Imagin Medical Announces Acquisition of the enCAGE Coil™ Precision Ablation System for Prostate Cancer and a New $7.25M Convertible Note to Finance Its Development

Rapha Capital BioVentures Fund I, LP (Rapha Capital), and Bigger Capital lead the financing.

VANCOUVER, BC, and BOSTON, MA, August 22, 2022 *– Imagin Medical Inc., ("Imagin" or the "Company"),* a urologic oncology company, announces:

1. the acquisition of the enCAGE Coil™ Precision Ablation System for Prostate Cancer from TROD Medical NV, a Belgian company,
2. further to its press release of August 26, 2021, the closing of the previously announced convertible note, and
3. the opening of a new $7.25M Convertible Note to support the above-mentioned acquisition and the product's development.

The enCAGE Coil

Prostate ablation is a procedure used to treat prostate cancer. During a prostate ablation procedure, energy (such as heat, cold, lasers, or chemicals) is used to kill the cancer cells. The energy may also destroy some of the surrounding normal prostate tissue.

The enCAGE Coil device is a disposable focal therapy precision ablation device for prostate cancer that delivers bipolar radiofrequency energy through a distinctive "coil" electrode during a minimally invasive office-based procedure. The system allows the surgeon to pre-set precise ablation margins to target only the cancerous tissue, addressing the limitations of other forms of thermal ablation technologies for prostate cancer that risk damaging adjacent structures e.g., the erectile nerves that control urinary and sexual function.

The device has FDA 510(k) approval and has been used in 51 patients, including 20 patients who participated in a Phase II Trial, with results published in The Journal of Urology, April 2021. Dr. Clement Orczyk, Lead of Prostate Cancer Focal Therapy Program, UCL Hospitals in London, England, an Investigator for the trial and first author of the publication, commented "this technology is the most versatile and promising of the many I've evaluated for performing focal therapy of prostate cancer with accuracy and safety". Imagin will be refining the device based on this experience for commercialization.

By acquiring the enCAGE Coil, Imagin is strengthening its position as a urologic oncology company and expanding its portfolio of products to address prostate cancer. With close to 250,000 new cases diagnosed each year, prostate cancer is the most prevalent cancer among men after skin cancer and the second leading cause of cancer deaths among men. The enCAGE Coil™ device joins Imagin's lead product, the i/Blue™ Imaging System for bladder cancer, building out a best-in-class pipeline for the diagnosis and treatment of urologic cancers. "As a Urologist who has cared for patients with cancer over a 25-year career as a Professor and Urological Oncologic surgeon, I have a deep knowledge of the field and of the needs of patients with prostate and bladder cancer," said Dr. Kevin Slawin, Chairman of the Board of Imagin. "Our growing focus on bringing best-in-class technologies to patients in an outpatient setting is the culmination of my thoughts over my career as a leader in the field of Urologic Oncology on

how to best care for these patients."

Terms of the Acquisition

The aggregate cost to acquire the enCAGE Coil is US$2,500,000; which will be paid over time as certain developmental milestones are met.

1. The initial payment, on closing, will be US$350,000 and US$150,000 of Imagin shares (based on a 10-day average price as of the date of closing). Of this, US$200,000 and all of the shares will be held in escrow pending transfer of all intellectual property to Imagin.

2. The first milestone payment of US$500,000 will be made upon receipt of FDA 510(k) approval to the next trial phase or modification, through the payment of cash or issuance of Imagin shares, at Imagin's election.

3. The second milestone payment of US$1,000,000 will be made upon receipt of FDA de novo approval, through the payment of cash or issuance of Imagin shares, at Imagin's election.

4. The third milestone payment of US$250,000 will be made upon achieving sales of 1,000 BPH (Benign Prostate Hyperplasia) cases following 510(k) approval, through the payment of cash or issuance of Imagin shares, at Imagin's election.

5. The fourth and final milestone payment of US$250,000 will be made upon achieving sales of 500 BPH (Benign Prostate Hyperplasia) cases following de novo approval, through the payment of cash or issuance of Imagin shares, at Imagin's election.

All share issuances will be based on a 10 day average price as of the time of issuance.

Convertible Note Financing

Concurrent with this acquisition, Imagin has opened a new convertible note offering totaling US $7.25 million to support the clinical development of the enCAGE Coil™ technology. The Convertible Note is being led by Rapha Capital BioVentures Fund I, LP (RCBVFI), managed by *Rapha Capital* and Dr. Slawin, M.D., and Bigger Capital, and has the following terms:

1. The principal will be advanced in multiple tranches with an initial tranche of US$750,000 upon closing, followed by multiple tranches for the remaining US$6.5 million.
2. The principal will bear interest at the rate of 10% per annum, payable on maturity or conversion.
3. The principal and interest will be fully secured against the assets of the Company.
4. The note will mature 24 months following the date of issue, unless earlier repurchased or converted.
5. The principal and interest will automatically convert into common shares of the Company ("Shares") at US$0.40 per Share, upon Imagin completing an equity financing of at least US$2 million.
6. Note purchasers will receive an aggregate 50,750,000 warrants (2.8X coverage) to

acquire Shares of Imagin, exercisable at US $0.40 per Share for five years from the date of issue.

