



SOIL TO OIL

SPRING 2019 INVESTOR PRESENTATION

HEMPTOWNUSA.COM

HEMPTOWN USA STORY

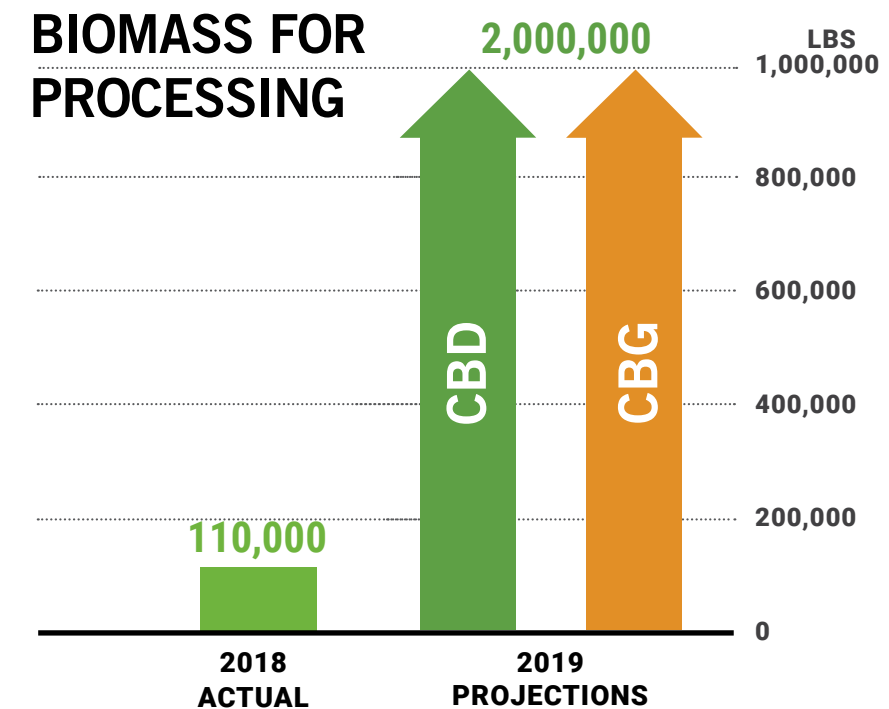
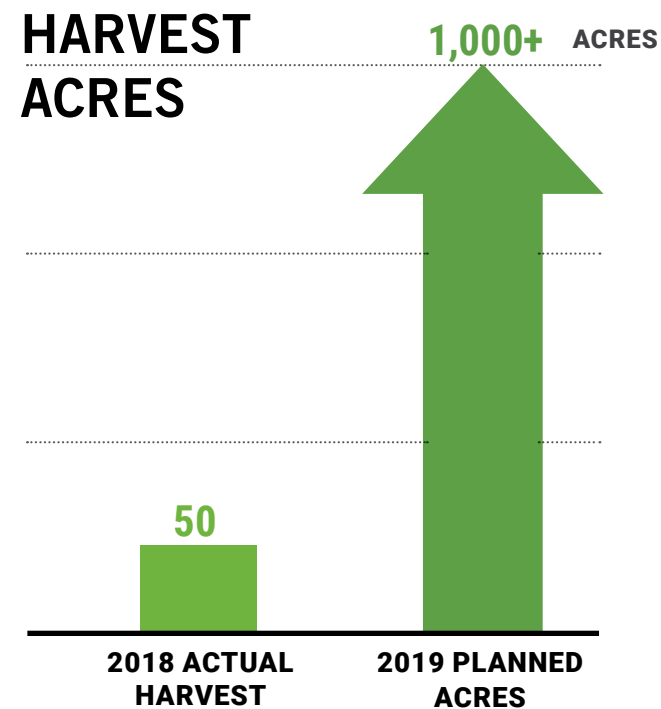


CLICK TO VIEW

INVESTMENT HIGHLIGHTS



- ➔ Established operator
- ➔ \$20 million raised - Q1 2019
- ➔ High-yield hemp genetics 12% - 20%
- ➔ Gross margins of 76% to 88%
- ➔ Multi-state expansion
- ➔ Experienced management



CANNABINOIDS: A SIGNIFICANT OPPORTUNITY

The 2018 US Farm Bill legalized hemp at the federal level, opening the door to a new era of **CBD commoditization**.

