

Neural Therapeutics Receives Key Permission from Peruvian Government to Harvest and Work with the San Pedro Cactus Containing Mescaline

*Permission enables company to conduct research with potentially patentable outcomes
Rare permission granted due to Company's commitment to knowledge transfer and species
preservation*

Research Partnership with Universidad Peruana Cayetano Heredia

Toronto, Ontario--(Newsfile Corp. - July 27, 2023) - Neural Therapeutics Inc. ("**Neural**" or the "**Company**") is pleased to announce that after nearly 11 months of a rigorous review process, the Company has received a key permission from Servicio Nacional Forestal y de Fauna Silvestre ("**SERFOR**"), the National Service for Forest and Wildlife, part of Peru's Ministry of Agriculture, which is in charge of regulating forest and wildlife. Due to the special nature of the Company's request, the application was further reviewed and approved by The Ministry of the Environment (MINAM). This permit provides the Company with access to genetic resources and their derivatives for the evaluation of the mescaline-containing cactus species of the Echinopsis genus (commonly known as San Pedro or Huachuma) for possible medicinal purposes.

Highlights

- Neural receives a rare Peruvian permit to harvest and study San Pedro cacti;
- The Company is planning to develop intellectual property that will lead to drug development;
- The Company has previously partnered with Universidad Peruana Cayetano Heredia ("**Cayetano University**"), a recognised national institute which is permitted to carry out genetic and chemical studies; and
- Neural commits to sustainable practices including replanting, donating samples for genetic preservation and publishing biomarker data to aid in wild stand preservation.

Management Commentary

Ian Campbell, Neural CEO, commented, "We are very pleased with the receipt of this crucial permit, which plays an important role in establishing legally compliant supply chain for the plant material that is required to commence our research towards the development of therapies for stress related disorders such as depression, substance use and anxiety. Furthermore, we anticipate certain outcomes related to products and processes to be potentially patentable."

The Research – Developing Intellectual Property

As part of its research, the Company intends to sequence the Echinopsis genome, information that to date has been unavailable in the scientific literature. This is of great importance towards obtaining future approvals of mescaline-based therapies by the various international medical regulators, such as the United States Food and Drug Administration and Health Canada.

In connection with the SERFOR permit, the Company has also entered into a contract with SERFOR ("**SERFOR Contract**"), which sets out the conditions under which the Company and its partners are permitted to carry out such research and development activities. Pursuant to the SERFOR Contract, the Company has been granted permission to file for patents related to derivatives of the genetics, as well

as process related discoveries made during the research. In this way, the Company will retain all intellectual property related to its studies, apart from the plant's actual natural genome. The framework also helps to ensure that the Company's supply chain is established with the highest level of integrity and sustainability.

Mr. Campbell added, "We expect that the development of intellectual property will create significant value for the Company. We are also very aware of the cultural and historical importance of this plant for the indigenous and other communities within Peru and elsewhere, and do not intend to file for plant-genetic based patents. It is important to recognize that we owe a debt to these communities, and by conducting this research, we will also give back to these communities that have made this important research possible. We intend to publish the key genetic markers for species identification within this genus, thereby contributing to enhancing the longevity of this plant for future generations through organizations like SERFOR."

Mescaline – San Pedro

Mescaline is a chemical compound (and classified as a psychedelic with potential medicinal/therapeutic applications) derived from the Peyote and San Pedro cacti. Peyote, found in certain regions of North and Central America, is sacred to many indigenous populations. Furthermore, Peyote takes decades to mature and is considered endangered by various conventions including Convention on International Trade in Endangered Species of Wild Fauna and Flora ("**CITES**"). In comparison, the San Pedro cactus grows significantly faster with a greater biomass and is harvestable in a shorter time frame.

In 2022, the Peruvian Ministry of Culture declared the traditional use of San Pedro cactus in northern Peru as cultural heritage. According to various historic records, San Pedro has been used by humans for traditional and religious purposes for close to 6,000 years and has been exploited commercially for the past few hundred years, which is condoned by the Peruvian government. Given the documented historical use, the Company believes, that such evidence provides additional confidence in the potential positive outcome of Neural's planned pre-clinical studies (focusing on toxicity) and Phase I clinical studies (focusing on safety in healthy humans).

Neural will continue to work with various regulatory bodies to ensure a transfer of knowledge fostering environmental stewardship of the Echinopsis genus, starting with the genetic sequencing as a part of its partnership with Cayetano University.

Mr. Campbell continued, "To receive this kind of permission is rare due to the cultural and religious significance of these plants. We are committed to developing medicinal products that have the power to profoundly improve peoples' quality of lives. Our intended biological sampling plan provides for replanting to ensure that plant density is not compromised by our efforts. Additionally, we will donate specimens to a Peruvian sanctioned local herbarium for future scientific studies and species preservation."

About Neural Therapeutics

Neural is a drug-discovery company focusing on plant based active substances with the goal of delivering beneficial over-the-counter dietary-supplements and psychedelic-based therapeutic-medicines to treat serious mental ailments where no significant treatment is available today. Neural's key ingredient is mescaline derived from cacti. Neural has established a supply chain in Peru to source certain species of mescaline containing cacti, such as the San Pedro cactus, and has applied for and received the requisite permits with the National Service for Forest and Wildlife or Servicio Nacional Forestal y de Fauna Silvestre ("**SERFOR**"), to collect wild species of cacti within Peru for research purposes.

Neural Therapeutics is an unlisted reporting issuer in the Provinces of British Columbia, Alberta and Quebec.

For more information

Marc Lakmaaker
T: +1.647.289.6640
E: mlakmaaker@gmail.com

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