



Naturally Splendid Acquires Prosnack Natural Foods Inc. and Closes Final Tranche for \$333,835

VANCOUVER, British Columbia, October 19, 2017 -- **Naturally Splendid Enterprises Ltd.** (“**Naturally Splendid**” or “**NSE**”) (TSX-V:NSP) (OTCQB:NSPDF) (Frankfurt:50N) is pleased to announce that it has acquired all of the issued and outstanding shares of Prosnack Natural Foods Inc. (“Prosnack”) pursuant to the terms of the previously announced share purchase agreement, as amended, and closed the final tranche of its previously announced private placement financing by issuing a total of 1,854,639 units (the “Units”) for gross proceeds of \$333,835.

Acquisition of Prosnack

Naturally Splendid will now take ownership of approximately \$300,000 of automated manufacturing equipment in Prosnack’s manufacturing facility, located in North Vancouver. The facility complies with several certifications including; SQF Level 2, Kosher and Gluten free. These certifications provide the Company access to large retail operations both domestically and globally.

Prosnack’s innovative “Elevate Me™” brand focuses on lifestyle and healthy meal replacement products that include energy bars and on-the-go oatmeals that are currently distributed throughout North America and more recently have begun sales into international markets. The Elevate Me™ brand can be found in over 1,000 retail stores in North America including major retailers such as Costco, Whole Foods, Choices, Save On Foods, Sobeys, London Drugs, Thrifty’s, Rexall and many more. Prosnack co-founder Mr. Alan Maddox states “We are excited to be part of NSE, to expand our products into their customer base, and their products into our customer base across Canada and Internationally”.

In addition to the variety of products under the Elevate Me™ brand, a unique feature of Prosnack is its ongoing strategy of private labelling for major retailers in North America and co-packing for other manufacturers globally. Prosnack sells product to over 1000 stores across Canada, with their brand “Elevate Me™” as well as Private Label and Co-Packing for Canadian retailers and manufacturers. The combination of Elevate Me™ products and its private label clients is almost \$8,000,000 CDN in sales over the past four years.

Naturally Splendid CEO, Dave Eto states, “Our acquisition of Prosnack accomplishes all three key elements of a successful acquisition; strong management; a strong brand with significant distribution; and synergies in manufacturing. First, we have the benefit of Alan Maddox, who has been appointed Executive Vice President of Sales & Marketing. His years of experience will significantly strengthen our ability to engage national retail accounts across Canada and the US.

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Second, both Elevate Me™ and NATERA® branded products will be marketed to Alan's extensive network of contacts. In many cases, this will be NATERA's® premier exposure to these national accounts. Thirdly, the acquisition of Prosnack is strategic and synergistic to our revenue and margin objectives and is consistent with our values to support a plant-based, healthy-eating food sector. Efforts to improve margins by lowering input and overhead costs, without negatively affecting the operating effectiveness of both organizations, is underway”.

To complete its acquisition of Prosnack, Naturally Splendid issued a total of 1,098,901 common shares (the “Share Consideration”) and paid a total of \$111,000 in cash. An additional \$99,000 in cash is payable by Naturally Splendid on or before December 29, 2017, which amount may be paid, at Naturally Splendid's option, through the issuance of additional common shares based on the average closing price of Naturally Splendid's common shares during the ten (10) trading days prior to December 29, 2017. For a period of 5 years, Prosnack is eligible for a 25% earnout payment based on incremental growth of sales exceeding annual pre-set annual targets related to Naturally Splendid retail, private labelling and co-pack sales. For the first year the annual sales target is \$3,250,000. The aggregate total earn-out payments are capped at approximately \$1,200,000.

The Share Consideration is subject to a hold period expiring on February 19, 2018 pursuant to applicable securities laws and the rules of the TSX Venture Exchange. 50% of the Share Consideration is also subject to an additional lock up period expiring November 12, 2018.

For more information about Prosnack, please visit their website at www.prosnack.com.

