

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Hempsana Holdings Ltd. (the "Issuer").

Trading Symbol: HMPS

Number of Outstanding Listed Securities: 24,129,323

Date: October 5, 2021 (Reporting Period - September 2021)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**The Issuer is a Canadian cannabis company specializing in cannabis derivatives with focus on Extraction & Purification and End-Product Manufacturing. It sells various cannabis derivatives, including distillates and isolates, through cannabis wholesale channel in Canada, specifically by selling cannabis**

derivatives in bulk to licensed producers and through provincial distribution channels.

During the month of September 2021, management continued to support the Issuer's business activities with a focus on developing supplier and customer relationships, particularly for tolling and white labelling services.

2. Provide a general overview and discussion of the activities of management.

**On September 23, 2021, the Issuer announced by way of news release that it had received approval from Health Canada to amend its cannabis licence to authorize the activity of sale of cannabis extracts, beverages, edibles, and topical products. The amended licence will allow the Issuer to supply and sell finished cannabis products directly to provincial distributors and other authorized Canadian retail supply channels.**

**The above news release can be viewed under the Issuer's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**None to report during the month of September 2021.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None to report during the month of September 2021.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**Please see Item 2 regarding the Issuer's activities.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None to report during the month of September 2021.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**None to report during the month of September 2021.**

8. Describe the acquisition of new customers or loss of customers.

**Please see Items 1 and 2 regarding the Issuer's activities.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**None to report during the month of September 2021.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**None to report during the month of September 2021.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None to report during the month of September 2021.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal

parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None to report during the month of September 2021.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**During August, the Issuer paid \$18,908 in combined interest and principal on the \$850,000 private loan described below in item 15.**

14. Provide details of any securities issued and options or warrants granted.

**None to report during the month of September 2021.**

15. Provide details of any loans to or by Related Persons.

**None to report during the month of September 2021.**

16. Provide details of any changes in directors, officers or committee members.

**None to report during the month of September 2021.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**There is currently downward pressure on spot prices for distillate and isolates products stemming from supply and demand imbalances. This is affecting all the players in the market and may negatively impact our revenues and cash flows.**

**Additional trends and risks, which may impact the Issuer, are detailed in Item 17, Risk Factors, of the Issuer's Form 2A – Listing Statement dated July 12, 2021.**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: October 5, 2021

Randy Ko  
Name of Director or Senior  
Officer

/s/ "Randy Ko"  
Signature

Director, President & CEO  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <u>Hempsana Holdings Ltd.</u>	For Month End:  September 2021	Date of Report YY/MM/DD  21/10/05
Issuer Address  Suite 6060, 3080 Yonge Street,		
City/Province/Postal Code Toronto, Ontario, M4N 3N1	Issuer Fax No. ( )	Issuer Telephone No. (416) 454-1954
Contact Name  David Chan	Contact Position: CFO	Contact Telephone No.  (416) 998-7872
Contact Email Address  david@hempsana.ca	Web Site Address  www.hempsana.ca	