Hempco, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Management of Growth

Hempco may be subject to growth-related risks including pressure on its internal systems and controls. Hempco's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Hempco to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, Hempco may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for Hempco's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, Hempco will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that Hempco will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support Hempco's operations or that Hempco will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Success of Products is Dependent on Public Taste

The Company's revenues are substantially dependent on the success of its products, which depends upon, among other matters, pronounced and rapidly changing public tastes, factors which are difficult to predict and over which the Company has little, if any, control. A significant shift in consumer demand away from the Company's products or its failure to expand its current market position will harm its business. Consumer trends change based on many possible factors, including nutritional values, a change in consumer preferences or general economic conditions. Additionally, there is as a growing movement among some consumers to buy local food products to reduce the carbon footprint associated with transporting food products from longer distances, and this could result in a decrease in the demand for food products and ingredients that the Company imports from western Canadian region. These changes could lead to, among other things, reduced demand and price decreases, which could have a material adverse effect on the Company's business.

Raw Materials

The Company's products are derived from hemp. Accordingly, the Company and/or its manufacturers must acquire sufficient hemp so that the products can be produced to meet the demand of its customers. A hemp shortage could result in loss of sales and damage to the Company. Even though the Company anticipates that it currently has sufficient supply for its needs, the Company may be required to source other industrial hemp producers should consumer demand increases. Also, if the Company become unable to acquire commercial quality hemp on a timely basis and at commercially reasonable prices, and is unable to find one or more replacement suppliers with the regulatory approvals to produce hemp at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Company will likely be unable to meet customer demand.

Limited Number of Products

The Company is heavily reliant on the production and distribution of hemp and related products. If they do not achieve sufficient market acceptance, it will be difficult to achieve consistent profitability. The Company's revenue is derived exclusively from sales of hemp based products, and the Company expects that its hemp based products will account for substantially all its revenue for the foreseeable future. If the hemp market declines or hemp fails to achieve substantially greater market acceptance than it currently enjoys, the Company will not be able to grow its revenues sufficiently for it to achieve consistent profitability. Even if products to be distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of hemp. Adverse publicity about hemp based products that the Company sells may discourage consumers from buying products distributed by the Company.

Consumer Perception of Hemp

The Company is highly dependent upon consumer perception of hemp and hemp based products. Hemp is a term reserved for low tetrahydrocannabinol ("THC") strains of the cannabis plant. Accordingly, the public may associate hemp with high THC cannabis plants, which are prohibited substances. Additional negative perception also occurs because some countries, including the United States, have prohibited the growing of the hemp plant even though consumption of hemp-based food products is allowed. The Company's revenues may be negatively impacted due to the fact the market does not fully accept hemp as a food product.

Brand Awareness

Historically, the Company's products were primarily sold in Canada and the US has seen increased demand and purchase orders from Asia. Hempco is in the final stages of launching PLANETHEMP brand gourmet and specialty hemp food products for marketing and distributing across Canada, Mexico, UK and Japan. Hempco will consider the US market after establishing itself in less competitive areas that have higher affluent consumer demand. There is no assurance that it will be able to achieve brand awareness across Canada, or to successfully enter the United States with its brands and products in UK or Japan. In addition, the Company must develop successful marketing, promotional and sales programs to sell its products. If the Company is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Development of New Products

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business may suffer. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team

The Company will depend on certain key executives and personnel to oversee the core marketing, business development, operational and fund raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Reliance on Third Party Manufacturers

The Company relies on outside sources to manufacture hemp seed oil. The failure of such third party manufacturers to deliver either components or finished goods on a timely basis could have a material adverse effect on the business. The Company intends to develop its own hemp seed oil presses and is installing them now. Reliance on third parties over which the Company will have little or no control, the failure of such third parties to provide components or finished goods on a timely basis could have a material adverse effect on the business, financial condition and operating results.

Reliance on Distributors and Key Customers

We sell products directly to end customers and wholesalers and rely on third-party distributors for the sale and distribution of Hempco's retail products. Hempco plans to sell its retail products through an extensive regional sales and distribution network throughout Canada, USA, Asia, Mexico, Europe and Japan. To the extent that Hempco's distributors are distracted from selling its products or do not expend sufficient efforts in managing and selling Hempco's products, Hempco's sales will be adversely affected. Hempco's ability to maintain its distribution network and attract additional distributors will depend on several factors, many of which are outside of Hempco's control. Some of these factors include: (i) the level of demand for Hempco's brand and products in any distribution area; (ii) Hempco's ability to price Hempco's products at levels competitive with those offered by competing products and (iii) Hempco's ability to deliver products in the quantity and at the time ordered by distributors. Hempco is well diversified in its customers, however Hempco will further seek to diversify its customer base, the loss of any one of its large customers could result in a material adverse effect on the Company's business and may adversely affect revenues going forward.

