

**FORM 51-102F3
Material Change Report**

FILED VIA SEDAR

Item 1. Name and Address of Company

Hempsana Holdings Ltd. (“HHL” or the “Company”)
3080 Yonge Street, Suite 6060
Toronto, Ontario
M4N 3N1

Item 2. Date of Material Change

May 10, 2023

Item 3. News Release

On May 10, 2023, a news release in respect of the material changes was disseminated via Globe Newswire and filed on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

On May 10, 2023, the Company announced that it has entered into a Convertible Debt Purchase Agreement (the “**Agreement**”) with Antosh Consulting Inc. (the “**Lender**”) to borrow an aggregate principal amount of \$900,000 pursuant to a unsecured convertible debenture (the “**Debenture**”), by way of a private placement exemption from the prospectus requirement. The Debenture will accrue interest rate at the rate of 8.0% per annum and has a maturity date of five years from the date of issue, unless converted earlier in accordance with its terms.

Item 5. Full Description of Material Change

The material change is described in the attached News Release.

Item 6. Reliance on Section 7.1(2) of National Instrument 51-102

The report is not being filed in reliance on section 7.1(2) of National Instrument 51-102.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

For further information, please contact:

Randy Ko
Director and Chief Executive Officer
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E: randy@hempsana.ca

Item 9. Date of Report

May 10, 2023

Hempsana Holdings Ltd. (the “Corporation” or “Hempsana”) Announces \$900,000.00 Convertible Secured Debenture Financing

Toronto, May 10, 2023 – Hempsana (CSE: HMPS) announced today that it has entered into a Convertible Debt Purchase Agreement (the “**Agreement**”) with Antosh Consulting Inc. (the “**Lender**”) to borrow an aggregate principal amount of \$900,000 pursuant to a unsecured convertible debenture (the “**Debenture**”), by way of a private placement exemption from the prospectus requirement. The Debenture will accrue interest rate at the rate of 8.0% per annum and has a maturity date of five years from the date of issue, unless converted earlier in accordance with its terms.

The principal amount of the Debenture will automatically convert into Common Shares of the Corporation in the event that the Common Shares trade at a volume-weighted average trading price of \$0.25 per share for a period of 10 consecutive trading days on the Canadian Securities Exchange. The Debenture will convert into Common Shares at a conversion price of \$0.05 per share. The Debenture may also be converted into Common Shares at such conversion price at the option of the Lender, at any time after the maturity date. The terms of the Agreement also provide that the Lender will be issued 12,000,000 Common Shares as consideration for the issuance of the Debenture.

The issuance of the Debenture closed on the date hereof. The proceeds from the Debenture will be used to purchase additional production equipment, repayment of outstanding debt, payment of certain outstanding accounts payable and general working capital purposes, in the discretion of the Corporation.

The foregoing description of certain terms of the Debenture and the Agreement is qualified in its entirety by the terms and conditions set out in the Debenture and the Agreement entered into between the Corporation and the Lender.

The Debenture will not be listed on the Canadian Securities Exchange and will not be qualified for distribution to the public under the securities laws of any province or territory of Canada. The Debenture has not been and will not be offered or sold in Canada, directly or indirectly, other than pursuant to an applicable private placement exemption. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any securities of the Corporation.

Shahzad Shah, director of the Antosh Consulting Inc., states “We’re thrilled to be partnering with Hempsana and providing an investment that will accelerate their growth and success. We believe that the company has tremendous potential and we’re excited to be a part of their journey towards achieving their goals. We’re looking forward to working closely with the Hempsana team and supporting them as they continue to innovate and grow.”

“Hempsana has created a reputation in the industry in providing high quality isolates in CBD and minor cannabinoids. With the capital injection and resource support that we look to leverage from Shahzad’s team, we plan to disrupt the THC market by making investments to upgrade our distillation process to produce high-grade distillate as we anticipate a bigger shift towards THC infused products going forward. We remain focused on cleaning up our balance sheet by operating lean and increasing productivity through investments in automation and technology”, said Randy Ko, Chief Executive Officer of the Company.

About Hempsana Holdings Ltd.

The Corporation’s business involves the manufacturing of major and minor cannabinoid derivatives and producing cannabis extracts for use in finished products, including topical creams, vape pens and other infused consumables. Hempsana’s Health Canada Standard Processing Licensed (and EU-GMP compliant) facility provides the Corporation with access to wholesale and retail channels in Canada and internationally. Hempsana currently offers a wide range of product formats, including flower, pre-rolls, topicals, tinctures, salves, and vape pens which can all be fortified with major and minor cannabinoids that are all manufactured by Hempsana.

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 Corporation. The forward-looking statements and information are based on certain key expectations and assumptions made by management, including expectations and assumptions concerning the Corporation. 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 general economic conditions and the state of the regulatory environment. Please refer to the Corporation's public record on SEDAR at www.sedar.com for more details on the risks faced by the Corporation. 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 Corporation 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 Hempsana, please contact:

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