Closing of Private Placement Financing

Naturally Splendid also closed the final tranche of its previously announced private placement financing by issuing a total of 1,854,639 Units for gross proceeds of \$333,835. Under the entire private placement financing, Naturally Splendid issued 5,497,916 Units for total gross proceeds of \$989,625.

Each Unit is comprised of one common share of Naturally Splendid and one-half of one common share purchase warrant (“Warrant”), with each whole Warrant entitling the holder to purchase one additional common share at \$0.27 per share for a period of two years from the date of the issue. Naturally Splendid will have the right to accelerate the expiry date of the Warrants if, at any time, the average closing price of Naturally Splendid's common shares is equal to or greater than \$0.40 for 10 consecutive trading days. In the event of acceleration, the expiry date will be accelerated to a date that is 30 days after Naturally Splendid issues a news release announcing that it has elected to exercise this acceleration right.

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In connection with the second tranche of the financing, Naturally Splendid paid finders a cash commission totaling \$8,179 and issued a total of 45,440 finder's warrants. Each finder's warrant is on the same terms as the Warrants.

The securities issued under the financing will be subject to a hold period expiring on February 17, 2018 pursuant to applicable securities laws and the rules of the TSX Venture Exchange.

Directors and officers of Naturally Splendid subscribed for 551,000 Units under the final tranche of the financing. As a result, the issuance of Units to directors and officers is considered to be a related party transaction subject to TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101. Naturally Splendid is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that participation in the private placement by insiders did not exceed 25% of the fair market value of Naturally Splendid's market capitalization.

Proceeds of the financing will be used for product development, working capital, corporate purposes as well as, final closing of the Prosnack acquisition.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of Naturally Splendid's securities in the United States.

About Naturally Splendid Enterprises Ltd.

Naturally Splendid is a biotechnology and consumer products company that is developing, producing, commercializing, and licensing an entirely new generation of plant-derived, bioactive ingredients, nutrient dense foods, and related products. Naturally Splendid is building an expanding portfolio of patents (issued and pending) and proprietary intellectual property focused on the commercial uses of industrial hemp and non-psychoactive cannabinoid compounds in a broad spectrum of applications.

Naturally Splendid currently has four innovative divisions:

(1) BIOTECHNOLOGY – Focused on three major platforms:

(1) Proprietary HempOmega™ encapsulation

(2) Extraction and formulation with Cannabidiol (CBD)

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(3) Hemp and plant-based proteins.

- POS-BPC Facility - a 12,000-square-foot facility jointly owned by NSE 51% / 49% POS Holdings, offers commercial-scale custom processing solutions for functional foods and natural health.

(2) CONSUMER PRODUCTS -

- NATERA® - brand of retail hemp and superfood products distributed throughout North America, Asia and Europe.
- Prosnack Natural Foods Inc. (Elevate Me™) - lifestyle brand of healthy meal replacement products distributed throughout North America.
- Chi Hemp Industries Incorporated (CHII) - e-commerce platform for natural and organic hemp products.
- PawsitiveFX® - topical pet care products.
- NATERA®CBD - retail hemp-based cannabinoid nutraceutical and cosmeceutical products distributed in Asia.
- NATERA®Skincare - brand of retail hemp based cosmeceutical products.

(3) NATERA® Ingredients - bulk ingredients including HempOmega™.

(4) Co-Packaging/Toll-Processing - packaging for house-brands (NATERA® and CHII) and third-party partners.

For more information e-mail info@naturallysplendid.com or call Investor Relations at 604-673-9573

On Behalf of the Board of Directors

Mr. Dave Eto

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Forward-Looking Statements

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Naturally Splendid cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Naturally Splendid's control including, Naturally Splendid's ability to complete the acquisition of Prosnack, complete all or any of the proposed private placement financing, Naturally Splendid's ability to compete with large food and beverage companies; sales of any potential products developed will be profitable; sales of shelled hemp seed will continue at existing rates or increase; the ability to complete the sales of all bulk hemp seed purchase orders; and the risk that any of the potential applications may not receive all required regulatory or legal approval. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Naturally Splendid undertakes no obligation to publicly update or revise forward-looking information.

NEITHER 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.

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