

Driftless Extracts LLC

(Driftless) is advancing a cannabinoid development near Lone Rock, Wisconsin to participate in the emerging hemp industry in the state and country. Our goal is to leverage the revenue generated in cannabinoids into the research and development needed to drive a wider hemp industry in North America. At the heart of this endeavor is a goal to revitalize agriculture with hemp as the centerpiece to a renewable future.



An update from The Driftless Team!

Driftless has successfully completed its harvest season. As expected, there were challenges along the way, but The Team is pleased with the progress and growth of the company in one short year. We appreciate your continued support and interest in our operation as Driftless continues to advance.

Infrastructure

Installation of the following equipment since last communication:

- Low temperature, low agitation fully integrated solution
 - Three phase dryer
 - Integrated scissors chopper and integrated hammermill
- 60,000 CFM independent dust collection system
 - Pickup points at each material handling junction
 - Captures valuable fine particulate normally lost during processing
- Three phase stalk/stem separation system
 - Fully integrated flower isolating cyclone collector
 - Bast & Hurd fiber separation table
 - Dust collection fully integrated on all three phases
- 11 Long Barn drying flue barns
 - 8 crate barns retrofitted to dry hemp
 - Originally manufactured to dry tobacco

Extraction Lab

- Completed third party chemical engineering study for lab setup
 - Specs on equipment, lead-times, cost projections
- Driftless aims to source most of the equipment from local WI vendors
 - Decreases costs by up to 50% and mitigates lead-times
- Part sourcing has started already



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Annual Shareholder Meeting

January 21st, 2020
1:00pm

1110 Leed Pkwy
Plain, WI 53577



Agriculture

“Expect the unexpected” and *“game-time decision”* were two phrases that came up over and over as we researched and prepared to grow and cultivate industrial hemp.

Our agronomy team is developing a Wisconsin industrial hemp growing handbook that will outline our knowledge gained through our experiences. Future growers will be able to learn and reference this handbook and obtain our agronomy services program. Our experience will help growers capitalize on the opportunity of Wisconsin’s strong agricultural foundation in the industrial hemp industry.

The following agricultural items have been completed:

- Harvested 79 acres of feminized hemp
 - Mechanically harvested feminized acreage
- Round baled 35 acres of fiber hemp
- Restored farm land



CONSULTING

- Custom Spraying
- Agronomy Consulting

PROCESSING

- Contract biomass drying
- Grinding
- Compaction baling
- Bulk storage
- CBD testing

PRODUCTS

- Smokeable Flower
- Winterized Crude
- Distillate
- Isolate



Fiber Production

Driftless grew 35 acres of conventional Futura 75 in 2019 intended for the fiber market

- Cut, retted, and baled
- 4,900 lbs of dry weight per acre
- Estimated 178,000 lbs in storage

Processing Milestones

- 400,000+ lbs. of feminized hemp milled
 - 100k+ lbs. of Driftless grown material
 - Additional 200k+ lbs. of material processed on a 50/50 split
- 100,000+ lbs. toll processing, drying, and milling
 - 6000 square feet of cold storage full

Corporate/Administrative Milestones

The following updates are potential contracts and partnerships for Driftless:

- Distribution Discussions
 - Engaged potential partner about CBG production and distribution for 2020
- Visited headquarters of purchasing partner
 - Delivered final proposal for 2020 acreage contracting
 - Discussed partnership on 2019 production
 - Pellet samples have been set to lab for extraction
 - Driftless is attempting to sign a multi-year multi-phase contract
- Discussions with organic purchaser progressing for USDA Certified Organic extract
 - Discussed partnership on 2019 production
 - Discussed a multi-year agreement starting in 2020
 - Lab samples will be required prior to signing
- On-track to become one of the first seed to bottle traceable processor with USDA certified organic stamp on each stage of production
- Financed equipment with local lenders at favorable rates
- Leased lab and office location

PUBLIC AWARENESS

- Front page of WI State Journal (Sunday 06/30/2019)
- Featured in Agri View, front page on 07/04/2019
- Featured in MMJ Daily
- Feature prepared for Driftless Magazine (released in Sept.)
- Selected to speak on behalf of the burgeoning hemp industry in WI to the Ag Coalition
- Sales outreach commenced for private labeling across the state of WI



Ed Liegel

President & CEO

Research and Development

Ongoing innovation efforts for more efficient procedural and corporate operations

Driftless has been in dialogue to enter multiple fiber markets to drive dual purpose cropping. These programs are still in early stage R&D but partners have been identified and movement has begun.

Light Tacticle Vehicle Sustainment Program

- Proposed partnership with USDA, DOD, and Driftless
- SBIR program proposed for multi-stage grant
- Weave product deployed as natural camouflage in combat situations
 - Especially useful in high temperature desert conditions
 - Current synthetic products are easily spotted due to gloss
- Potential for total vehicle overlays, individual vehicle paneling, and portable temporary structure masking

Confidential Oil & Gas Partnership

- Firm looking to partner for processed hurd
- Long-term annual revenue partner

Thank you for your ongoing support as we continue to hit our milestones and execute our business plan. We look forward to seeing all of you at the annual shareholder meeting in January. Please visit our website driftextracts.com and like us on Facebook @DriftExtractsWI or on Instagram at driftless.extractswi

Regards,

Ed Liegel
On behalf of The Driftless Team

DRIFTLESS EXTRACTS

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