



Pascal Biosciences Signs Term Sheet for Acquisition of THC Essentials

VANCOUVER, BRITISH COLUMBIA, December 6, 2022- Pascal Biosciences Inc. (“**Pascal**” or the “**Company**”) (TSXV:PAS) (OTC:PSCBF) (FSE: 6PB-FF). Pascal is undertaking a reorganization which includes: shares for debt, a private placement of \$1,500,000, arms-length acquisition of a new asset, name change and consolidation on the basis of one new share for five old shares and a new board of directors and CEO (the “Reorganization”). .

Change of Business: Pascal has signed a term sheet dated November 22, 2022 with SoRSE Technology Corporation (“SoRSE”) to acquire from it, the business line of THC Essentials, that provides license to manufacturers to provide wholesale finished cannabis drinks for sale at retail in exchange for a royalty for each unit sold (the “Transaction”). The assets being acquired are all intellectual property except for a small amount of portable equipment valued at about U.S. \$50,000 located at a client’s bottling plant located near Portland, Oregon. This equipment will continue to be made available to clients as required for start up operations.

The products available for license by THC Essentials can be seen at www.thcessentials.com.

Pascal is acquiring from SoRSE:

- The THC Essentials business trademarks: Major, Happy Apple, Pearl, Utopia, Atomic Apple, Vertus, Velvet Swing and Velvet Kiss.
- All THC Essentials product formulas, designs, recipes sold under the trademarks and brands.
- Assignment of all licenses and royalty agreements and associated royalty revenue from the sale of Products by SoRSE licensees in Washington, Oregon, California, Arizona, Colorado and Ohio.

All remaining inventory and equipment.

The purchase price is U.S. \$1,125,000 (\$625,000 at Closing and \$500,000 in 12 months) and 3,232,000 common shares of the Company post consolidation. (“Shares”). Pascal is

to raise Cdn. \$1,500,000 by closing from which the U.S. \$625,000 will be paid and the balance to be used for reimbursement of loans of about \$100,000 to pay for the cost of the reorganization, and the remainder for working capital and marketing and expansion of the THC Essential Products. The parties have agreed to certain exclusivity of the SoRSE THC Emulsion for the product, Major, in certain markets, a supply agreement for pricing, a three year non-compete clause in the THC finished good markets and Pascal is to use the SoRSE THC Emulsion exclusively for three years.

Pascal will not be involved in the manufacturing and sale of any component of the finished cannabis drinks. It will supply to manufacturers the product formulas, designs, recipes sold under the trademarks and brands. SoRSE will continue to supply to the manufacturers the THC Emulsion. Revenue is derived from royalties paid to THC Essentials from wholesale sales of its products to retailers. Pascal's royalty revenues will derive from the continued licensing of the trademarks and supply of the recipes. SoRSE will continue to own the THC Emulsion and receive the royalties from the THC Emulsion sales.

SoRSE has been generating revenue from licensing the trademarks for the cannabis drinks since 2018. The revenue from the license/royalty agreements which are being acquired is below. Revenue are not associated sale of the THC Emulsion but from the brands and formulas. Expenses are attributed to certain packaging and administration costs amounting to approximately 50% of royalty revenues. These are not audited figures.

	2018	2019	2020	2021
Revenue	\$ 80,530	\$ 371,176	\$ 1,104,810	\$ 2,150,659
Expenses	\$ 80,530	\$ 221,000	\$ 580,150	\$ 1,225,000
Net	-	\$150,176	\$524,960	\$925,659

SoRSE is a private company owned by more than 100 shareholders all of whom are arms-length to the Company and its current and proposed new officers and directors. None of them will own 5% or more of the issued Shares upon completion of the Reorganization.

The Company is seeking a waiver from the TSX.V of the sponsorship requirement.

Subject to TSX requirements, the Company is not planning to obtain shareholder approval as the Asset Transaction is arm's length and the Company is without active business operations. There will not be a change of control as no one entity currently owns 20% or more of the issued shares, This will continue to be the case on closing of the reorganization as it is anticipated that the Shares issued for the private placement will be widely held. See the details of the Private Placement below.

A formal binding agreement is to be signed by December 22, 2022 and a closing not later than February 28, 2023.

Private Placement: The Company is planning a private placement of \$1,500,000 by the issue of 15,000,000 post consolidate units at a price of \$0.10 per consolidated unit ("Unit").

Each Unit is composed of one Share and one Share purchase warrant exercisable at a price of \$0.20 per Share for a term of 12 months to be issued concurrently with the closing of the Transaction (“Closing”). The financing fees are a 7% commission and 1,500,000 warrants at an exercise price of \$0.20 for one year.

Shares for Debt: The Company has arranged for the settlement of \$518,000 in liabilities by the issue of 6,478,260 Shares at an agreed price of \$.08 per Share which will be 1,295,652 Shares issued on a consolidated basis concurrently with the Closing of the Transaction.