Hemptown's 2019 crop will produce high CBG, **full spectrum hemp** for a **rapidly growing market**

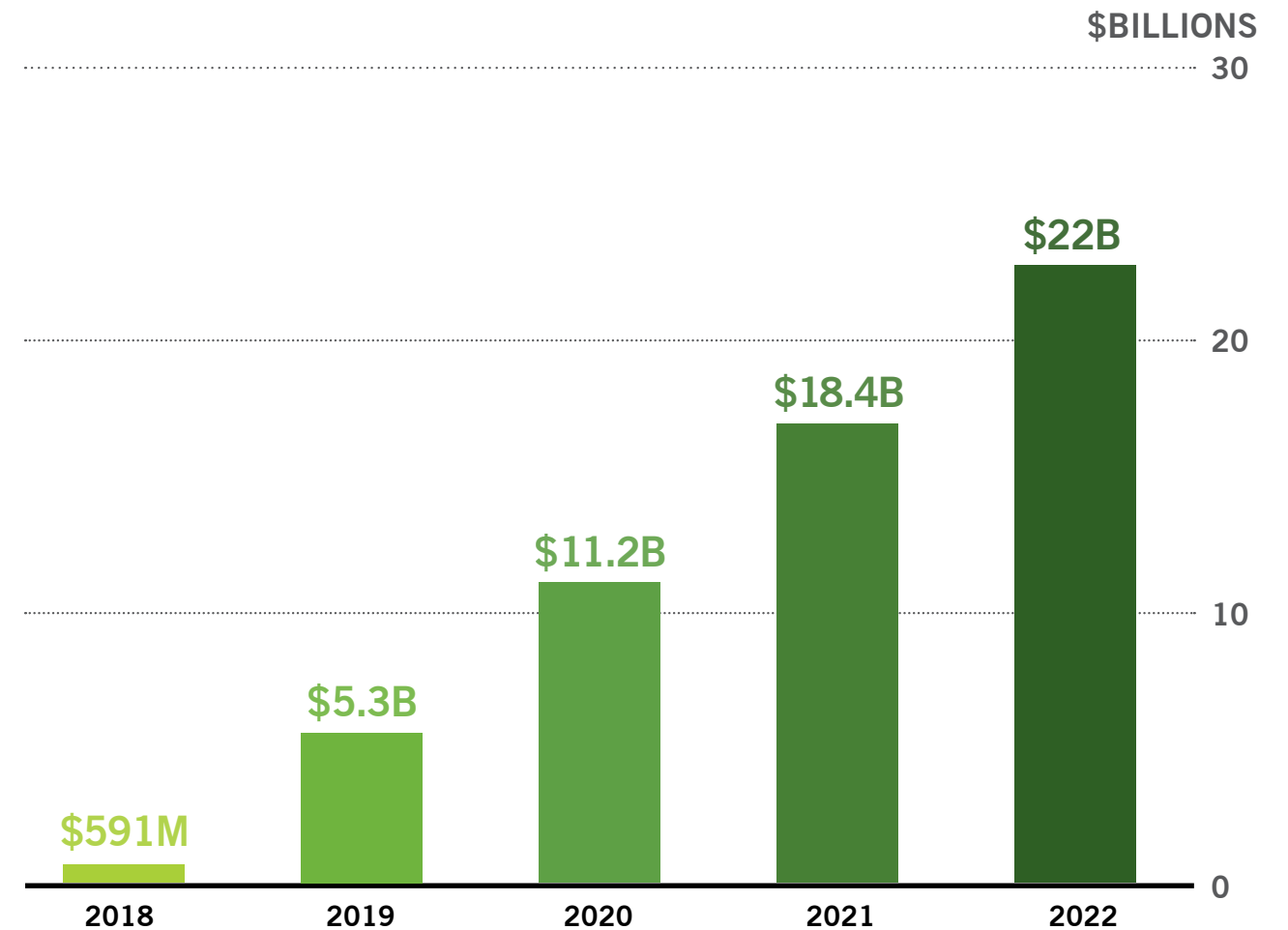
An entirely new industry focused on agriculture, processing, pharmaceutical and consumer products

Major brands have already started to enter the industry, including CVS and Walgreens

