



## Hempsana Holdings Ltd. (the “Corporation” or “Hempsana”) Announces Restructured Financing

TORONTO, June 12, 2023 -- Hempsana (CSE: HMPS) announced today that it has entered into an agreement to restructure the previously announced investment in the Corporation by Antosh Consulting Inc. (the “Investor”) into an equity issuance, following consultation with the Canadian Securities Exchange (the “CSE”). Hempsana previously had entered into a Convertible Debt Purchase Agreement (the “Initial Agreement”) with the intent to borrow an aggregate principal amount of \$900,000 pursuant to an unsecured convertible debenture (the “Debenture”). The Initial Agreement was entered into on May 11, 2023, however the Debenture was never issued to the Investor and no securities were issued pursuant to either the Initial Agreement or the Debenture.

In lieu of proceeding with the Initial Agreement, Hempsana and the Investor have entered into a Subscription Agreement for Units of Hempsana (the “Subscription Agreement”), pursuant to which the Investor has agreed to purchase 30,000,000 Units of the Corporation (each, a “Unit”) at a price of \$0.03 per Unit, for a total purchase price of \$900,000.00 (the “Subscription Price”), by way of a private placement exemption from the prospectus requirement. Each Unit is comprised of one Common Share and one-sixth of one Common Share purchase warrant in the capital of Hempsana (each whole such warrant, a “Warrant”). The Unit offering is expected to close on or about June 12, 2023.

Subject to the anti-dilution provisions that will be contained in the certificates governing the New Warrants, each Warrant will be exercisable to acquire one Common Share (a “Warrant Share”) at a price of \$0.05 per Warrant Share for a period of one year from the closing date. The Warrants contain an acceleration clause whereby if Hempsana’s Common Shares trade on a Canadian stock exchange at a volume weighted average price of \$0.10 or more for 10 consecutive trading days, Hempsana will have the right to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants.

The net proceeds from the sale of the Units 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 Units are being issued at a price lower than \$0.05 per Unit in reliance on Policy 6.2(c) of the CSE, based on the volume weighted average price of the Common Shares for the previous 20 trading days (as determined by the CSE). Additionally, the sale of the Units, and the Common Shares and the Warrant Shares issuable thereby, will result in the issuance of more than 100% of the current number of issued and outstanding Common Shares of Hempsana. The Listings Committee of the CSE has approved the Corporation’s reliance on an exemption from the security holder approval requirements in Policy 4.6(2) of the CSE, on the basis that Hempsana is in serious financial difficulty. Accordingly, the Corporation will not hold a vote of the holders of Common Shares to approve the sale of the Units.

The foregoing description of certain terms of the Subscription Agreement, the Units and the Warrant is qualified in its entirety by the terms and conditions set out in such agreement entered into between the Corporation and the Investor.

### 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 flower, pre-rolls, 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 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](http://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**

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