Development of Generic In-House Brands

Large retail stores often develop in-house generic brands when name brand products have been successful. The Company could be distributing a significant portion of its products to large retail stores. Generic brand competition from these stores could cause the Company to lose a significant portion of its PLANETHEMP sales in a very short period of time.

Product Liability Insurance

The Company carries product liability insurance coverage. Even though the Company is not aware of any product liability claims, the Company's business exposes it to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition and results of operations. Although the Company reviews its insurance coverage with its agent and internally, and it believes it has adequate product liability insurance, the Company cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses above any product liability cover that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Product Recall

The sale of products for human consumption involves inherent risks. The Company could decide to, or be required to, recall products due to suspected or confirmed contamination or product tampering. A product recall could adversely affect product sales financial condition and results of operation as well as the Company's general reputation in the industry.

Trademark Protection

The Company currently has obtained trademarks on "PLANETHEMP", "Super Minis", as well as Hempco and PLANETHEMP design. The loss of any of these trademarks could require the Company to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which Hempco's products are sold. These government regulatory agencies may attempt to regulate any of Hempco's products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a product or product ingredient presents an unacceptable health risk and may determine that a statement of nutritional support that the Company desires to use is an unacceptable claim. Such a determination would prevent the Company from marketing such products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements. In addition, a government regulatory agency could require the Company to remove a product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that the Company is required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Product Liability Claims

The Company may be required to pay for losses or injuries purportedly or actually caused by its products. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. Should the Company's products be found to cause any injury or damage, the Company will be subject to substantial liability. This liability may exceed the funds available by the Company and result in the failure of its business.

Global Economic Conditions

Current global economic conditions could have a negative effect on the Company's business and results of operations. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. The financial and credit market turmoil could also negatively impact suppliers, customers and banks with whom the Company does business. Such developments could decrease the Company's ability to source, produce and distribute its products or obtain financing and could expose it to risk that one of its suppliers, customers or banks will be unable to meet their obligations under agreements with them. While it is not possible to predict with certainty the duration or severity of the current disruption in financial and credit markets, if economic conditions continue to worsen, it is possible these factors could significantly impact the Company's financial conditions.

Smaller Companies

Market perception of venture issuers may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further common shares or otherwise. The share price of publicly traded venture companies can be highly volatile. The value of the common shares may go down as well as up and, the share price may be subject to sudden and large changes in value given the restricted marketability of the common shares.

Market Risk

Market risk is the risk of an adverse financial impact due to a change in market conditions, such as interest rates, commodity (hemp) prices, foreign exchange rates and equity prices that will affect the

Company's income or the value of its holdings of financial instruments. The Company may buy derivative instruments in the ordinary course of business, and may incur financial liabilities, in order to manage potential market risks.

While the Company does not currently have any interest bearing long-term debt, there can be no assurance that it will not take on debt as part of its operations in the future.

Liquidity Risk

Liquidity risk arises from the possibility of not having sufficient debt and equity capital available to the Company to fund its growth program and re-finance or meet its payment obligations as they arise. The Company's principal liquidity needs arise from or may arise from working capital requirements, potential debt servicing and repayment obligations, planned funding of maintenance, and possible acquisition funding requirements.

Tax Risks

The Company is subject to various taxes including, but not limited to, Canadian income tax, goods and services tax, land transfer tax and future payroll tax, and its tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

Damage from Fire or Other Calamities

The Company's ability to sustain or grow its business is heavily dependent on efficient and uninterrupted operations at its communities. Power failures or disruptions, the breakdown, failure or substandard performance of equipment, the improper installation of equipment and the destruction of buildings, equipment and other facilities due to natural disasters such as fire or earthquakes would severely affect its ability to continue operations. While it does maintain certain insurance policies covering losses due to fire, lightning and explosions, there can be no assurance its coverage would be adequate to compensate Hempco for the actual cost of replacing such buildings, equipment and infrastructure nor can there be an assurance that such events would not have a material adverse effect on its business, financial condition, results of operations or prospects. Even if losses were covered by insurance, damage to Hempco could be substantial.

Litigation and Other Disputes May Adversely Affect the Company's Assets and Performance

In the normal course of the Company's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings, termination of employment and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner that is materially adverse to the Company and as a result, could materially adversely affect the business, results of operations and financial condition of the Company. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Company's business operations, which could materially adversely affect the business, results of operations and financial condition of the Company and its ability to pay dividends on its common shares.

Labour Relations

There can be no assurance that the Company will not experience job action including strikes and/or labour stoppages, or any other type of conflict with unions or employees, which could have a material adverse effect on the Company's business, operating results and financial condition.

