

Entheon Biomedical Announces DMT Drug Supply Agreement with Psygen Labs Inc. Completion of Initial DMT Research Drug Batch and Exercise of Warrants

Vancouver, British Columbia--(Newsfile Corp. - December 9, 2020) - Entheon Biomedical Corp. (CSE: ENBI) (FSE: 1XU1) ("**Entheon**" or the "**Company**"), a biotechnology company focused on developing psychedelic medicines to treat addiction, announced it has entered into a drug-supply agreement (the "**Agreement**") with Psygen Labs Inc. ("**Psygen**"). Under the terms of the Agreement, Psygen will supply Entheon with non-GMP and GMP (good manufacturing practice) quality N,N-dimethyltryptamine drug substances ("**DMT**") for upcoming formulation, preclinical, clinical, and post-approval commercialization phases under the European Medicines Agency (EMA) regulatory framework.

On November 27, 2020, Psygen successfully completed the production of a non-GMP DMT research batch for delivery to the Company's Contract Research Organization, CHDR's partner pharmacy. The non-GMP DMT research batch will be shipped to CHDR upon receipt of Psygen's export permit from the Health Canada Office of Controlled Substances. This export permit will be applied for following the successful receipt of CHDR's import permit, which has been applied for, and the granting of which is anticipated by the end of December.

The Agreement entered into on August 21, 2020 provides Entheon with access to a consistent DMT drug material for preliminary formulation, stability and testing required prior to its forthcoming human clinical trial, scheduled to begin in Q4 2021 at The Centre for Human Drug Research (CHDR) in the Netherlands.

"We are excited that Psygen has completed its initial research batch of non-GMP DMT. The completion of this batch represents the crucial chemical validation and formulation steps that are a regulatory requirement prior to human administration," said Chief Executive Officer of Entheon, Timothy Ko. "Partnering with Canada's first licensed manufacturer of restricted psychedelic drug products fosters an ecosystem of collaboration and innovation within the Canadian psychedelic space, and we are thrilled by the progress being made."

"We are excited to partner with Entheon Biomedical to supply DMT drug substance for its clinical research. We believe these studies will significantly improve outcomes for people who are suffering from substance use disorders," said Danny Motyka, CEO of Psygen.

Exercise of Warrants

Further, the Company is pleased to announce its shareholders have exercised an aggregate 533,359 warrants at a price of \$0.75 per share and 13,334 warrants at \$0.45 per share adding net proceeds of \$406,019.55 to the Company's treasury. The warrants were issued by way of private placement with an expiry date of December 4, 2020. As of the expiry date, 82% of the warrants had been exercised. The use of proceeds will be employed to accelerate the Company's clinical and regulatory pathway. As of the date hereof, the Company has a total of 10,777,290 warrants that remain outstanding.

About Entheon Biomedical Corp.

Entheon is a biotechnology research and development company committed to developing and commercializing a portfolio of safe and effective N,N-dimethyltryptamine based psychedelic therapeutic products ("**DMT Products**") for the purposes of treating addiction and substance use disorders. Subject to obtaining all requisite regulatory approvals and permits, Entheon intends to generate revenue through

the sale of its DMT Products to physicians, clinics and licensed psychiatrists in the United States, certain countries in the European Union and throughout Canada.

About Psygen Labs Inc.

Psygen Labs Inc ("**Psygen**") is a Calgary-based company specializing in the synthetic manufacture of psychedelic medicines. The company provides non-exclusive access to psychedelic drug substances and products for clinical research and therapeutic applications. Psygen is well positioned to be a lead supplier for the emerging commercial market. Psygen has sponsored a Licensed Dealer who holds a license for the manufacture, sale, import, export, and analysis of psilocybin, MDMA, DMT, LSD, 2C-B, and mescaline. Psygen's chemists and manufacturing lab currently reside at the University of Alberta. Psygen has applied to Health Canada for a corporate Dealer's License which will allow the company to manufacture, possess, sell, import, export, research, develop, and analyze psychedelic drug substances and products. Psygen is actively developing and constructing a 6000sq/ft lab capable of large-scale synthesis, formulation, and distribution of the above and additional psychedelics. Psygen intends to be the leader in psychedelic supply chain solutions and is committed to supporting the renaissance in research and clinical treatment of a wide variety of mental health issues.

On Behalf of the Board of Directors

Timothy Ko
CEO

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Cautionary Note on Forward Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this news release contains forward-looking statements and information relating to the supply agreement with Psygen Labs Inc., the completion of the drug supply by Psygen Labs Inc., the ability of the Company to obtain requisite permits, the commencement and execution of its clinical study, if at all and subsequent use of drug supply in forthcoming clinical trials, and other matters. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future.

Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the Company's ability to raise further capital and the Company's ability to obtain regulatory and exchange approvals. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

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