



**ALGERNON PHARMACEUTICALS ANNOUNCES UP TO
\$5.0 MILLION PRIVATE PLACEMENT OFFERING OF SPECIAL WARRANTS**

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INTO THE UNITED STATES***

VANCOUVER, British Columbia, April 30, 2020 (GLOBE NEWSWIRE) -- Algernon Pharmaceuticals Inc. (CSE: AGN) (FRANKFURT: AGW) (OTCB: BTHCF) ("**Algernon**" or the "**Company**"), a clinical stage pharmaceutical development company, is pleased to announce that it has entered into an agreement with Mackie Research Capital Corporation, as sole agent and sole bookrunner (the "**Agent**"), in connection with a marketed best efforts private placement offering (the "**Offering**") of special warrants of the Company ("**Special Warrants**") at a price of \$0.40 per Special Warrant, for gross proceeds of up to \$5,000,000.

Each Special Warrant shall be exercisable, for no additional consideration at the option of the holder, into one unit of the Company (each, a "**Unit**"), with each Unit being comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one Common Share (each, a "**Warrant Share**") at an exercise price of \$0.60 per Warrant Share for a period of 24 months after Closing (the "**Expiry Date**"), subject to acceleration of the Expiry Date as described below.

If, at any time after the Qualification Date (as defined below) and prior to the Expiry Date, the volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the "**Exchange**"), or other principal exchange on which the Common Shares are listed, is greater than \$1.00 for 10 consecutive trading days, the Company may, within 15 days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the Expiry Date to the date that is 30 days following the date of such notice (the "**Accelerated Exercise Period**"). Concurrent with the giving of such notice, the Company will also issue a press release disclosing the Accelerated Exercise Period. Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

The Company has granted the Agent an option (the "**Over-Allotment Option**") to purchase up to 15% of the number of Special Warrants issued pursuant to the Offering to cover any over-allotments, exercisable at any time 48 hours prior to the Closing (as defined herein) of the Offering.

The net proceeds raised under the Offering will be used for ongoing research, clinical trials, working capital and general corporate purposes.

As soon as reasonably practicable after the Closing (as defined herein), the Company will use its reasonable commercial efforts to prepare and file with each of the securities regulatory authorities in each of the provinces of Canada, other than Quebec, in which the Special Warrants are sold (the “**Jurisdictions**”) and obtain a receipt for, a final short form prospectus (the “**Final Prospectus**”), qualifying the distribution of the Units underlying the Special Warrants, in compliance with applicable securities law, within thirty five (35) days from the Closing of the Offering.

In the event that the Company has not received a receipt for the Final Prospectus within thirty five (35) days following the Closing, each unexercised Special Warrant will thereafter entitle the holder thereof to receive upon the exercise thereof, at no additional consideration, one-and-one-tenth (1.10) Unit (instead of one Unit) and thereafter at the end of each additional thirty (30) day period prior to the Qualification Date (as defined below), each Special Warrant will be exercisable for an additional 0.02 of a Unit.

All unexercised Special Warrants will automatically be exercised on the day (the “**Qualification Date**”) that is the earlier of (i) four (4) months and a day following Closing of the Offering, and (ii) the 3rd business day after a receipt is issued for the Final Prospectus.

The Agent will receive an aggregate cash fee equal to 8.0% of the gross proceeds from the Offering, including in respect of any exercise of the Over-Allotment Option, subject to a reduced fee of 4% for up to \$500,000 of Special Warrants issued to President’s list purchasers. In addition, the Company will grant the Agent, on date of Closing, non-transferable compensation options (the “**Compensation Options**”) equal to 8% of the total number of Special Warrants under the Offering (including in respect of any exercise of the Over-Allotment Option), subject to a reduction for President’s list purchasers. Each Compensation Option will entitle the holder thereof to purchase one Unit (a “**Compensation Option Unit**”) at an exercise price per Compensation Option Unit equal to the Offering Price for a period of 24 months after the Closing Date (as defined herein).

The Company will use commercially reasonable efforts to obtain the necessary approvals to list the Common Shares, Warrant Shares, and Common Shares issuable on the exercise of the Compensation Option Units on the Exchange on the Closing Date and the date of the issuance of the underlying Warrant Shares, respectively.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Exchange, and the entering into of an agency agreement between the Company and the Agents. Closing of the Offering is expected to be on or about the week of May 12, 2020 (the “**Closing Date**” or “**Closing**”).

This press release is not an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from U.S. registration requirements and applicable U.S. state securities laws.

About Algernon Pharmaceuticals Inc.

Algernon is a drug re-purposing company that investigates safe, already approved drugs for new disease applications, moving them efficiently and safely into new human trials, developing new formulations and seeking new regulatory approvals in global markets. Algernon specifically investigates compounds that have never been approved in the U.S. or Europe to avoid off label prescription writing.

Algernon has filed new intellectual property rights globally for NP-120 (Ifenprodil) for the treatment of respiratory diseases and is working to develop a proprietary injectable and slow release formulation.

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The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release. The Canadian Securities Exchange has not in any way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

No securities regulatory authority of stock exchange has reviewed nor accepts responsibility for the adequacy or accuracy of the content of this news release. This news release contains forward-looking statements relating to closing of the Offering, the filing and receipt for the Final Prospectus, product development, licensing, commercialization and regulatory compliance

issues 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 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. Important factors that could cause actual results to differ materially from the Company’s expectations include the failure to satisfy the conditions of the relevant securities exchange(s) and other risks detailed from time to time in the filings made by the Company with securities regulations. The reader is cautioned that assumptions used in the preparation of any forward-looking information 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 information. 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 news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by applicable law.