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Naturally Splendid Terminates Agreements

(via TheNewswire)



Vancouver, British Columbia - TheNewswire -January 24, 2020 - Naturally Splendid Enterprises Ltd. ("Naturally Splendid", "NSE" or "the Company") (FRANKFURT:50N) (TSXV:NSP) (OTC:NSPDF) provides the following updates.

The Company has reviewed the CBD edibles opportunity and has strategically adapted our strategy for this emerging market. Naturally Splendid, will continue to focus our core strengths manufacturing nutritious food, with plant-based ingredients in our SQF2 Certified food manufacturing facility while the market for edibles continues to evolve. We will leverage this expertise to extend into the 'edibles market' as opportunities warrant and the necessary licensing secured.

In 2019 many companies involved in the cannabis industry began to tighten their budgets and and/or reduced the scope of projects given the state of the cannabis market in Canada. That trend is continuing into 2020. It is prudent for Naturally Splendid to adjust strategies to best suit these challenging times for the cannabis industry.

Therefore, after a thorough review, the agreements with AlternaMedz Canada Holdings Inc. and Prairie Pure (1159705 BC Ltd.) have been terminated.

AlternaMedz Agreement Terminated

The AlternaMedz agreement for the purchase of a late stage Processor License and buildout of a cannabidiol (CBD) extraction facility in Innisfil, Ontario has been terminated. The Termination is due to the fact that Naturally Splendid and AlternaMedz failed to satisfy the closing conditions by July 31, 2019. With the termination of this agreement, the Company will focus capital spends on increasing capacity and efficiencies within our core business manufacturing nutritious bars and bites.

Prairie Pure Agreement Terminated

The Prairie Pure agreement was based on Naturally Splendid providing equipment for the extraction of cannabidiol (CBD) from hemp at a facility in the state of Oregon, USA. This agreement has been terminated as Prairie Pure was not able to secure the necessary equipment and liability insurance for this operation to the satisfaction of Naturally Splendid. The Company is reviewing several opportunities to put the extraction units into use in other business arrangements.

Naturally Splendid CEO Mr. J. Craig Goodwin states, "*There has been significant cannabinoid extraction operations and capacity brought online over the last 12 months or so. In our opinion there is sufficient cannabidiol (CBD) extraction capacity, to satisfy current consumer demand. However, we believe there is under capacity manufacturing infused food products. It is with this in mind that the Company will focus on leveraging our food making expertise, as we revise our 'edibles strategy', to focus on the production of CBD-infused food, rather than the actual extraction process.*"

The Company's extraction and edibles strategy has come full circle and we will focus our attention on securing a Processor License in Pitt Meadows BC, for the purpose of manufacturing infused edibles. This makes the most sense economically and geographically allowing us to best utilize the food manufacturing expertise that is already available within our SQF2 facility".

Prior to cannabis regulations changing in 2018, the Company engaged Cannabis Compliance Inc. to prepare a site plan for their Pitt Meadows location for the purpose of extracting cannabinoids and processing into edibles. We are amending that application to reflect current regulations regarding the processing of cannabinoids into food products and submitting for review and eventual approval.

In December 2019, Prohibition Partners reported that, "For 2020: We will see more and more industries across the board incorporating cannabidiol into their product ranges. This is likely to spill over into a greater array of food products, and food operators with clean eating and veganism are likely to be key conduits. Sports performance (including sports drinks) and recovery/injury products will also be a major category in development that will also pay greater attention to CBD; however, we may also see the entire sports drinks category shift its focus in favor of mental stimulation and nootropics (including CBD) rather than on simple physical exertion, as the drain on mental time and energy continues to be much higher than the physical demands of modern living. Household goods will also pick up on the trend, with CBD-based sleep aids an exciting new avenue for a whole host of product development".

Naturally Splendid Vice President Mr. Bryan Carson states, "*We field multiple inquiries regarding edibles from our existing clients as well as from new contacts looking for a manufacturer. The expertise we have developed at Prosnack will be transferable to the buildout of a facility dedicated to edibles. We look forward to expanding our services to include CBD edibles in due time and with the proper licensing in place. In the meantime, we will focus on servicing our growing roster of contract manufacturing clients.*"

About Naturally Splendid Enterprises Ltd.

NSE has established numerous healthy, functional foods under recognized brands such as Natera Sport(TM), Natera Hemp Foods, CHII (TM), Elevate Me(TM) and Woods Wild Bar. The Company has a myriad of new products and line extensions under development that are approaching launch. NSE has also developed proprietary technologies for the extraction of high demand, healthy omega 3 and 6 oils from hemp. (NSE sales revenues for the first half 2019 exceeded FY2018).NSE is the current "go-to" manufacturer for healthy, functional food products and ingredients focusing on plant-based ingredients. The Company provides contract manufacturing services for many



global healthy food companies, private labelling a wide variety of nutritional food products destined for global healthy food markets. NSE plans to utilize current and new technologies to meet the expected exponential demand developing in the cannabis market. Pending appropriate NSE licensing and regulations in permitting jurisdictions, NSE's current production facilities will be one of very few facilities that is capable of meeting the demand for infused edibles and oils for both in-house and contract manufacturers' brands.

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

On Behalf of the Board of Directors

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