

Hempsana Holdings Ltd. Completes Acquisition of Hempsana Inc.

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TORONTO--(BUSINESS WIRE)--July 12, 2021--Hempsana Holdings Ltd. (the “**Company**”) is pleased to announce that it has completed its previously announced business combination (the “**Transaction**”) where it first consolidated its issued and outstanding common shares on a one for 253.7067059 basis (the “**Consolidation**”), changed its name from “Stralak Resource Inc.” to “Hempsana Holdings Ltd.” and then acquired Hempsana Inc. (“**Hempsana**”). The common shares of the Company are expected to commence trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “HMPS” on Thursday, July 15, 2021.

Through the acquisition of Hempsana, the business of the Company will involve manufacturing cannabis derivatives and producing cannabis extracts for use in finished products, including vapeables, topical creams and infused consumables. Hempsana’s Health Canada Standard Processing Licensed, and EU-GMP compliant facility will provide the Company with access to wholesale and retail channels in Canada and internationally.

“We believe that the market for high quality CBD products is growing rapidly. Our public listing is a significant milestone for us as we feel that it will give us the access to a broader group of investors and a financial framework to advance our operations. Our achievements to-date are a testament to the execution ability of the team, and we’re excited to continue our growth as we look to be a first mover in the Canadian rare cannabinoid space.” stated Randy Ko, Chief Executive Officer of the Company.

Overview of the Transaction

The Transaction was completed by way of a three-cornered amalgamation (the “**Amalgamation**”). Pursuant to the terms of the Amalgamation, Hempsana amalgamated with a wholly-owned subsidiary of the Company, and the Company acquired all the issued and outstanding common shares of Hempsana (the “**Hempsana Shares**”) in exchange for its common shares (“**HHL Shares**”) on the basis of one HHL Share for each Hempsana Share issued and outstanding, as a result of which Hempsana has now become a wholly-owned subsidiary of the Company. The Amalgamation also provides that all outstanding warrants and options to purchase Hempsana Shares remain outstanding and now entitle the holders thereof to acquire equivalent securities of HHL in lieu of Hempsana on the same terms and conditions.

As part of the Transaction and following the Consolidation, the Company issued 437,499 HHL Shares to certain arm’s-length finders.

For further information with respect to the Transaction and the business of Hempsana, please refer to the listing statement (the “**Listing Statement**”) of the Company which will be filed under its profile on SEDAR at www.sedar.com.

Commencement of Trading

The CSE conditionally approved the listing of the HHL Shares in connection with the Transaction. Listing is subject to HHL fulfilling all listing requirements of the CSE. Subject to final approval, the HHL Shares are anticipated to commence trading on the CSE under the ticker symbol "HMPS" on Thursday, July 15, 2021.

New Board and Management

Upon closing of the Transaction, the board of directors and management of the Company were reconstituted as follows in place of the previous directors and officers of the Company:

Randy Ko – Director, President and Chief Executive Officer

Randy is an experienced entrepreneur, having successfully led three early-stage, high-growth companies. He has over 20 years of management consulting experience with market leaders, including Deloitte, in various industries such as retail, financial, oil and gas, technology, and manufacturing.

David Chan, CPA, CA, CFA – Chief Financial Officer and Secretary

David has over 20 years' experience in accounting and finance, and has been a principal factor in helping a number of companies grow and maximize stakeholder value. David also brings significant experience in helping companies grow through M&A. Previously, David was CFO at VersaPay Corp, a fintech software business.

Sohil Mana – Director and Chief Quality Officer

Sohil is the President of Eurofins Experchem Canada, a Health Canada and FDA approved Biopharmaceuticals Services and Laboratories & Testing company. Sohil was instrumental in setting up the cannabis division for Eurofins and has helped accelerate the ACMPR license approval for more than 130 companies in Canada. With over 30 years of experience, Sohil is experienced in medical and product testing within the pharmaceutical industry.

Douglas Sommerville – Director

Douglas is a globally experienced executive, most recently, as the CEO of Medivolve Inc., a publicly traded medical technology and strategic initiative company. Douglas was Country Head and Global SVP of Teva Canada, for which he was known for his record of delivering profitability through rapid sales growth, strategic business development and acquisition, new product selection and introduction, and disciplined financial management. Douglas is the CEO of PlantExt Ltd., a pharmaceutical and healthcare company, and is well respected in the pharmaceutical industry by both customers and colleagues.

Hyong-Gue Michael Bang – Director

Michael is an accomplished equity research professional with over 18 years of experience at leading global investment banks including Goldman Sachs, Macquarie Securities, ING Financial Markets, and Nomura International. He currently serves as the Chief Investment Officer of Calyx Peak Inc. and is actively involved in raising capital for cannabis-related investments.

Capitalization

Upon completion of the Transaction, HHL has 24,129,323 HHL Shares issued and outstanding (non-diluted), of which the former shareholders of the Company hold 1,500,000 HHL Shares representing approximately 6.2%, the former shareholders of Hempsana hold 22,629,323 HHL Shares representing approximately 93.8%. In addition, HHL now has outstanding 1,655,345 stock options and 4,397,218 warrants (each exercisable to acquire one HHL Share).

Information for Shareholders

The Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), will be delivering by mail statements pursuant to the Direct Registration System (a "**DRS Advice**") to all former holders of Hempsana in connection with the completion of the Transaction. Shareholders of the Company wishing to receive a physical share certificate should contact Computershare in accordance with the instruction on the DRS Advice for information on how to obtain a physical share certificates in place of a DRS Advice.

Auditors and Year-End

In connection with the completion of the Transaction, MNP LLP, at its principal office in Toronto, Ontario, will replace McGovern, Hurley, Cunningham LLP as the auditor of the Company. In addition, the year end of the Company will become the year end of Hempsana which is December 31st.

READER ADVISORY

The securities set forth herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements and forward-looking information within the meaning of applicable Canadian and U.S. securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the timing of the commencement of trading on the CSE and the business and operations of the Company and Hempsana. The forward-looking statements and information are based on certain key expectations and assumptions made by management, including expectations and assumptions

concerning the Company and Hemsana and the timely receipt of CSE approval. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information. There can be no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, general economic conditions, the state of the regulatory environment, and the delay or failure to receive CSE approval. Please refer to the Listing Statement for more details on the risks faced by the Company. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward- looking information for anything other than its intended purpose. Management of the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Contacts

For additional information regarding the Transaction:

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