Other cannabinoids including CBG, CBN, THCV will fuel market growth

THE US MARKET IS PROJECTED TO HIT **US\$22B BY 2022**

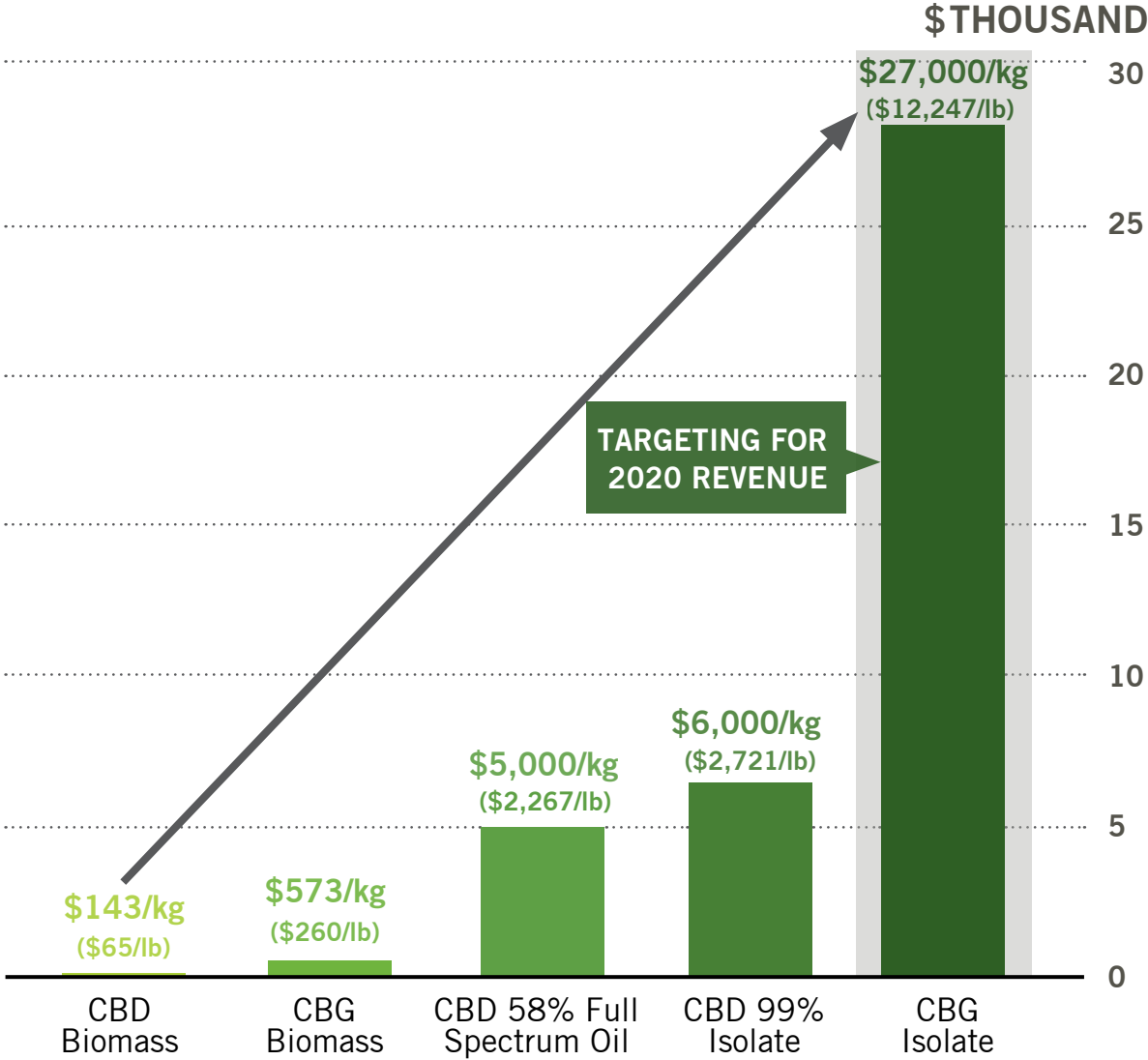
US HEMP-DERIVED CBD SALES FORECAST



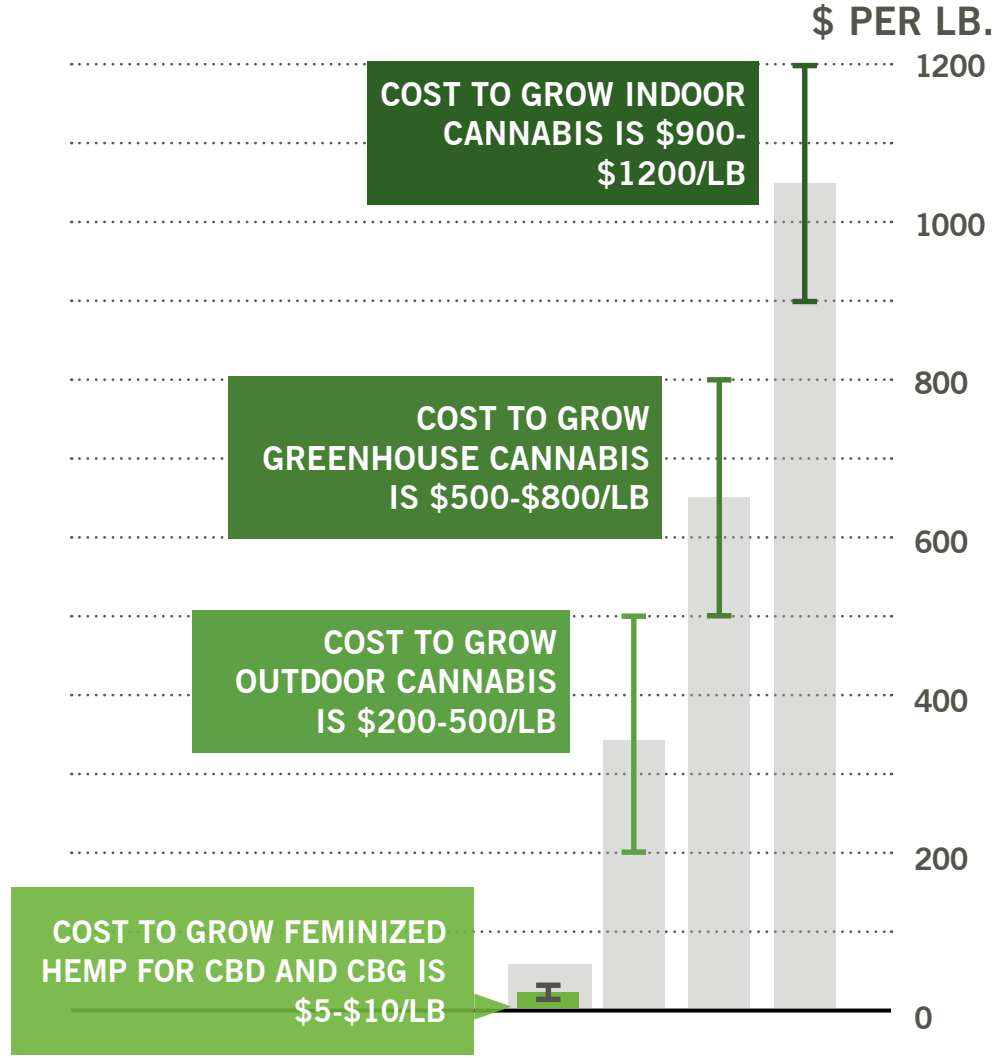
Source: Brightfield Group, Business Insider

ECONOMICS AT A GLANCE

REVENUE DRIVERS



COST CONSIDERATIONS



IN-HOUSE
EXTRACTION
=
INCREASED
MARGINS

Market pricing is based on average data from RAW (HEMPmarket. place) and is current as of February 2019. Past pricing is not indicative of future results. Historical market pricing is not a guarantee of future market pricing

Source: Brightfield Group, Oregon CBD

PROVEN OPERATORS



ROD WOLTERMAN
Founder & Chairman

Rod Wolterman **founded Hemptown's Oregon Operation in 2016.**

Mr. Wolterman has **extensive experience** in the cannabis sector, having been active within the sector since 1998, when Provision 215 was approved to legalize medical cannabis at scale in California.

Mr. Wolterman acted as a private equity investor in **numerous medical marijuana dispensaries and cultivation operations** in Southern California.



JOHN CUMMINGS
CEO

John led the **compliance and special projects** efforts for Kings Garden, one of the **largest vertically integrated operators** in the state of California.

Mr. Cummings spent a year in Europe (Macedonia) launching **the continent's first GMP and ISO accredited cultivation** and manufacturing facility.

Mr. Cummings is an experienced professional with over 20 years of finance, marketing, sales and project management experience.



MICHAEL TOWNSEND
President

Michael Townsend has worked in corporate finance for over **25 years.**

Mr. Townsend is the founding partner of Altus Capital Partners, a boutique investment bank in Vancouver, BC, Canada.

Mr. Townsend has been involved in raising over **\$180 million** over the past 10 years.

Mr. Townsend co-founded **Patriot One Technologies Inc.** and **Body and Mind Inc.**



ROSS WESTBROOK
COO

Ross Westbrook is a veteran entrepreneur with more than **27 years of experience** as a senior executive of agricultural companies in complex, highly regulated markets.

He personally farmed **180 acres for 20+ years.** Mr Westbrook also coordinated sales programs for more than **100 independent growers** over a **20+ year span.**

Mr. Westbrook, has been active in the emerging Cannabis CBD industry, marketing **5 independent CBD product lines** directly to consumers in Southern California markets.



