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IZOTROPIC CORPORATION ANNOUNCES NON-BROKERED PRIVATE PLACEMENT

VANCOUVER, BC – October 20, 2020 – Izotropic Corporation (“Izotropic” or the “Company”) (CSE: IZO) (OTC US: IZOZF) (FSE: 1R3) is pleased to announce a non-brokered private placement financing (the “**Offering**”) of up to 6,000,000 units of the Company (each, a “**Unit**”) at a price of \$0.55 per Unit for gross proceeds of up to \$3,300,000. Each Unit will consist of one common share and one transferable warrant (each, a “**Warrant**”), and each Warrant will entitle the holder to purchase one additional share at a price of \$0.75 per share for a period of two years from closing of the Offering, subject to the Acceleration Right (as defined below) such that:

- (i) at any time after the date that is four months and one day after the issue date of the Warrants, if, for at least ten (10) consecutive trading days, the closing price at which the Shares trade on the Canadian Securities Exchange (the “**Exchange**”) each day exceeds \$1.25 per Share, the Company may issue a notice (the “**Acceleration Notice**”) to the holder (which Acceleration Notice will be given to the holder by the Company by disseminating a press release) to accelerate the expiry date of the Warrants (the “**First Acceleration Right**”);
- (ii) 50% of the then unexercised Warrants will terminate on the date that is thirty (30) days from the date of the Acceleration Notice in the event that the holder has not exercised the Warrants in accordance with the terms of the Acceleration Notice by such date;
- (iii) at any time after the date that is four months and one day after the issue date, if, for at least ten (10) consecutive trading days, the closing price at which the Shares trade on the Exchange each day exceeds \$1.75 per Share, the Company may issue a notice (the “**Second Acceleration Notice**”) to the holder (which Second Acceleration Notice will be given to the holder by the Company by disseminating a press release) to accelerate the expiry date of the Warrants (the “**Second Acceleration Right**” and together with the First Acceleration Right, the “**Acceleration Right**”), and
- (iv) 50% of the then outstanding Warrants will terminate on the date that is thirty (30) days from the date of the Second Acceleration Notice in the event that the holder has not exercised the Warrants in accordance with the terms of the Second Acceleration Notice by such date.

Completion of the Offering is subject to a number of conditions, including, without limitation, receipt of all necessary regulatory approvals.

The Company announces that it has completed the first tranche of the Offering and has issued 4,517,066 Units for gross proceeds of \$2,484,386.30. The Company expects to close a second tranche of the Offering in due course.

An insider of the Company acquired 50,000 Units in the Offering which constituted a related party transaction under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The issuance to the insider is exempt from the valuation requirement of MI 61-101 by the virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market and from the minority shareholder



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approval requirements of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) as the value of the Units did not exceed 25% of the Company's market capitalization.

The use of proceeds from the Offering will be used for final engineering and product development of the Company's first commercial breast CT unit; production of commercial units; the initial FDA study; and general working capital.

All securities issued in connection with the Offering will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

None of the securities issued in the Offering will be registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

ON BEHALF OF THE BOARD

Robert Thast
Chief Executive Officer

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About Izotropic Corp.

Izotropic Corporation and its wholly owned U.S. operating subsidiary, Izotropic Imaging Corp. have been established to commercialize the next generation of breast imaging technology for early diagnosis of breast cancer. The Izotropic Breast CT Imaging System produces high resolution breast images in 3D. A single 10 second breast CT scan acquires approximately 500 images, without painful breast compression, providing radiologists with fully 3D viewing of the scanned breast. Mammography scanning requires compression of the breast between 2 imaging plates, resulting in 2D images.

The Company has the exclusive worldwide license from the University of California, Davis to commercialize the technology developed by principal founder and Company director Dr. John M. Boone and researchers at UC Davis. The license includes all intellectual property, trade secrets, patents and patent-pending applications that are the foundation of the Company's breast CT imaging platform.

Approximately \$20 million in research funding and over 15 years of research and development have been invested in developing this groundbreaking breast CT imaging technology. Research includes a current, ongoing \$2.9M U.S. clinical trial at UC Davis Medical Center.

The Company founders believe that this technology will be a disruptive entry to the market, overcoming many of the challenges faced by existing breast imaging modalities.



IZOTROPIC
C O R P O R A T I O N

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FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements in this news release include statements regarding the proceeds to be raised pursuant to the Offering; the intended use of the proceeds and resale restrictions relating to the securities to be issued. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements including: (i) adverse market conditions; (ii) the inability of the Company to complete the Offering at all or on the terms announced; or (iii) the Company not receiving all necessary regulatory approvals. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include general market conditions and other factors beyond the control of the Company. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.