



HAVE YOU HURD?

January 2023 Newsletter

SHARE OFFERING NEWS

The recent “seed round” share offering resulted in 87 new investors purchasing shares.

A total of \$429,500 was raised through this offering.

The SHDL Board is extremely gratified to have this level of support for the start-up stage of the project.



On behalf of the SHDL Board, we wish you all the best for this New Year. We look forward to growing the hemp industry and economy of the region and wish to thank you for investing in SHDL. It is only with the involvement of the people of this area that growing the hemp industry can be possible. SHDL met the requirements for the Initial Seed Round and are moving forward. As most of you are aware, SHDL plans to build and operate a hemp decortication facility in Donnelly which will create significant employment, attract investment, and offer our farmers an alternative crop.

The SHDL Newsletter has been sent by e-mail to all persons who purchased shares during our successful seed round. It is also being sent to all the surrounding municipalities, as we view them as partners in this endeavor, as well as our other very important partners – the farmers - who contract with us to grow hemp. The SHDL Board plans to utilize this “Have You Hurd?” newsletter to keep our shareholders and other partners apprised of our activities as often as is necessary. At this point we really aren’t planning for a specific periodical. (e.g. monthly or quarterly) The plan is to circulate a newsletter as often as appropriate when we have news to share.

The Board:

Firstly, we want to tell you about the Board Members, and our future plans for the Board. At this time, our Board is made up of Avis Gagne, CEO, Dan Labrecque, Melissa Labrecque, Francois Cote, Normand Boulet, and Stephane Nollette. Our advisors include Diane Chiasson, and Darcy Boisvert. Our Recording Secretary and Bookkeeper is Christa Goll, owner of Innovative Virtual Services. During this very busy time of share offerings and discussions regarding equipment and start-up, the Board is meeting via zoom approximately every 2 weeks. As soon as practicable after the August 31 fiscal year end, we will provide an information circular and audited financial statements and announce the date of our Annual General Meeting to elect new and additional Board members. Board member contact information can be found on our website at www.smokyhempdecortication.com.

The Building:

Anyone traveling Highway 2 just east of Donnelly Corner has noticed the building boom! Two new buildings have emerged and are being worked on. First – the new offices for SARDA Ag Research, located in the M.D. of Smoky River is coming along beautifully. Second, as you cross the quarter section line and enter into the Village of Donnelly, you see SHDL’s new building. The 80 by 200-foot shell is built on land owned by Frank & Monique Cote. SHDL and the Cote’s will enter into a lease-to-purchase agreement which greatly helps SHDL become operational without having an immediate outlay for capital.

“The only impossible journey is the one you never begin.” Tony Robbins

The Equipment:

Throughout our information meetings and discussions, we have proudly informed that a Canadian Engineering firm was developing a “Made in Canada” solution to our hemp plant’s decortication needs. The equipment will introduce new technology and position SHDL as having the ability to produce high-quality fibre for a variety of purposes to meet the needs of many secondary manufacturers. In December, several Board members visited the firm to discuss our timeline for equipment to be in place.

Unfortunately, the engineering firm has faced staffing and supply issues which forced them to place our project on hold. At this point our ETA for this new equipment is approximately one year from now. Although we are still committed to having this equipment become an integral part of our processing, the Board is currently investigating other equipment possibilities to allow us to become operational sooner. SHDL still plans to be operational for processing in time for the 2023 hemp straw crop.

Hemp Straw Production:

In 2022, 160 acres of Fibre Hemp was grown under contract for SHDL. Growers were located in the M.D. of Smoky River, Northern Sunrise County, the M.D. of Peace and Northern Lights County. SHDL has offered these growers an initial 50% payment based on estimates of production calculated by our Agronomist. Final payments will be made on actual weight of product delivered to our Donnelly facility. SHDL will be holding meetings with farmers beginning early in 2023 to contract production for the coming crop year.

Future Financing:

SHDL was approved for a grant award through the “Emerging Opportunities” portion of the Provincial/Federal CAP program. One of the grant’s requirements was to have equipment in place by the end of February 2023. With the delay in acquiring equipment, SHDL contacted the grant administration office, to apprise them of our equipment issues and requested an extension to August 2023. Regretfully the request for extension was denied as this is the final year of the Emerging Opportunities Grant program. We were told there will be new grant opportunities announced this spring.

Further Share Offerings:

As mentioned, the initial SHDL seed round share offering successfully met the requirements, and we are currently preparing a budget to detail how these funds will be allocated and expended. Further share offerings will occur giving additional opportunities to invest and make this venture successful. SHDL will be announcing our additional share offering dates and targets soon.

Smoky Hemp Decortication Ltd. wishes to again thank everyone who invested, and to assure you all that we are working diligently to make our Hemp Decortication Plant successful. Share Certificates will be emailed out to investors within the next few weeks. Please, feel free to circulate this Newsletter to friends and family, utilize our website and Facebook to stay up to date on our activities, and contact any Board member you would like with questions, concerns or if you are interested in investing or growing hemp.

Avis Gagne, CEO



Growing our Future



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