

HEMPSANA INC.

For Immediate Release



HEMPSANA ANNOUNCES \$8 MILLION PRIVATE PLACEMENT

TORONTO, ONTARIO | GODERICH ONTARIO – May 25, 2020– Hempsana (“**Hempsana**” or the “**Company**”) is pleased to announce a non-brokered private placement of units of the Company (“**Units**”) at a price of \$0.90 per Unit for gross proceeds of up to \$8 million (the “**Offering**”). Each Unit shall be comprised of one common share of the Company (each, a “**Common Share**”) and one Common Share Purchase Warrant of the Company (each, a “**Warrant**”). Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$1.50 per Common Share at any time during the 18-month period following the closing date of the Offering.

The Offering price is set an attractive pre-money valuation of \$14.9 million, with 16.6 million common shares outstanding, and projected revenue in FY2021 of \$55.6 million. The Company intends to use proceeds from the Offering for optimization and expansion of its Goderich Ontario facility, including end-product manufacturing, and for working capital and general corporate purposes.

Individuals who would like to request further information should contact Randy Ko at randy@hempsana.ca (additional contact information below).

The Company’s Goderich Facility, was issued the Standard Processing License on May 15th 2020 by Health Canada in accordance with the Cannabis Act and Cannabis Regulations, providing the Company the ability to possess, produce and sell cannabis in the facilities’ indoor production areas. This is in addition to the Industrial Hemp License issued to the Company by Health Canada, and approval to extract Cannabidiol (“**CBD**”) in an agricultural country in the EU.

The Company’s Goderich Facility, which completed development in Q4 2019, is an 8,000 square foot state-of-the-art ISO-8 clean room and EU-GMP compliant controlled-facility, with plans for 1,000 sq. feet of retail sales. This facility is designated as the Company’s primary Canadian site for extraction of cannabis derivatives and end-product manufacturing. The addition of equipment and expansion of manufacturing capabilities will expedite the growth trajectory of the Company.

“Health Canada’s issuance of our two Licenses, coupled with our innovative technology and strong global sales pipeline positions the Company to drive forward and focus on high-margin product manufacturing. As we continue to successfully execute on our strategy and add shareholder value, this offering provides opportunity to participate in the Company’s rapid revenue growth,” says Randy Ko, President and COO of Hempsana.

About Hempsana Inc.

Hempsana Inc. is a Canadian cannabis company specializing in cannabis derivatives with focus on Extraction & Purification, End-Product Manufacturing and Testing. The Company has approval for CBD oil extraction in the EU and Health Canada's Standard Processing and Industrial Hemp Licenses in Canada.

The Company's EU GMP compliant facility provides the Company access to wholesale and retail channels internationally, including the EU, Asia, South America, US and Canada. The Company's focus is on producing consistent high-quality cannabis extracts for use in end-product development, specifically for topical creams and infused edibles.

Hempsana has carved out a competitive edge through disruptive technology which enables the Company to be a highly efficient manufacturer of cannabis extracts, with sights on being the lowest cost producer of cannabis derivatives in Canada.

**Additional information can be found at: www.hempsana.ca
or Featured Companies spotlight at <https://theinvestorscoliseum.com/>**

Further Information

For further information, please contact:

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You can also follow us on Twitter at @HempsanaCBD.

Forward Looking Statements:

This news release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy.

Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information. Such information, may prove to be incorrect and actual results may differ materially from those anticipated. The forward-looking information contained herein is made as of the date of this update and is based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking information is made.

Forward-looking statements contained in this update are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.