

Loon Energy Announces Debt Settlement and Update to Optimind Pharma Transaction

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Toronto, Ontario, July 27, 2022 – Loon Energy Corporation (the “**Company**” or “**Loon**”) and Optimind Pharma Inc. (“**Optimind**”) are pleased to announce the expected closing date of the reverse takeover transaction between Loon and Optimind (the “**Transaction**”) to be July 28, 2022.

As part of the Transaction, the Company agreed to settle certain debts of the Company prior to completion of the Transaction in order for the Company not to have any material liabilities on closing. In furtherance of this condition, Loon has agreed to settle \$11,816 of debt with a consultant (the “**Consultant**”) of the Company by way of issuance of 236,328 common shares at a price of \$0.05 per share (the “**Debt Settlement**”). The Company also announces the issuance of 3,331,577 common shares pursuant to the conversion of \$166,579 of a secured convertible debenture (the “**Debenture**”) at a price of \$0.05 per share. The common shares issued pursuant to the Debt Settlement will be subject to a regulatory hold of four months and a day from the date of issuance and the common shares issued pursuant to the Debenture shall expire on October 31, 2022.

The Consultant is an insider of the Company and is the past Chief Executive Officer and director of the Company and as such is a “related party” as such term is defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) under applicable securities laws and the Debt Settlement constitutes a “related party transaction” under the rule. The Company is relying on exemptions from the MI 61-101 formal valuation and minority approval requirements applicable to related party transactions available as neither the fair market value of the subject matter of, nor the fair market value of the consideration for the Debt Settlement, exceeds 25% of the Company’s market capitalization at the time the transaction was agreed to.

Completion of the Transaction is subject to a number of conditions, including but not limited to, acceptance of the CSE. There can be no assurance that the Transaction will be completed as proposed or at all.

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.

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