



## GNOMESTAR ANNOUNCES LATE FILING OF ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT CEASE TRADE ORDER

July 30, 2021, Vancouver, British Columbia – **Gnomestar Craft Inc.** (CSE: GNOM, FWB:1JV1) ("**Gnomestar**" or the "**Company**") announced today that, as a result of delays in completion of its audit, the Company has not filed its annual financial statements and accompanying management's discussion and analysis for the fiscal year ended March 31, 2021 (the "**Annual Filings**") by July 29, 2021, being the date that such filings are due under applicable Canadian securities law requirements. The Company has applied for, and has been granted, a management cease trade order (the "**MCTO**") by the British Columbia Securities Commission.

The reason for the default is that there has been a delay in the interpretation of IFRS treatment for a subset of its inventory that remains unsold but in the hands of third party re-sellers at the period end. The underlying contract changed materially subsequent to the period end and its auditors, Dale Matheson Carr-Hilton Labonte LLP, are researching the appropriate treatment but are unable to complete the audit in a timely manner.

The Company currently expects to file the Annual Filings on or before August 20, 2021 and will issue a news release announcing completion of such filings at such time. Until the Company files the Annual Filings, it will comply with the alternative information guidelines set out in National Policy 12-203 – *Management Cease Trade Orders* for issuers who have failed to comply with a specified continuous disclosure requirement within the times prescribed by applicable securities laws. The guidelines, among other things, require the Company to issue bi-weekly default status reports by way of a news release so long as the Annual Filings have not been filed.

During the MCTO, the general investing public will continue to be able to trade in the Company's listed common shares. However, the Company's interim chief executive officer and chief financial officer will not be able to trade in the Company's shares.

### **About Gnomestar Craft Inc.**

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Gnomestar Craft Inc. (CSE: GNOM) is a Craft cannabis company, producing the highest quality hand trimmed proprietary cultivars grown in its 12,000 sqft indoor Delta, BC. Facility.

For further information please contact:

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