

HEMPSANA HOLDINGS LTD.



**For Immediate Release
Canadian Securities Exchange
Symbol "HMPS"**

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HEMPSANA Announces Q2 2021 Financial Results

Toronto, Ontario – August 27, 2021 – Hempsana Holdings Ltd. (the "**Company**" or "**Hempsana**") today announced second quarter ("Q2") financial results for the three- and six-month period ended June 30, 2021.

"During the second quarter, the Company focused on completing its business combination with Stralak Resource Inc. and its listing on the CSE. We successfully closed the transaction on July 12, 2021 and began publicly trading on the CSE. This marks a significant achievement for Hempsana and is a testament to the all the hard work and dedication of our team to bring this to fruition" said Randy Ko, CEO of Hempsana.

Mr. Ko continued "with the RTO now behind us and with the commencement of our commercial production, we are now focused on building our sales pipeline and revenue generation and expanding our production capabilities beyond cannabis bulk derivatives."

Operational and Financial Highlights:

- **Added distillate processing capacity:** During quarter, the Company invested \$156,160 in new equipment which will double our distillate production capacity.
- Processed 2,720 kgs of hemp biomass for the purposes of Full Spectrum CBD Crude and CBD Distillate production.
- Production of 173 kgs of Full Spectrum CBD Crude.
- Production of 19 kgs of CBD distillate.
- Total Net loss and comprehensive loss for Q2 2021 was \$(614,539) compared to \$(268,337) in Q2 2020.
- Operating expenses Q2 2021 were \$582,428 compared to \$274,844 in Q2 2020. The higher operating expenses reflected one time professional & legal expenses incurred for the RTO and public listing, as well higher costs as the Company began commercial production activities.

About Hempsana Holdings Ltd.

The Company's business involves the manufacturing cannabis derivatives and producing cannabis extracts for use in finished products, including vapeables, topical creams and infused consumables. Hempsana's Health Canada Standard Processing Licensed, and EU-GMP compliant facility provides the Company with access to wholesale and retail channels in Canada and internationally.

Additional Information

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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 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.