"We are excited to add the enCAGE Coil to Imagin's portfolio as we build our pipeline of products," said Jim Hutchens, President and CEO of Imagin. "This additional funding will support on-going product development and the Company's progress in bringing our products through the FDA approval process."

All securities issued in connection with the offering will be subject to a statutory hold period of four months plus one day from the date of issuance in accordance with applicable securities legislation

This press release does not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. persons unless registered or exempt therefrom.

About the i/Blue™ Imaging System
The Company's lead product, the i/Blue™ Imaging System, uses state of the art technology that improves the utility of blue light imaging for visualizing bladder cancer. The i/Blue System contains a patented dual-view camera head that uses sophisticated optical filters to split the image into white light and blue light channels to display simultaneous, side-by-side white and blue light images on the monitor in real time without the need to toggle between the two images. The i/Blue System is designed to work with most endoscopes on the market, providing a more practical, cost-effective device that will make blue light cystoscopy more accessible to hospitals and patients.

About the enCAGE Coil™ Precision Prostate Cancer Focal Ablation System
The enCAGE Coil™ is a disposable focal therapy precision ablation device for prostate cancer that delivers bipolar radiofrequency energy through a distinctive coil electrode during minimally invasive office-based surgery. The system allows precise pre-set targeting of the cancer, avoiding total removal of the prostate and damage to the adjacent erectile nerves. The enCAGE coil addresses the limitations of other forms of prostate cancer treatment, including surgery, radiation and current focal therapy technologies, that lack the ability to precisely target only the cancer cells, risking damage to the remainder of the prostate and surrounding erectile nerves that can cause impaired urinary and sexual function.

Focal therapy of prostate cancer is a minimally invasive method to destroy more limited prostate cancers, in situ in the prostate, leaving the remainder of the prostate gland and surrounding important structures like the erectile nerves intact, reducing the risk of impaired urinary and sexual function as compared to other "whole-gland" directed therapies like surgery or radiation therapy. Using mpMRI fused with real-time ultrasound to target the tumor improves the precision of the technique. Current focal ablation modalities for prostate cancer are primarily thermal therapies, either freezing (cryotherapy) or heating (HIFU, single electrode RF, laser, water, steam, electricity). All suffer from the same challenges as the lesion grows from the center outward. The margin of cancer cell "kill" is indeterminate and difficult to precisely determine using thermocouples or imaging. Ablation therefore often extends beyond the area

necessary to control the cancer in order to ensure complete cancer ablation. Important structures, often immediately adjacent to tumors, are therefore hard to preserve e.g. erectile nerves. enCAGE Coil™ is a bipolar radio frequency-based probe (bRF) enabling precision ablation, limited only to the edge of the outer coil. Thus the ablation margin is pre-set via treatment planning and placement of the "coil" electrodes, yielding 100% ablation within the ablation zone in conjunction with 100% tissue preservation beginning just outside the ablation zone. This allows complete ablation of tumor tissue with preservation of adjacent erectile nerves.

About Imagin Medical *"Urologic Oncology Technologies Built for the Office" – Imagin Medical is building a best-in-class Urologic Oncology company developing proprietary technologies to better visualize and treat urologic cancers, including bladder and prostate cancer through minimally invasive surgery that can be performed in the Urologist's office. The Company believes its first product, the i/Blue Imaging System, with its advanced proprietary optics and light sensors, will greatly increase the efficiency and accuracy of detecting bladder cancer, helping to improve the surgical management of this disease. Imagin's follow-on product, the enCAGE Coil Prostate Cancer Precision Ablation System, a focal therapy bipolar radio frequency-based probe enabling precise pre-set margins.* The enCAGE coil addresses the limitations of other forms of prostate cancer treatment that lack the ability to precisely target only the cancer cells, risking damage to the remainder of the prostate and surrounding erectile nerves that can cause impaired urinary and sexual function. *Imagin's proprietary technologies are poised to expand patient access improve outcomes and quality of life. Learn more at www.imaginmedical.com.*

Forward-Looking Statements
Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward- looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Specifically, there is no assurance that (i) the enCAGE Coil will work in the manner expected, (ii) any of the milestones referred above will be achieved in a timely manner, or at all, (ii) the Company will be successful in raising the required funds under the Convertible Note offering, or in any other manner. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information. The CSE has neither approved nor disapproved the information contained herein and does not accept responsibility for the adequacy or accuracy of this news release.

Contacts:
Jim Hutchens, President & CEO jhutchens@imaginmedical.com
John Vacha, CFO
jvacha@imaginmedical.com