DR. GORDON CHIU
Chief Science Officer

Dr. Chiu is proven leader with over **15 years** of combined domestic and international experience in biomedical, chemical, cosmetic, medical and technology industries. A graduate of **Rensselaer Polytechnic Institute** he earned his masters of Science from Seton Hall University.

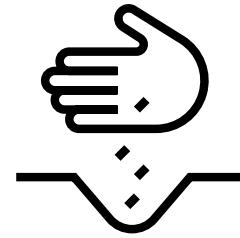
His background and experience allowed him to accomplish and advise in areas of **Alzheimer's research, antimicrobial research, breast cancer research, dermatology, drug addictions** research and green technologies. A former research scientist with **Merck and Pfizer** Dr. Chiu is a regular **Tedx speaker and contributor.**

LEADING GENETICS

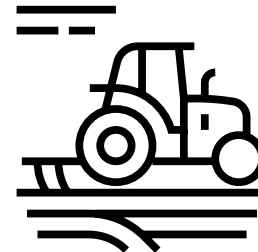
HIGHER YIELDS vs. INDUSTRIAL HEMP

FARMING METHODS

COMPETITIVE ADVANTAGE



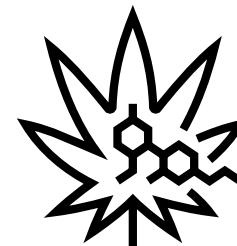
Hemptown has rights to **1 million rare CBG seeds** for the **2019** growing season and following **4 years**



Yielding up to **12% - 20%** full spectrum CBD, and other cannabinoids



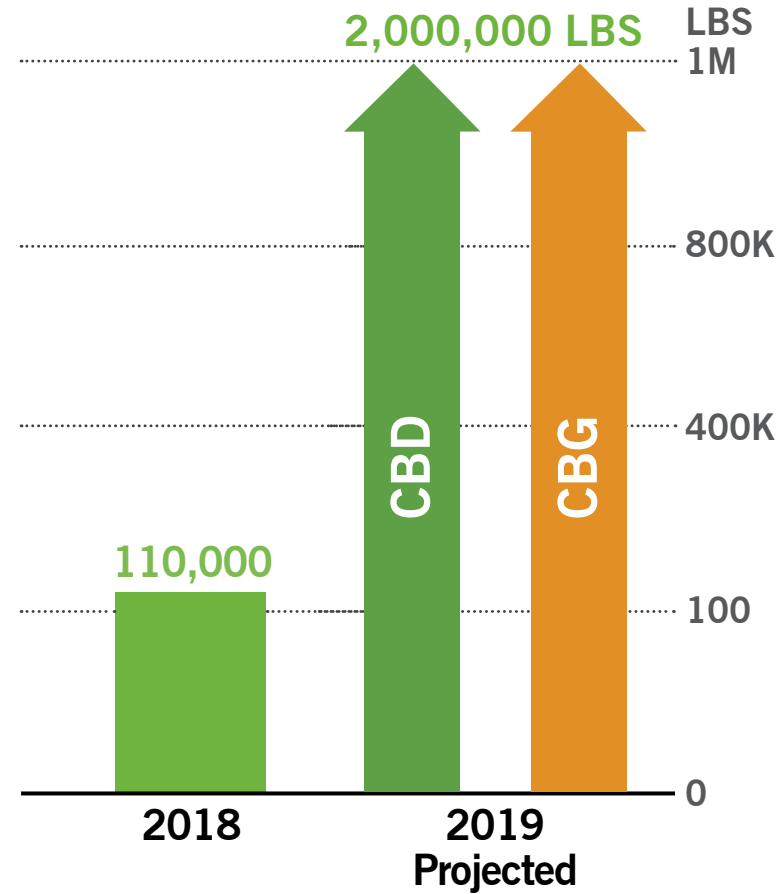
Access to premium seeds positions Hemptown to be a major **CBG producer in the US in 2019**



