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CANAFARMA HEMP PRODUCTS CORP.

CSE Symbol: CNFA

19th October 2020

NEWS RELEASE

**CANAFARMA HEMP PRODUCTS CORP.
APPLIES FOR MANAGEMENT CEASE TRADE ORDER.**

CanaFarma Hemp Products Corp. (CSE:CNFA) (the "Corporation" or "CanaFarma") announced today that it anticipates delays in filing its audited annual financial statements for the year ended June 30, 2020 (the "**Annual Financial Statements**"), the related management's discussion and analysis and CEO and CFO certifications (the "**Annual Filings**") due to ongoing complications in coordinating with the Company's auditors and collection of the required data and documentation to complete the audit of the Company and its subsidiaries caused by the COVID-19 pandemic. The Company will work with its auditors to complete the audit of the Company's Annual Financial Statements and expects to file the Annual Filings by November 30, 2020.

As a result of the anticipated delay in filing the Annual Filings, the Company has applied to the British Columbia Securities Commission to request a management cease trade order (the "**MCTO**") be issued in accordance with National Policy 12-203 - *Management Cease Trade Orders* ("**NP 12-203**").

During the period in which the MCTO is in effect, the general investing public will continue to be able to trade in the Company's common shares listed on the Canadian Securities Exchange. However, for the duration of the MCTO, the Company's Chief Executive Officer and Acting Chief Financial Officer will not be able to trade in the Company's common shares, nor will the Company be able to, directly or indirectly, issue securities to or acquire securities from an insider or employee of the Company except in accordance with legally binding obligations to do so existing as of October 28, 2020, being the date of the Company's anticipated continuous disclosure default. The Company has also imposed an insider trading blackout pending filing of the Annual Filings. The Company confirms that it will comply with the alternative information guidelines set forth in NP 12-203 for so long as it remains in default of the requirement to file the Annual Filings. The MCTO will remain in effect until the Company files the Annual Filings or the MCTO is otherwise revoked or varied.

About CanaFarma Hemp Products Corp.

CanaFarma Hemp Products Corp. is a full-service company operating in the hemp industry offering a full range of hemp-related products and services to the consumer wellness market. These products and services include growing top-quality hemp, providing hemp-processing services, and offering hemp-based products to consumers utilizing a well-established direct-to-consumer marketing approach.



CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties; and delay or failure to receive board, shareholder or regulatory approvals. Readers should not place undue reliance on forward-looking statements. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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