

Hempalta Announces Closing of First Tranche of Private Placement, Debt Settlements, Change of Auditor, Board of Directors Changes and Grant of Stock Options

Calgary, Alberta--(Newsfile Corp. - December 23, 2025) - **Hempalta Corp. (TSXV: HEMP)** ("**Hempalta**" or the "**Company**") provides a corporate update further to its November 17, 2025 press release, announcing the closing of the first tranche of its previously announced non-brokered private placement, completion of certain debt settlement transactions, and a change of auditor, as the Company continues its transition toward a streamlined, nature-based carbon platform.

First Tranche of Private Placement

The Company has closed the first tranche of its non-brokered private placement, raising \$100,000 in gross proceeds.

The private placement consists of units priced at \$0.02 per unit, with each unit comprised of one (1) common share of the Company and one-half ($\frac{1}{2}$) of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$0.05 for a period of 24 months from the date of issuance, provided that if the closing price of the Company's common shares equals or exceeds \$0.20 for five (5) consecutive trading days, the Company may, at its option, accelerate the expiry of the warrants by providing notice to holders, in which case the warrants will expire 30 days from the date of such notice.

Proceeds from the financing are being used to support working capital, advance Hempalta's nature-based carbon initiatives, and strengthen the Company's balance sheet.

Debt Settlement Transactions

In connection with its previously announced balance-sheet restructuring initiatives, Hempalta has entered into shares-for-debt settlement agreements with certain creditors to settle an aggregate of \$340,696.86 in outstanding indebtedness. Pursuant to these agreements, the Company will issue a total of 12,034,843 common shares at a deemed price of \$0.02 per share in full and final settlement of such indebtedness.

Of the common shares issued pursuant to the debt settlement transactions, an aggregate of 9,169,731 common shares will be issued to insiders of the Company, including 5,000,000 common shares issued to Darren Bondar, a director and officer of the Company, and 4,169,731 common shares issued to Prairie Merchant Corporation, an insider of the Company by virtue of its shareholdings. The remaining 2,865,112 common shares will be issued to the Company's legal counsel.

As a result these transactions are considered to be "related party transactions" as defined under Multilateral Instrument 61-101-Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Neither the Company, nor to the knowledge of the Company after reasonable inquiry, a related party, has knowledge of any material information concerning the Company or its securities that has not been generally disclosed. The transactions are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(1)(a)) as the fair market value of the subject debt settlements is not more than 25% of the Company's market capitalization. The debt settlements were approved by the board of directors of the Company, except Darren Bondar, who was conflicted and did not vote.

All securities issued pursuant to the debt settlement transactions will be subject to a statutory hold period

of four months and one day from the date of issuance, in accordance with applicable securities laws, and remain subject to final acceptance of the TSX Venture Exchange.

Consultant and Strategic Advisor Warrants

In addition, the Company has approved the issuance of an aggregate of 1,000,000 common share purchase warrants as compensation for strategic advisory services. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.02 per share for a period of 24 months from the date of issuance. All warrants issued are subject to applicable statutory hold periods and final acceptance of the TSX Venture Exchange.

Change of Auditor

The Company also announces that it has changed its auditor from Geib & Company to Davidson & Company LLP, effective December 19, 2025. The change of auditor was approved by the board of directors and has been completed in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. There were no reportable events, disagreements, or reservations in the outgoing auditor's reports for the relevant period. A Notice of Change of Auditor has been filed on SEDAR+.

Board of Directors Update and Grant of Stock Options

Further to its ongoing governance refresh, Hempalta has appointed two additional directors to fill the vacancies on the Board of Directors effective as of December 19, 2025, subject to final acceptance by the TSX Venture Exchange. In connection with the appointment of the new directors, the Company has granted an aggregate of 6,000,000 stock options, of which 5,000,000 were issued to directors and officers. All stock options are exercisable at \$0.02 per share and expire 5 years from the date of grant.

About Hempalta

Hempalta Corp. (TSXV: HEMP) is a Calgary-based AgTech and climate-technology company pioneering nature-based carbon removal solutions through its subsidiary Hemp Carbon Standard (HCS) and its proprietary blockchain-based registry, Trusted Carbon. The Company leverages industrial hemp to generate certified, high-integrity carbon credits under ISO 14064-2, enabling corporate partners and farmers to participate in a transparent, data-driven carbon economy.

www.hempalta.com | www.hempcarbonstandard.org | www.trustedcarbon.org

For Investor Inquiries

invest@hempalta.com
www.hempalta.com/pages/investor-relations

This news release contains "forward-looking information" within the meaning of applicable securities laws, including statements regarding Hempalta's business strategy, additional tranches of the private placement, the exercise or acceleration of warrants, anticipated use of proceeds and director appointments.

Forward-looking information is often identified by words such as "plan," "expect," "anticipate," "intend," "believe," "forecast," "project," "potential," "may," or similar expressions suggesting future outcomes.

Forward-looking information is based on management's current expectations, estimates, and assumptions and is subject to a number of risks and uncertainties that may cause actual results to differ materially. Such risks and uncertainties include, but are not limited to: the ability to complete additional tranches of the private placement; receipt of final TSX Venture Exchange approvals; market conditions; regulatory and operational delays; the availability of qualified personnel and service providers; fluctuations in carbon credit pricing and demand; the ability to verify, market, and sell carbon credits; and the Company's ability to execute its strategic plans as anticipated.

Readers are cautioned not to place undue reliance on forward-looking information, which is made as of the date of this news release. The Company undertakes no obligation to update or revise forward-looking information except as required by applicable law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER U.S. NEWSWIRE

HEMPALTA

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/278955>