



Entheon Announces Agreement to Acquire Mentis AI

VANCOUVER, BC, January 24, 2025 – Entheon Biomedical Corp. (CSE: ENBI) (OTCQB: ENTBF) (FSE: 1XU1) ("**Entheon**" or the "**Company**") is pleased to announce that it has entered into a binding letter of intent ("**LOI**") dated January 23, 2025 with 1000141080 Ontario Ltd. ("**Mentis AI**"), pursuant to which Entheon will acquire all of the issued and outstanding common shares in the capital of Mentis AI (the "**Transaction**").

Mentis AI (mentisai.ca) is a privately held research and development company focused on the acquisition and development of AI technologies for the purposes of helping those suffering from a variety of mental health conditions and loneliness. The AI tools and technologies Entheon receives in the acquisition, including AI companions (amicachat.ca) and coaches (gentlegossip.com), will allow Entheon to obtain further information from customers who may be using HaluGen's Psychedelics Genetic Test Kit and Lobo's Cannabis Genetic Test Kit. Entheon will gain a broader and more detailed understanding of the user, their health information, mindset, experience data, measure of outcome, quality of life improvements, as well as the potential to create a long form relationship with the customer after their psychedelic or cannabis experience.

"What the AI assets and expertise of Mentis AI represent for the company is an increased ability for us to create robust and meaningful relationships with customers and to understand their needs, their challenges and how we can better serve them in their mental health and wellness journeys." said Timothy Ko, Chief Executive Officer of Entheon. "The integration of AI technologies are of immediate use to our existing platforms and open up the potential to explore a broadening of services and products offered by Entheon to facilitate positive changes in the lives of those who seek change."

Transaction Structure

The Transaction is expected to be structured as a share exchange transaction pursuant to which the shareholders of Mentis AI will receive 12.84296 common shares in the capital of the Company ("**Entheon Shares**") for each common share of Mentis AI held, which will result in an aggregate of approximately 11 million Entheon Shares being issued to Mentis AI shareholders. Following completion of the Transaction, it is expected that Mentis AI shareholders will collectively own approximately 44.25% of the issued and outstanding Entheon Shares.

Completion of the Transaction will be subject to a number of conditions precedent, including, but not limited to: (i) satisfactory completion of due diligence investigations by each of the Company and Mentis AI; (ii) the negotiation and execution of a definitive agreement which will contain terms and conditions customary for transactions of this nature (the "**Definitive Agreement**") on or before February 28, 2025; and (iii) receipt of all requisite regulatory and third party approvals, including the approval of the Canadian Securities Exchange (the "**CSE**"). There can be no assurance that the Transaction will be completed on the terms proposed in the LOI or at all.

The Transaction will be an arms-length transaction for the Company and will not constitute a fundamental change or result in a change of control of the Company, within the meaning of the policies of the CSE.

Upon the execution of a Definitive Agreement between the Company and Mentis AI, the Company will issue a subsequent press release containing the details of the Definitive Agreement and any additional terms of the Transaction.

About Entheon Biomedical Corp.

Entheon is a biotechnology research and development company interested in treating addiction and substance use disorders.

On Behalf of the Board of Directors,

Timothy Ko, CEO, President and Director

For more information, please contact the Company at:

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Cautionary Note Regarding Forward-Looking Statements

Certain statements in this news release related to the Company are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include, but are not limited to, statements regarding the completion of the Transaction, the integration of Mentis AI technology in the business of the Company, the expected benefits of the Transaction to shareholders of the Company and of Mentis AI, the structure, terms and conditions of the Transaction and the execution of the Definitive Agreement. Such forward-looking statements are based on a number of assumptions of management, including, without limitation, that the Company and Mentis AI will be able to negotiate the Definitive Agreement on the terms and within the time frame expected; that the Company will be able to obtain any necessary third party and regulatory approvals required for the Transaction; that the Company will be able to successfully integrate the technology of Mentis AI into its business; and if completed, that the Transaction will provide the expected benefits to the Company, Mentis AI and the shareholders of both companies. There are numerous risks and uncertainties that could cause actual results and the Company’s plans and objectives to differ materially from those expressed in the forward-looking information contained in this news release, including: adverse market conditions, general economic, market or business risks, unanticipated costs, the failure of Mentis AI and the Company to negotiate the Definitive Agreement on the terms and conditions and within the timeframe expected, the Company’s failure to obtain any necessary approvals for the Transaction and other factors beyond the control of the Company, including those other risks more fully described in the Company’s annual and quarterly management’s discussion and analysis and other filings made by the Company with Canadian

securities regulatory authorities under the Company's profile at www.sedarplus.ca. Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on such statements. Accordingly, the forward-looking statements contained in this news release are made as of the date hereof and, unless required by applicable law, the Company assumes no obligation to update any forward-looking statements.