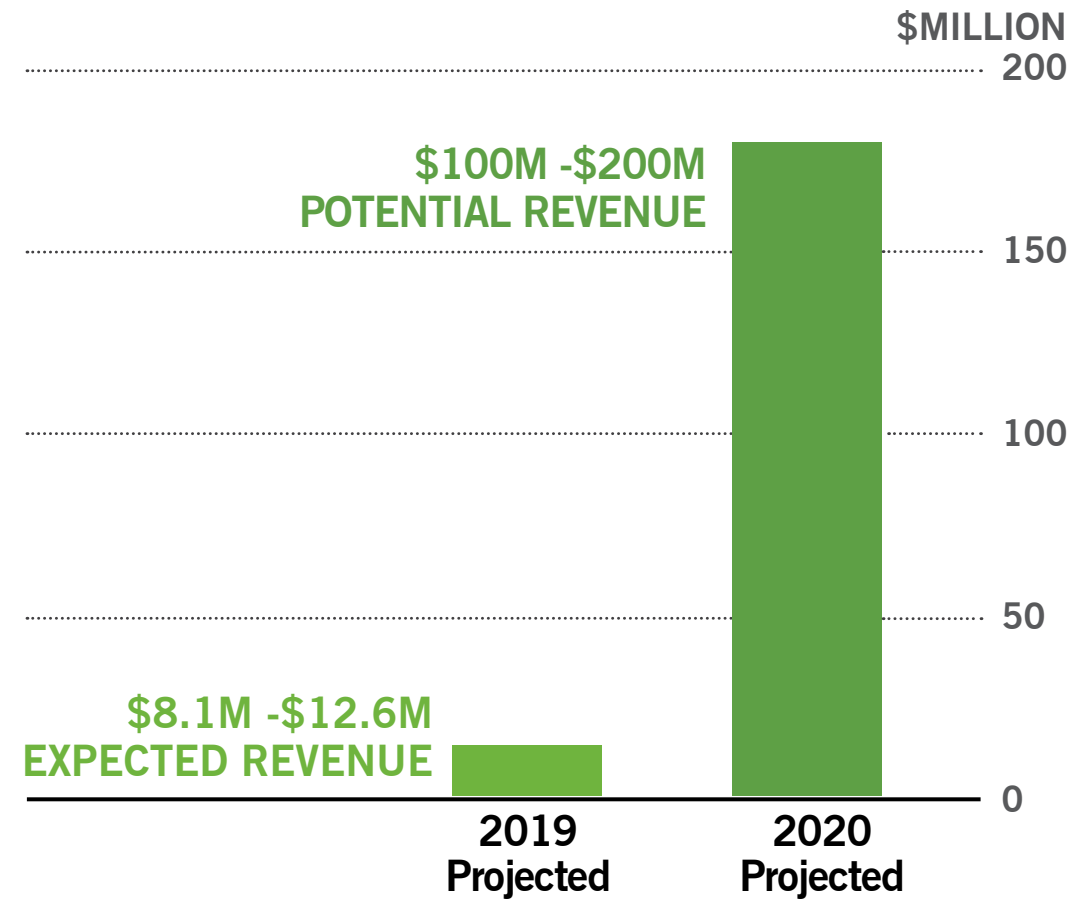
Maintaining market leadership will rely on **proprietary genetics** for strains high in **CBG, CBD, CBN** and other **high-potential cannabinoids**

