



Naturally Splendid Engages Consulting Group to Make Application To Become Licensed Dealer

VANCOUVER, British Columbia, February 6, 2018 -- **Naturally Splendid Enterprises Ltd.** (“**Naturally Splendid**” or “**the Company**”) (TSX-V:NSP) (OTCQB:NSPDF) (Frankfurt:50N) is pleased to announce that Cannabis Compliance Inc. has been retained to prepare the submission for the Company to become a Licensed Dealer of cannabis extracts under the Canadian regulatory regime. Becoming a Licensed Dealer allows the Company to pursue a number of activities related to cannabis and the extraction, formulation and distribution of cannabinoids such as cannabidiol (“CBD”).

Becoming a Licensed Dealer would allow Naturally Splendid to expand Canadian operations and revenue streams to include CBD as well as other cannabinoids, as it relates to extraction, product development, manufacturing and marketing of cannabinoid fortified products. According to the Prime Minister’s office, regulatory laws in Canada pertaining to the extraction of CBD from industrial hemp are anticipated to be amended in the summer of 2018. Becoming a Licensed Dealer positions Naturally Splendid to be a supplier of CBD and CBD fortified products as well as the ability to perform a number of additional services as identified below each in accordance with the Canadian regulatory regime.

The regulatory purpose for a Licensed Dealer is to enable legal possession of controlled substances such as CBD for the following purposes:

- 1) Manufacturing
- 2) Packaging
- 3) Preparation of R&D Formulations for future manufacturing
- 4) Resale and distribution to other licensees, including pharmacies
- 5) Importing and exporting for global sales
- 6) Laboratory testing
- 7) Contract activities for any of the above activities

From the R&D and manufacturing perspective, Licensed Dealers are permitted to prepare formulation from cannabis whether that be from hemp or marijuana. On the other hand, Licensed Producers (“LPs”), who are the growers of medical marijuana, are limited to formulations with only carrier oils. LPs cannot add additives, e.g. flavour, stabilizer or any other ingredient that would be required to manufacture or alter the cannabis product in the form of an edible, Natural

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Health Products (NHPs), nutraceutical or pharmaceutical products. This is the role of the Licensed Dealer, thus creating business opportunities not available to LPs.

Naturally Splendid CEO Mr. Douglas Mason states, “Retaining Cannabis Compliance to prepare and submit our Dealer License application is a significant move strategically for the Company. A Dealer’s License allows Naturally Splendid to continue to evolve our business, and to execute our strategic plan in preparation for the upcoming amendments to the Canadian MMJ and Industrial hemp regulations anticipated in the summer of 2018. This also allows the Company to position itself as growing global trends towards CBD have become more acceptable, including approval by the World Anti-Doping Association (WADA), that now accepts CBD as an approved ingredient. 2018 will be a pivotal point for Canada and Naturally Splendid as CBD continues to gain acceptance and legal regulation in more than 25 countries around the world. Naturally Splendid intends to be at the forefront of that opportunity utilizing our IP; formulating and processing expertise; and distribution through our existing and developing distribution channels globally in jurisdictions that allow for CBD and CBD fortified products.”

Additionally, a Licensed Dealer application is generally processed much quicker than a license for a Licensed Producer. We anticipate the process to obtain License Dealer status to take approximately four months, which is significantly quicker than the time it takes to obtain a License Producer license.

Cannabis Compliance representative and CFO Mr. Sid Hathiraman states, “We are pleased to work with Naturally Splendid on their application for a Dealers License. Research and Development will be a key differentiator in the cannabis industry and securing a Dealer License is an important step in this direction.”

About Cannabis Compliance Inc.

For over a decade, Cannabis Compliance Inc. (“CCI”) has offered risk mitigation, due diligence and regulatory compliance for commercial cannabis producers and resellers around the world. Their focus is in the Global market, and they provide their clients with trusted and comprehensive solutions. CCI has extensive expertise in regulatory compliance, cultivation/horticulture, security designs/tender, facility designs/build-outs, quality assurance programs, Import & Export, staff recruitment and financial planning. They have provided services to several Licensed Producers as well as ‘industry companies’, resulting in the successful granting of licenses.

As reported in a previous news release:

In an article from WholeFoods Magazine in 2018 Sean Murphy, Founder, Hemp Business Journal,

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offered his opinions on where hemp is heading in the coming year. *Hemp Business Journal* estimates the hemp industry will grow to \$1.8 billion in sales by 2020, led by hemp food, body care and CBD-based products. The data demonstrates that the hemp industry is growing quickly at 22% 5-year CAGR and being led by food and body care products.

This is a big year for hemp-derived CBD, especially in Canada. The country is on its way to legalizing CBD nationwide in 2018. Some expect sales of this product that don't get you high will reach \$3 billion in the next five years. Canada has proposed changes to hemp regulations allowing for the extraction of CBD, limiting to 10 ppm the amount of psychoactive THC they can contain.

- [*The Hemp Business Journal*](#) estimated that the CBD market will grow to a \$2.1 billion market in consumer sales by 2020 with \$450 million of those sales coming from hemp-based sources. That's a 700% increase from 2016.
- In 2015, the market for consumer sales of hemp-derived CBD products was \$90 million, plus another \$112 million in marijuana-derived CBD products which were sold through dispensaries - bringing a total CBD market to \$202 million last year.
- The hemp CBD market has reached an estimated retail value of \$130 million in the United States alone, according to a 2016 market estimate by Vote Hemp and the Hemp Business Journal. A spokesman for Vote Hemp also estimated there are likely 50-100 hemp cannabidiol brands, along with hundreds more growers and processors that focus on hemp-based CBD

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

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(2) Extraction and formulation with Cannabidiol (CBD)

(3) Hemp and plant-based proteins.

- POS-BPC Facility - a 12,000-square-foot production facility leased and operated by POS BPC Manufacturing Inc., a company jointly owned by NSE (51%) and POS Holdings (49%), 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.

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On Behalf of the Board of Directors

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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 become a Licensed Dealer, 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.

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