Hold Period: All shares for debt, Shares issued for the Transaction, private placement Shares and Shares issued upon exercise of the warrants will have a hold period of four months and one day from the date of Closing

Name Change and Consolidation: A consolidation on the basis of one new Share for five old Shares with the name change will be done concurrently with the closing of the Transaction, private placement and debt settlement will be consolidated.

New CEO and Board of Directors

The current directors and CEO will resign. John Kueber will become a director and the new CEO

Mr. Kueber will be appointed CEO for a term of one year and will receive compensation of 1,600,000 options post consolidation to acquire Shares at a price of \$0.10 per Share during his term as CEO.

John Kueber has served as the Executive Vice President for SoRSE Technology since February 2019. Over this time he has been responsible for securing numerous licensing and revenue opportunities for SoRSE Technology generating in excess of \$20mm in revenues.

He has also founded, operated and secured acquisitions for numerous early stage companies including: Speechforms/Spoken (acquired by Avaya), Superbuild.com (acquired by Hardware.com/Onvia), Urban Pages Media (acquired by Tiger Oak Media) and Lucernex.com (Acquired by Accruent)

Mr. Kueber is a Seattle resident and a graduate of the University of Washington.

John Bell - Director

John has a distinguished 40 year career of business success including executive management, corporate governance, financing and M&A. He is Chairman of Stack Capital, a TSX listed Company investing in later stage pre-public private Companies.

From 2014 to 2020 he was a BOD member and Chair of Canopy Growth and Canopy Rivers as they grew the Company from pre-legal to the global leader with a market cap of \$20B. Mr. Bell stepped down after the successful exit to Constellation Brands with their \$5B investment.

A follow up press release will be issued once all details are finalized regarding additional directors.

Current and Resulting Share Structure

	\$	Number of Shares Pre Consolidation	Number of Shares Post Consolidation (on the basis on one new Share for five old Shares)
Current issued		65,594,769	13,118,954
Shares for debt	518,260	6,478,260 at an agreed price of \$0.08 per Share	1,295,652 at a price of \$0.40 per Share
Private Placement	\$1,500,000		15,000,000 at a price of \$0.10 per Share
Transaction Shares			3,230,000 at a price of \$0.10 per Share
Total			32,644,606

The Reorganization is subject to the acceptance of the TSX.V.

Completion of the transactions disclosed in this press release are subject to a number of conditions, including but not limited to: Exchange acceptance and, if applicable, disinterested shareholder approval. Where applicable the transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to to be prepared in connection with the transactions, any information released or received with respect to the transactions may not be accurate or complete and should not be relied upon. Trading in the securities of Pascal Biosciences Inc. should be considered highly speculative.

The TSX has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

ABOUT PASCAL BIOSCIENCES INC.

Pascal has been a biotechnology company targeting innovative therapies for cancer, including targeted therapies for acute lymphoblastic leukemia and cannabinoid-based therapeutics. Pascal's leading portfolio also comprises a small molecule therapeutic, PAS-403, that is advancing into clinical trials for the treatment of glioblastoma, and PAS-393, an immuno-stimulatory cannabinoid to be used in combination with checkpoint inhibitor therapy. The Company will cease investment in its biotechnology assets but will maintain all patents and explore options for licensing and possible divestment.

To learn more, visit: <https://www.pascalbiosciences.com/>.

On Behalf of the Board of Directors

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Forward-Looking Statements

DISCLAIMER

Certain statements in this press release contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 or forward-looking information under applicable Canadian securities legislation that may not be based on historical fact, including without limitation statements containing the words “believe”, “may”, “plan”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar expressions. Such forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause our actual results, events or developments, or industry results, to be materially different from any future results, events or developments express or implied by such forward-looking statements or information. Such factors include, among others, our stage of development, lack of any product revenues, additional capital requirements, risk associated with the completion of clinical trials and obtaining regulatory approval to market our products, the ability to protect our intellectual property, dependence on collaborative partners and the prospects for negotiating additional corporate collaborations or licensing arrangements and their timing. Specifically, certain risks and uncertainties that could cause such actual events or results expressed or implied by such forward-looking statements and information to differ materially from any future events or results expressed or implied by such statements and information include, but are not limited to, the risks and uncertainties that: products that we develop may not succeed in preclinical or clinical trials, or future products in our targeted corporate objectives; our future operating results are uncertain and likely to fluctuate; we may not be able to raise additional capital; we may not be successful in establishing additional corporate collaborations or licensing arrangements; we may not be able to establish marketing and the costs of launching our products may be greater than anticipated; we have no experience in commercial manufacturing; we may face unknown risks related to intellectual property matters; we face increased competition from pharmaceutical and biotechnology companies; and other factors as described in detail in our filings with the Canadian securities regulatory authorities at www.sedar.com. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements and information, which are qualified in their entirety by this cautionary statement. All forward-looking statements and information made herein are based on our current expectations and we undertake no obligation to revise or update such forward-looking statements and information to reflect subsequent events or circumstances, except as required by law.

“Neither the 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”