SOIL TO OIL

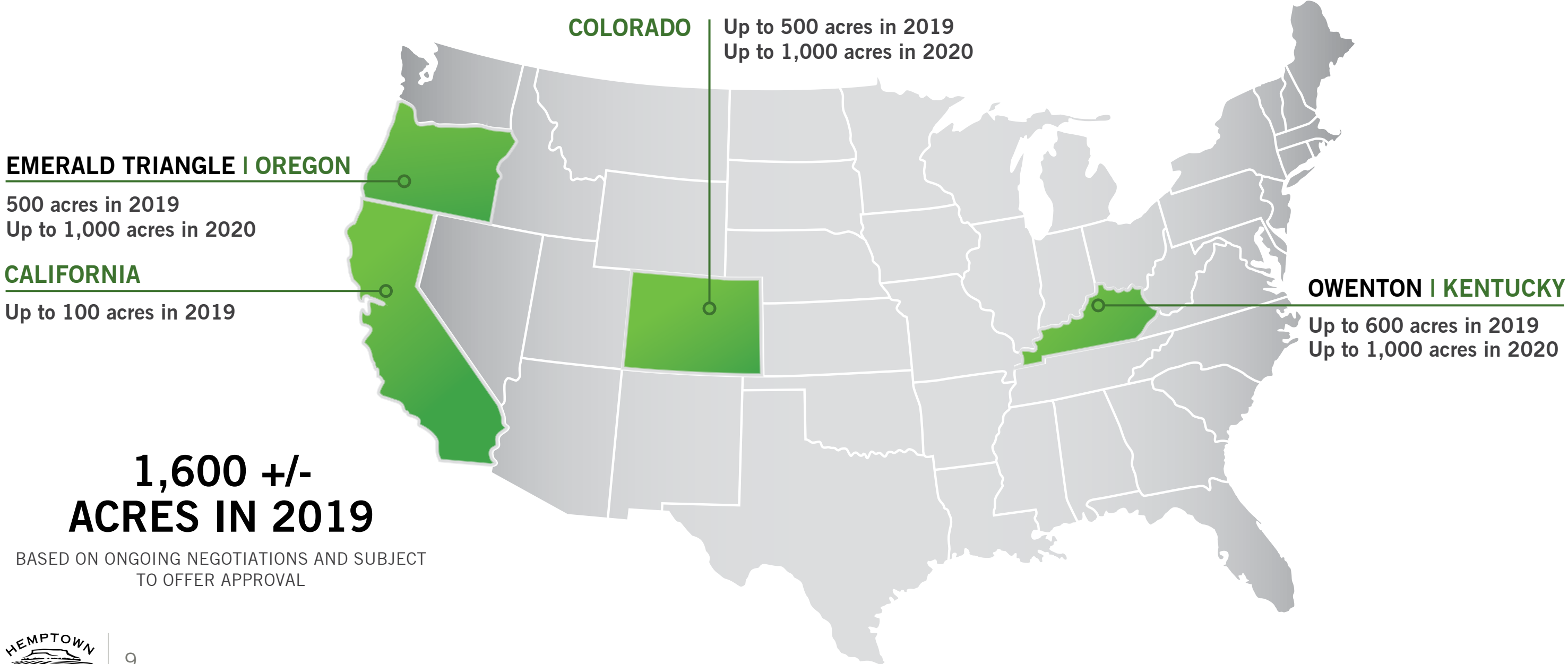
HARVEST AMOUNT



HARVEST REVENUE



MULTI-STATE PRESENCE



**1,600 +/-
ACRES IN 2019**

BASED ON ONGOING NEGOTIATIONS AND SUBJECT
TO OFFER APPROVAL

GROWTH STRATEGY

FARM EXPANSION

OREGON
Up to **1,000 Acres** by 2020

KENTUCKY
Joint venture for up to **1,000 Acres** in 2020

COLORADO
Joint Venture for up to **1,000 Acres** by 2020

CALIFORNIA
Contract farm up to **500+ Acres** by 2020

VERTICALLY INTEGRATE PROCESSING

Expand extraction capabilities to increase profit margins by providing **CBD** and **CBG** isolates and distillates

Develop **B2B channels** as well as new products and formulations for **direct-to-consumer market**

IMPLEMENT GLOBAL STRATEGY

Expand distribution and growing operations globally through **strategic partnerships** and development of contracts with leading **Fortune 500 brands**

Specific partnership and potential acquisition focus on expansion in the European market

STRATEGIC ACQUISITIONS

Expand through acquisition of industry leading **farming operations, companies, and brands**

PATENTS

Develop market **leading IP portfolio**, including current acquisition of proprietary **water-soluble delivery system**

