



PharmAla Announces Private Placement and Concurrent Debt Settlement

VANCOUVER, British Columbia, April 10, 2024 -- PharmAla Biotech Holdings Inc. ("**PharmAla**" or the "**Company**") (CSE: MDMA) (OTC: MDXXF), a biotechnology company focused on the research, development, and manufacturing of LaNeo™ MDMA and novel derivatives of MDMA (MDXX class molecules), is pleased to announce its intention to complete a non-brokered private placement offering of units of the Company (each, a "**Unit**") at a price of \$0.18 per Unit for aggregate gross proceeds of up to \$750,000 (the "**Offering**"). It is anticipated that the Offering will be funded solely by a small group of long-term shareholders, known to the Company, who have expressed commitments.

Each Unit shall consist of one common share in the share capital of the Company (each, a "**Common Share**") and one-half of one (0.5) Common Share purchase warrant of the Company (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one additional Common Share (each, an "**Additional Share**") at a price of \$0.27 per Additional Share at any time prior to 4:30 pm (Toronto Time) on the date that is thirty six months following the closing date (the "**Warrant Term**"), provided that, if the closing price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") is \$0.38 or greater per Common Share for a period of ten consecutive trading days at any time after the completion of the Offering, the Company may accelerate the Warrant Term, in compliance with the policies of the CSE, such that the Warrants shall expire on the date which is thirty days following the date a press release is issued by the Company announcing the reduced Warrant Term in accordance with the terms and conditions of the certificate representing such Warrants.

The Company intends to use the net proceeds of the Offering for the securing of global patent rights for its portfolio of novel intellectual property assets, manufacture of products for sale, clinical trials into the Company's novel patented drug candidates, sales, general corporate and working capital purposes.

The Units will be offered to qualified purchasers in reliance upon exemptions from prospectus and registration requirements of applicable securities legislation. Directors and officers of the Company may acquire securities under the Offering, which will be considered a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Such participation is expected to be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

The Company may pay finders' fees to eligible finders in connection with the Offering, subject to compliance with applicable securities laws and CSE policies.

All securities proposed to be 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. The Offering is expected to close on or about April 18, 2024, subject to customary closing conditions and compliance with CSE policies.

Debt Settlement

The Company also announces that the Company intends to settle debt in the aggregate amount of \$108,000.00 owing to Aaron Logan, a consultant of the Company who advises the Company on intellectual property and commercialization matters (the "**Debt Settlement**"). Mr. Logan's work was critical in PharmAla's negotiation for the establishment of Cortexa Pty Ltd., the Company's joint venture with Australian-based Vitura Health Limited. Mr. Logan is an entrepreneur with more than 660 patents to his name and a 2023 Avenue Magazine Calgary Top 40 under 40 recipient. Pursuant to the terms of the Debt Settlement, the Company plans to issue Mr. Logan 600,000 Common Shares at a deemed price of \$0.18 per Common Share. None of the debt includes payment for Investor Relations Activities (as such term is defined in the policies of the CSE). Mr. Logan will remain in an advisory capacity for the Company.

The Common Shares proposed to be issued in connection with the Debt Settlement will be subject to a statutory hold period of four months and one day from the date of issuance. The Debt Settlement is expected to close on or about April 18, 2024, subject to customary closing conditions, including, but not limited to, finalizing all contractual documentation and receipt of all applicable regulatory approvals, as applicable, including compliance with the policies of the CSE.

About PharmAla

PharmAla Biotech Holdings Inc. (CSE: MDMA)(OTCQB:MDXXF) 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 as well as commercial sales in selected jurisdictions, and to develop novel drugs in the same class. PharmAla is the only company currently provisioning clinical-grade MDMA for patient treatments outside of clinical trials. PharmAla's research and development unit has completed proof-of-concept research into several IP families, including ALA-002, its 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 regulators.

For more information, please contact:
Nicholas Kadysh
Chief Executive Officer
PharmAla Biotech Holdings Inc.
Email: press@PharmAla.ca
Phone: 1-855-444-6362
Website: www.PharmAla.ca

Neither the CSE nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “strategy”, “expects” or “does not expect”, “intends”, “continues”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “will be taken”, “will launch” or “will be launching”, “will include”, “will allow”, “will be made” “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the Company’s intention to complete the Offering and Debt Settlement; the Offering and Debt Settlement being conducted in accordance with the policies of the CSE and applicable securities laws; the Offering’s anticipated size, timing of closing, places and use of proceeds; and the anticipated completion of the entire Offering under the stated terms.

Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. Although the Company believes that the expectations reflected in these statements are reasonable, such statements are based on expectations, factors, and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company’s control, including but not limited to the risk factors discussed under the heading “Risk Factors” in the Company’s management’s discussion and analysis, and elsewhere in this press release, as such factors may be further updated from time to time in our periodic filings, available at www.sedarplus.ca, which factors are incorporated herein by reference. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement and reflect the Company’s expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results, or otherwise, or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.