Volatile market price for common shares

The market price for common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- changes in estimates of future results of operations by Hempco or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Company;
- addition or departure of the Company's executive officers and other key personnel;
- release or other transfer restrictions on outstanding common shares;
- sales or perceived sales of additional common shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets;
- conditions in the seniors housing industry and real estate industry generally;
- interest rates;
- the market for similar securities;
- general economic conditions in the financial markets;
- the Company's dividend practice; and
- the Company's financial condition, performance, creditworthiness and prospects.

Financial markets can have significant price and volume fluctuations that can affect the market prices of equity securities of companies and that may be unrelated to the operating performance, underlying asset values or prospects of the companies. Accordingly, the market price of the Company's common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the common shares by those institutions, which could adversely affect the trading price of the common shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility continue, the Company's operations and the trading price of the common shares may be adversely affected.

Financial Markets

Uncertainty in the stock and credit markets may materially adversely affect the Company's ability to access additional financing for the continuation of the Company's operations and other purposes, including obtaining any renewals of existing financing on commercially reasonable terms, which may materially adversely affect the Company's business. Uncertainty over whether the economy will be materially adversely affected by inflation, deflation or stagflation and the systematic impact of increased unemployment, volatile energy costs, geopolitical issues and availability and cost of credit may contribute to increased market volatility and weakened business and consumer confidence. The future state of the financial markets may cause the Company to seek alternative sources of potentially less attractive financing, and may require the Company to adjust its business plan accordingly. This may also make it more difficult or costly for the Company to raise capital, including through the issuance of equity securities. The current conservative nature of the financial markets may have a material adverse effect on the market value of the Common Shares and the business, results of operations and financial condition of the Company.

Dilution and Future Sales of Common Shares

The Company's articles permit the issuance of an unlimited number of common shares and shareholders will have no pre-emptive rights with such further issuances. The directors of the Company have the discretion to determine the price and the terms of issue of further issuances of common shares, subject to Exchange polices.

Disclosure Controls and Internal Controls Over Financial Reporting

Hempco's business could be adversely impacted if there are deficiencies in disclosure controls and procedures or internal controls over financial reporting. The design and effectiveness of Hempco's disclosure controls and procedures and internal controls over financial reporting may not prevent all errors, misstatements or misrepresentations. While management continues to review the effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting, it cannot assure that Hempco's disclosure controls and procedures or internal control over financial reporting will be effective in accomplishing all control objectives at all times. Deficiencies, particularly material weaknesses, in internal control over financial reporting which may occur in the future could result in misstatements of the Company's results of operations, restatements of Hempco's financial statements, a decline in share price, or otherwise materially adversely affect Hempco's business, reputation, results of operation, financial condition or liquidity.

Future Sales of Common Shares by Directors and Executive Officers

Subject to compliance with applicable securities laws, officers and directors and their affiliates may sell some or all of their common shares in the future. No prediction can be made as to the effect, if any, such future sales of common shares will have on the market price of the common shares prevailing from time to time. However, the future sale of a substantial number of common shares by the Company's officers and directors and their affiliates, or the perception that such sales could occur, could adversely affect prevailing market prices for the common shares.

Conflicts of Interest

Certain of the directors and officers of the Company may also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict must disclose his interest and abstain from voting on such matter. In determining whether the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Summary of Outstanding Share Data

Summary of Outstanding Share Data as at December 21, 2017, August 31, 2017, and August 31, 2016 are as follows:

	December 21, 2017	August 31, 2017	August 31, 2016
Common Shares	49,550,144	34,509,888	34,112,188
Warrants	11,271,101	4,360,425	4,625,125
Stock Options	2,483,000	2,342,000	2,600,000
Fully diluted	63,304,245	41,212,313	41,337,313

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements.” These statements, identified by words such as “plan,” “anticipate,” “believe,” “estimate,” “should,” “expect” and similar expressions include the Company’s expectations and objectives regarding its future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; lack of brand awareness; dependence on consumer taste; reliance on third party suppliers and third party distributors; limited operating history of the Company; market fluctuations; potential product liability claims and retention of key personnel, as well as those factors discussed in the section titled “Risk Factors” below. Forward looking statements are based on a number of material factors and assumptions, including consumer buying patterns will increase in specialty and grocery stores, economic conditions in Canada will continue to show modest improvement in the near to medium future, the average cost of whole hemp seed will fluctuate in line with historical trends, no material change to competitive environment in the distribution of hemp-based food additives and supplements, the Company will be able to access sufficient qualified staff, there will be no material changes with the Company’s larger customers and there will be no material changes to the tax and other regulatory requirements governing the Company. While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled “Risk Factors” below. The Company intends to discuss in its quarterly and annual reports any events or circumstances that occurred during the period to which such documents relate that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this MD&A. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on Hempco’s business or the extent to which any factor, or combination of such factors, may cause actual results to differ materially from those contained in any forwarding looking statement. The Company advises you to carefully review the reports and documents the Company files from time to time with the applicable securities commissions.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements with the risks set forth.

Additional disclosures pertaining to the Company’s management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.