

Lobe Sciences and Cantheon Capital Enter into Exclusive Investment Agreement to Fund \$1.5M USD Toward Clinical Trials in Australia

Vancouver, British Columbia--(Newsfile Corp. - September 1, 2022) - Lobe Sciences Ltd. (CSE: LOBE) (OTCQB: LOBEF) ("Lobe" or the "Company"), a Canadian Biopharmaceutical company committed to discovering and developing psychedelic derived medicines for neurologic and brain disease today announced it has entered into a term sheet contemplating convertible note financing bearing interest at 15% per annum with a term of 12 months (the "Convertible Notes") with Cantheon Capital ("Cantheon") for aggregate proceeds to the Company of up to USD\$1,500,000 to conduct three clinical trials in Australia with newly announced partner iNGENū Pty Ltd. ("iNGENū"). The Convertible Notes will help fund the design and conduct of three clinical trials evaluating Lobe's proprietary psilocin analogues L-130 or L-131.

Philip Young, CEO of Lobe Sciences stated, "We are extremely happy to have the confidence and investment from Cantheon. The opportunity to advance our proprietary psilocin compounds in multiple human trials puts Lobe in a leading position within the psychedelic biotech marketplace. Australia offers numerous advantages for our clinical development. In addition to the commitment from Cantheon we will be able to take advantage of the Australian Federal Government's Research & Development tax incentive program which will provide a 43.5% rebate on our research and development expenses in Australia."

Aaron Ray, General Partner of Cantheon Capital commented, "Our firm is committed to identifying and funding the most innovative and highest potential biotech companies in the psychedelic or cannabis market. Lobe Sciences fits our criteria as they have progressed rapidly in the last year and are now ready to initiate human clinical trials with their novel psilocin analogues L-130 and L-131. We look forward to working together as we work to identify new and effective therapies."

Convertible Notes

Cantheon agreed to lend Lobe, through six (6) distinct tranches, an aggregate of USD\$1,500,000. The tranches of the Convertible Notes will be triggered by various operational events in connection with the trials evaluating Lobe's proprietary psilocin analogues L-130 or L-131, such as the clinical trial deposit and achievement of first patient enrolments in each such trial. The Company intends to use the proceeds of the Convertible Notes to fund its clinical trials and research and development activities in collaboration with iNGENū.

The Convertible Note conversion price, if executed, shall be the closing price of the Company's common shares as quoted on the Canadian Securities Exchange ("CSE") the effective day of the Convertible Note, subject to a minimum of \$0.05 (the "Conversion Price"). The Convertible Notes include a number of warrants to be determined by the Conversion Price, with an exercise price consistent with the Conversion Price, and a term of three years (the "Warrants"). In accordance with the terms of the Convertible Notes, the conversion price per Common Share shall be adjusted upwards to ensure that Cantheon and its affiliates shall not beneficially own, or have control or direction over, Common Shares in excess of 19.99% of the number of Common Shares issued and outstanding immediately after giving effect to the issuance of Common Shares issuable under the applicable tranche.

The securities issued pursuant to the conversion of the Convertible Notes and the Warrants and common shares underlying the Warrants will be subject to a four-month hold period from the date of their respective issuance. Completion of the Convertible Notes remains subject to the completion of a definitive agreement and the receipt of all necessary regulatory approvals, including the approval of the CSE.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any securities of the Company in the United States. The securities described in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to 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 Lobe Sciences Ltd.

Lobe Sciences is a life sciences company focused on psychedelic medicines. The Company, through collaborations with industry-leading partners, is engaged in drug research and development using psychedelic compounds and the development of innovative devices and delivery mechanisms to improve mental health and wellness.

About Cantheon Capital

Cantheon Capital is passionate about the pharmaceutical development of cannabinoids and psychedelic drugs. We support early and mid-stage biotechs looking to make advances through clinical trials with a view to create novel FDA registered pharmaceuticals. Our expertise is in understanding which Bio Pharma companies are likely to achieve success through a combination of: great assets, great team, great advisors, and great strategy. Cantheon Capital supports cannabinoid and psychedelic biotechs with corporate advisory, capital funding and detailed scientific advice.

About iGENŪ

iGENŪ is a globally-focused Contract Research Organization working exclusively in the cannabinoid and psychedelic space. A full-service CRO performing clinical trials for US, Canadian and European sponsors in Australia. The Australian advantage is the ability to perform FDA registration clinical trials prior to opening an IND, accessing the lucrative 43.5% research and development rebate from the Australian Government on all research expenses, and rapid start-up of clinical trials in under 12 weeks.

For further information please contact:

Lobe Sciences Ltd.

Philip J Young, CEO

info@lobesciences.com

Tel: (949) 505-5623

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This does not constitute an offer to sell or a solicitation of offers to buy any securities.

Disclaimer for Forward Looking Statements

This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact included in this release, including statements regarding the future plans and objectives of the Company, research and development using psychedelic compounds, and the development of innovative devices and delivery mechanisms to improve mental health and wellness, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that assumptions used in the preparation of the 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, including changes to the regulatory environment;; that the Company's drug research and development activities may be unsuccessful; that drugs and medical devices produced by, or on behalf of, the Company, may not work in the manner intended or at all, and may subject the Company to product liability or other liability claims; that the Company may not be able to attain the Company's corporate goals and objectives; and other risk factors detailed in the Company's continuous disclosure filings from time to time, as available under the Company's profile at www.sedar.com. As a result, the Company cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made only as of the date of this news release and the Company does not intend to update any of the included forward-looking statements except as expressly required by applicable Canadian securities laws.



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