MANAGEMENT ANTICIPATES UP TO 3000 ACRES BY 2020

BASED ON ONGOING NEGOTIATIONS AND SUBJECT OFFER APPROVAL

SALES AND DISTRIBUTION



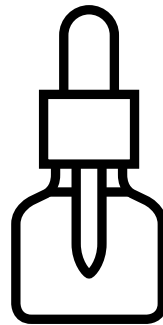
CONTRACT
WHOLESALE



BULK
WHOLESALE



IN-HOUSE
BRANDS



WHITE LABELED
PRODUCTS

BRANDS ACTIVELY SEEKING TO
DEVELOP CBD PRODUCTS*

CLIFF BAR

RED BULL

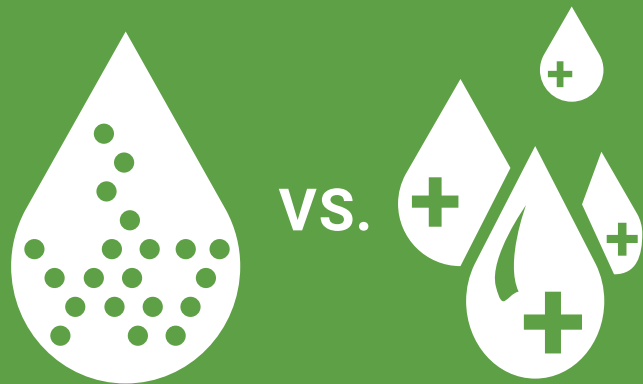
COCA COLA

ARIZONA ICE TEA

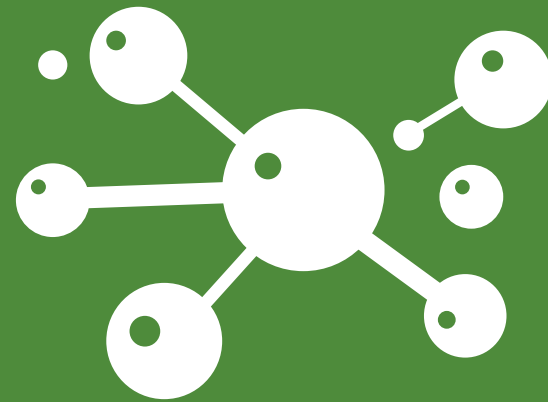


DISRUPTIVE PRODUCT FORMULATION

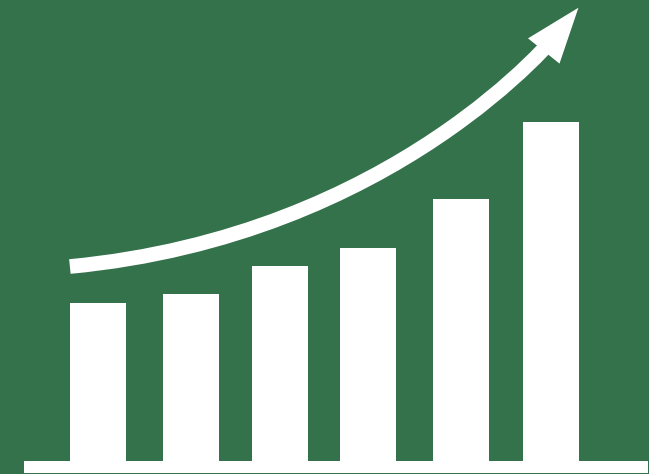
WATER SOLUBILITY VS.
WATER COMPATIBILITY



BIO
AVAILABILITY



EFFICACY



PLANNED USE OF FUNDS*

USE OF PROCEEDS USD\$30M

ITEM	COST	ITEM	COST
Proprietary Genetics (CBD/CBG seeds)	\$5.5 million	Legal	\$600k
Farm Capital Expenses (Equipment etc.)	\$4.0 million	Small Batch Manufacturing	\$250k
Farm Land Lease/Purchase - Oregon	\$3.0 million	Office Leasing	\$150k
Primary Crude Extraction Machines	\$2.6 million	Public Relations	\$150k
GMP Facility	\$2.0 million	Auditor	\$150k
Farm Operational Expenses	\$1.8 million	Accounting	\$100k
Farm Labour	\$1.5 million	Commissions & Fees	\$2.4 million
Marketing	\$1.5 million		
Investor Relations	\$1.5 million		
Management, G&A	\$1.2 million		
Research and Development	\$1.0 million		
Travel and Entertainment	\$750k		
		TOTAL	\$30 MILLION

*Costs are approximate and management reserves the right to reallocate funds if required due to future developments in the Company's business or unforeseen events

ILLUSTRATIVE ECONOMICS

Per Acre Stats	CBD	CBG
Plants (per acre)	1815	1815
Biomass (per plant)	1.23lbs	1.23lbs
Yield (per acre)	2232.45lbs	2232.45lbs
Per Acre Revenue**	CBD @ \$65/lb	CBG @ \$130/lb
Revenue - Average	\$130,000	\$260,000
Per Acre Costs	CBD	CBG
Seed Costs (per acres)	\$1,815	\$3,630
Land and Materials	\$3,432	\$2,432
Labour	\$6,000	\$6,000
Drying/Final Prep	\$4,800	\$4,800
Shipping and Storage	\$5,000	\$5,000
Processing	\$10,000	\$10,000
Total Costs	\$31,047	\$31,862
Gross Margin	76.12%	87.75%
Gross Profit - 100 Acres	\$9,895,300	\$22,813,800
Gross Profit - 300 Acres	\$29,686,800	\$68,445,000

* All figures are illustrative and may be subject to change based on variable market conditions

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Sources: OregonCBD, RAW (HEMPmarket.place), Brightfield Group

CAPITAL STRUCTURE

Basic Shares Outstanding	53.7 MM
Warrants	
@ \$0.10 (expr. December 18th, 2022)	1.5 MM
@ \$0.50 (expr. February 12th, 2021)	3.3 MM
Options	
@ \$0.50	3 MM
Fully Diluted Shares	61.5 MM

SUCCESSFULLY RAISED

\$20 MILLION

**VIA CONVERTIBLE
DEBENTURE Q1 2019**

CURRENTLY RAISING

\$20 MILLION

**VIA CONVERTIBLE
DEBENTURE Q2 2019**

**IPO
Q4 2019**



GROWN BY US, PROCESSED BY US.

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