

## HEMPSANA HOLDINGS LTD.

For Immediate Release  
Canadian Securities Exchange  
Symbol “HMPS”



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### **HEMPSANA Provides Bi-Weekly Update on Status of Management Cease Trade Order**

Toronto, Ontario – May 31, 2023 – Hempsana Holdings Ltd. (the “**Company**” or “**Hempsana**”) is providing a bi-weekly default status update in accordance with National Policy 12-203 – *Management Cease Trade Orders* (“**NP 12-203**”)

In press releases dated April 21, 2023, May 4, 2023 and May 19, 2023, the Company announced (the “**Default Announcement**”) that it submitted an application to the British Columbia Securities Commission (the “**BCSC**”), the Company’s principal regulator, for a management cease trade order (“**MCTO**”) in connection with the Company’s delay in filing its audited annual 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 the period (collectively, the “**Required Filings**”) which were required to be filed on or before May 1, 2023.

The MCTO was issued by the BCSC on May 3, 2023. It prevents the Company’s CEO and CFO from trading in the Company’s securities but does not affect the ability of other shareholders, including the public, to trade in the securities of the Company.

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 Company. 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 Company and its current auditor, require more time to complete the Required Filings.

The MCTO remains in effect until the Company files the Required Filings and the BCSC’s Executive Director has revoked the MCTO. The Company now anticipates that it will file the Required Filings on or before June 30, 2023. The Company confirms that since the date of the Default Announcement, other than as described above: (a) there has been no material change to the information set out in the Default Announcement that has not been generally disclosed; (b) there has been no failure by the Company in fulfilling its stated intentions with respect to satisfying the provisions of the alternative information guidelines set out in NP 12-203; (c) there has not been, nor is there anticipated to be, any specified default subsequent to the default which is the subject of the Default Announcement; and (d) there is no other material information concerning the affairs of the Company that has not been generally disclosed.

The Company confirms that it will continue 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 it remains delayed in filing the Required Filings.

### **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 Hemptana.

### **Additional Information**

For additional information regarding Hemptana, please contact:

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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](http://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.*