

Loon Energy and Optimind Pharma Announce Update to Reverse Takeover Transaction

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TORONTO, ON / December 23, 2021 / Loon Energy Corporation (TSXV:LNE) (the "Company" or "Loon") and Optimind Pharma Inc. ("Optimind") have entered into an amending agreement to the definitive acquisition agreement announced on November 30, 2021 with respect to the reverse takeover transaction between Loon and Optimind (the "Transaction"). The amending agreement provides for the following:

- i. Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 8,150,000 Loon common shares being issued and outstanding following the consolidation, which has been increased from the previous 7,500,000 Loon common shares.
- ii. The concurrent financing will now be a minimum of \$500,000 and a maximum of \$750,000 comprised of subscription receipts that are automatically exchangeable for convertible debentures of the resulting issuer which will have the following terms: (i) matures 18 months from commencement of trading of the Resulting Issuer Shares on the CSE; (ii) 10% interest per annum and payable on maturity; (iii) convertible at \$0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at \$0.40 per share for two years from the issue date of the convertible debenture; and, (iv) forced conversion of the convertible debenture if the shares close higher than \$0.40 per share for 10 consecutive trading days.
- iii. Optimind shall have a minimum of \$1,750,000 in cash on closing of the Transaction.

Completion of the Transaction is subject to a number of conditions, including but not limited to, acceptance of the CSE and TSXV. There can be no assurance that the Transaction will be completed as proposed or at all. The TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Optimind Pharma

Optimind pharma is a Canadian pharmaceutical company in the psychedelics space with two key business verticals 1) Clinic Model: Optimind has developed a clinic based business model for psychedelic assisted psychotherapy for the treatment of depression, anxiety, and PTSD. 2) Partnership with First Nations: Optimind has set up a joint venture with Manitari Pharma, an Indigenous owned pharmaceutical company, to help bring awareness to the benefits of

psychedelic-assisted psychotherapy and advocate for federal approvals to treat depression and anxiety which remains a disproportionately large issue for the indigenous community. Manitari Pharma corporation operates under the guidance of the Navigator Program which ensures the fair treatment of Indigenous business relations. The company has a 1,300 square foot facility and bonded excise warehouse on six acres of land in Kanesatake by the Ottawa River and as part of the joint venture, has applied for psilocybin dealer's license with Health Canada.

For further information, please contact:

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Optimind Pharma Inc.

For more information, visit: www.optimindpharma.com

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Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "will", "estimates", "believes", "intends" "expects" and similar expressions which are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements concerning the Transaction, the consolidation, the Concurrent Financing, the expected composition of the board of directors of the Company upon completion of the Transaction, the completion and timing of the application to the CSE in respect of the Transaction, the ability of the Company and Optimind to meet the conditions of the Transaction in the required timeframes, and obtaining the necessary exemptions and approvals from the TSXV and CSE or other regulatory bodies. The Company cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of the Company and Optimind, including expectations and assumptions concerning the Company, Optimind, the Transaction, the timely receipt of all required shareholder and regulatory approvals (as applicable), including the acceptance of the TSXV and the CSE, the satisfaction of other closing conditions in accordance with the terms of the Definitive Agreement. The reader is cautioned that assumptions used in the preparation of any forward-looking statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking statements. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in

this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

Neither 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 release.