



News Release

For Immediate Release

July 6, 2020

HTC Extraction Systems Announces Closing of Acquisition of Saskatchewan based KF Hemp Corp.

Regina, Saskatchewan - HTC Extraction Systems (also the "Corporation" and/or "HTC") (HTC: TSX-V) (OTCQB:HTPRF) is pleased to announce that it has closed the previously announced share purchase agreement dated May 15, 2020 ("SPA") with KF Hemp Corp. ("KF Hemp"), a non-arm's length party to HTC. HTC has acquired all the issued and outstanding shares ("Purchased Shares") of KF Hemp, and KF Hemp is now a wholly owned subsidiary of HTC ("Transaction"). The Transaction was approved by the Corporation's special committee, comprised solely of independent directors; the majority of the minority shareholders of HTC, with 99.98% of the shares voted in favour of the Transaction; and the TSX Venture Exchange Inc.

HTC acquired KF Hemp for a value of approximately \$20,000,000. The consideration for the Purchased Shares consists of the following: (i) the issuance of 95,000,000 HTC common voting shares ("HTC Shares") at a value of \$0.082 per share for the aggregate of \$7,790,000; and (ii) the transfer of all the issued and outstanding shares ("Maxx Shares") of Maxx Group of Companies Corp. ("Maxx").

The HTC Shares will be subject to a 12-month Corporation imposed, pooling agreement, with the HTC Shares to be released in 3 equal tranches, each 4 months apart. In addition, the HTC Shares are subject to a hold period under applicable securities law until November 4, 2020. The Corporation now has 206,983,741 shares issued and outstanding.

ABOUT HTC

HTC Extraction Systems has developed proprietary extraction and purification systems designed for extraction from industrial hemp biomass and extraction from clean energy liquids and gases, as well as for the purification and distillation of ethanol and ethanol-based solvents used for extraction.

ABOUT KF HEMP

KF Hemp has positioned itself in North America, to be growers of hemp for CBD biomass and has secured: genetics; farm land; farm operations; biomass shredding, handling, drying, sorting and storage facilities; the required licensing under the Industrial Hemp Regulations of the *Cannabis Act* (Canada); and is a late stage applicant for an industrial hemp processing license under the *Cannabis Act* (Canada).

**NEITHER THE 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 THE RELEASE.**

For more information contact:

Lionel Kambeitz

HTC Extraction Systems

Tel: 306-359-3448

E-mail: lpk@htcextraction.com

HTC corporate developments can be followed on www.htcextraction.com and is traded under the symbol HTC

This press release contains "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward- looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of HTC. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or be achieved. This press release contains forward-looking statements pertaining to, among other things, KF Hemp's ability to obtain the hemp processing license and the hemp crop, harvest, drying, extraction, refinement and sales.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and, in some instances, to differ materially from those anticipated by HTC and described in the forward-looking information contained in this press release.

Although HTC believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance.

HTC Pureenergy Inc. (OTCQB:HTPRF) trades on the OTCQB Venture Market for early stage and developing U.S. and international companies. Companies are current in their reporting and undergo an annual verification and management certification process. Investors can find Real-Time quotes and market information for the company on www.otcmarkets.com. (links to: <http://www.otcmarkets.com/stock/hmprf/quote>.)