



## PharmAla Biotech announces Non-Brokered Private Placement Offering of up to an Aggregate of \$5,000,000

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VANCOUVER, British Columbia, June 12, 2023 -- PharmAla Biotech Holdings Inc. (the “**Company**” or “**PharmAla**”) (CSE: MDMA) (OTC: PMBHF), a biotechnology company focused on the research, development and manufacturing MDXX class molecules (including MDMA), is pleased to announce a non-brokered private placement of a minimum 3,333,333 units and a maximum 16,666,666 units of the Company (each a “**Unit**”) at a price of \$0.30 per Unit for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$5,000,000 which will be offered for sale to purchasers resident in Canada (except Quebec) and/or other qualifying jurisdictions pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions* (the “**LIFE Offering**”).

Each Unit consists of one common share of the Company (each a “**Common Share**”) and one-half Common Share purchase warrant (“**Warrant**”). Each whole Warrant entitles its holder to acquire one Common Share for a period of 24 months following the closing of the Offering (“**Closing Date**”).

In the event that, during the period following 24 months from the Closing Date, the volume-weighted average trading price of the Common Shares exceeds \$0.675 per Common Share for any period of 20 consecutive trading days, the Company may, at its option, following such 20-day period, accelerate the expiry date of the Warrants by issuing a press release (a “**Warrant Acceleration Press Release**”), and, in such case, the expiry date of the Warrants shall be deemed to be 5:00 p.m. (Toronto time) on the 30<sup>th</sup> day following the date of issuance of the Warrant Acceleration Press Release.

The Company intends to use the net proceeds from the LIFE Offering to (i) increase its inventory of MDMA and psilocybin for the future sales in Australia and outside Australia, (ii) phase 2 clinical trials of the Company’s patented ALA series of molecules, and (iii) general working capital purposes. The Company may compensate certain eligible finders under the LIFE Offering and may pay a cash commission of up to 7% of the gross proceeds of the LIFE Offering and issue such number of finder’s warrants equal to 7% of the total number of Units issued under the LIFE Offering.

The LIFE Offering is expected to be completed in multiple closings, with the final closing to occur no later than July 27, 2023. The securities issued pursuant to the LIFE Offering will not be subject to any statutory hold period in accordance with applicable Canadian securities laws.

There is an offering document related to the LIFE Offering that can be accessed under the Company’s profile at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.pharmala.ca](http://www.pharmala.ca). Prospective investors should read this offering document before making an investment decision.

As a result of the expected participation by insiders of the Company, the LIFE Offering may be considered a “related party transaction” pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company expects that the LIFE Offering will be exempt from the requirements to obtain a formal valuation and minority shareholder approval, respectively, because the fair market value of the insiders’ participation in each case will be below 25% of the Company’s market capitalization for the purposes of Sections 5.5(a) and 5.7(1)(a) of MI 61-101.

None of the securities have been registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the Units may not be offered or sold within the United States, its territories or possessions, any state of the United States or the District of Columbia (collectively, the “**United States**”) or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and all applicable state securities laws or an exemption from such registration requirements is available. This press release does not constitute an offer to sell or a solicitation of an offer to buy any Units within the United States or to, or for the account or benefit of, U.S. persons.

### About PharmAla

PharmAla Biotech Holdings Inc. (CSE: MDMA) is a biotechnology company focused on the research, development, and manufacturing of MDXX class molecules, including MDMA. PharmAla was founded with a dual focus: alleviating the global backlog of generic, clinical-grade MDMA to enable clinical trials, and to develop novel drugs in the same class. PharmAla is the first publicly-traded company to manufacture clinical-grade MDMA. PharmAla’s research and development unit has completed proof-of-concept research into ALA-002, PharmAla’s lead drug candidate. PharmAla is a “regulatory first” organization, formed under the principle that true success in the psychedelics industry will only be achieved through excellent relationships with regulations.

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## Cautionary Note Regarding Forward-Looking Statements

*This press release contains forward-looking information or forward-looking statements under applicable Canadian securities laws (collectively, “**forward-looking statements**”). All information that addresses activities or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “likely” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made. In the press release, such forward-looking statements include, but are not limited to, statements regarding, the Company’s performance, business objectives and milestones and the anticipated timing thereof; acceleration of the expiry date of the Warrants; the size and terms of the LIFE Offering, the closings of LIFE Offering and the anticipated use of net proceeds from the LIFE Offering; the expected participation by insiders in the LIFE Offering; and the exemption from formal valuation and minority shareholder approval requirements under MI 61-101.*

*In making the forward-looking statements in this press release, the Company has applied several material assumptions, including without limitation: the Company obtaining requisite regulatory approvals and the satisfaction of other conditions to the consummation of the LIFE Offering on the proposed terms herein; the Company’s ability to comply with all applicable regulations and laws, including environmental, health and safety laws; the Company’s ability to meet the listing requirements of the CSE; the Company’s ability to research and develop its products; the Company having sufficient working capital for future operating activities; the ability of the Company to achieve its business objectives and milestones and the anticipate timing of execution; the Company’s ability to continue as a going concern; the Company’s ability to achieve profitability in the 2023 fiscal year; the Company’s ability to obtain additional financing for continued operations on terms acceptable to the Company; the Company’s ability to satisfy the terms and payment of cash commission and finder warrants to eligible finders; and the Company’s ability to use the proceeds from the LIFE Offering for the business objectives outlined herein.*

*The above lists of forward-looking statements and assumptions are not exhaustive. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include: changes in general economic, business and political conditions, including changes in the financial markets; the ability of the Company to close the LIFE Offering on the terms contemplated herein; delays or the inability of the Company to obtain necessary permits, consents or authorizations required; changes in laws, regulations and policies affecting the Company’s operations; currency fluctuations; environmental issues and liabilities; the potential impact of the announcement or consummation of the LIFE Offering on relationship, including with regulatory bodies, employees, suppliers, customers and competitors; the Company’s inability to continue to meet the listing requirements of the CSE; the inability of the Company to obtain additional financing for continued operations on terms acceptable to the Company; the lack of control over the Company’s investees; risks relating to investing in the Common Shares; risks relating to the use of proceeds from the LIFE Offering; volatility in the market price of the Company’s Common Shares; dilution of shareholders’ holdings; general business risk and liability, including claims or complaints in the normal course of business; negative operating cash flow; the negative effects of interest rate and exchange rate changes; the potential impact of health crises and market instability due to the COVID-19 pandemic; risks relating to the Company’s reliance on key employees; limitations in the liquidity of the Common Shares; litigation risks; risks with the integration of new businesses and acquisitions; the Company’s inability to expand into new business areas and geographic markets; management of growth; the risk of defaulting on existing debt; the Company’s inability to continue as a going concern; the lack of control over the Company’s investees; the participation of insiders in the LIFE Offering; the failure of the Company to comply with applicable regulatory requirements in a highly regulated industry; unexpected changes in governmental policies and regulations in the jurisdictions in which the Company operates; any unexpected failure to maintain in good standing or renew its licenses; and the Company’s inability to achieve profitability in 2023.*

*Please see the other risks, uncertainties and factors set out under the heading “Risk Factors” in the Company’s management’s discussion and analysis dated January 30, 2023 for the three months ended November 30, 2022 which is available on the Company’s issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). Any forward- looking statement included in this press release is made as of the date of this press release and is based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking information is made. The Company does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

*Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*