



HEMPSANA Announces Acceptance of Application for Management Cease Trade Order

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TORONTO, May 04, 2023 -- HempSana Holdings Ltd. (the “**Company**” or “**HempSana**”) (CSE: HMPS) today announced that, further to its news release dated April 21, 2023, the British Columbia Securities Commission (the “**BCSC**”), as the Company’s Principal Regulator, has granted the Company’s application for a management cease trade order (the “**MCTO**”) pursuant to National Policy 12-203 - *Management Cease Trade Orders* (“**NP 12-203**”) on May 3, 2023.

The Company applied for the MCTO voluntarily due to a delay in the filing of its audited financial statements for the year ended December 31, 2022 and the management’s discussion and analysis and related Chief Executive Officer and Chief Financial Officer certificates for this period (collectively, the “**Required Filings**”) before the filing deadline of May 1, 2023 (the “**Filing Deadline**”).

The MCTO restricts all trading in the securities of HempSana by the Company’s CEO and CFO and remains in effect until the Company files the Required Filings and the Executive Director of the BCSC revokes the MCTO.

The Company applied for the MCTO as an alternative to the imposition by the BCSC of a full cease trade order. The MCTO order prevents the officers and/or directors named in the order from trading in HempSana’s securities but does not affect the ability of other shareholders, including the public, to trade the Company’s securities.

As previously announced, the delay in filing the Required Filings is a consequence of this recent change of auditors. In December 2022, the Company learned that its former auditors would be increasing its fees significantly and required payment terms beyond the financial ability of the Issuer. Despite undertaking a search for a new auditor, the limited number of available auditing firms available to service cannabis clients posed a challenge. As a result of the short time period to the filing deadline, the Issuer and its current auditor, require more time to complete the Required Filings.

The Company anticipates that it will file the Required Filings on or before June 1, 2023, to remedy the default. The Company confirms that it intends to satisfy the provisions of the alternative information guidelines under NP 12-203 by issuing bi-weekly default status reports in the form of news releases for so long as the filing of the Required Filings remains outstanding.

About HempSana Holdings Ltd.

The Company’s business involves the manufacturing of major and minor cannabinoid derivatives and producing cannabis extracts for use in finished products and other infused consumables. HempSana’s Health Canada Standard Processing Licensed, and EU-GMP compliant facility provides the Company access to wholesale and retail channels in Canada and internationally. HempSana currently offers a wide range of product formats, including cannabis concentrates, diamonds, tablets, topicals, tinctures, salves, infused pre-rolls, and hemp-based CBD products that are all manufactured and distributed by HempSana.

Additional Information

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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 business and operations of the Company. The forward-looking statements and information are based on certain key expectations and assumptions made by management, including expectations and

assumptions concerning the Company. 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 and the state of the regulatory environment. Please refer to the Company's public record on SEDAR at www.sedar.com 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.