



GeneTether Therapeutics Announces Closing of Licensing Agreement for STS-201 and \$500,000 Non-Brokered Private Placement

Kelowna, British Columbia – January 6, 2025 – GeneTether Therapeutics Inc. (together with its wholly-owned subsidiary GeneTether, Inc., “**GeneTether**” or the “**Company**”) (CSE: GTTX) is pleased to announce the successful closing of its two previously announced transactions:

- **Licensing Agreement for STS-201**

The Company has successfully closed the previously announced licensing agreement for STS-201 (the “**License**”), a small molecule that has exhibited significant utility in soft tissue sarcoma, as well as other types of cancers and certain proliferative diseases. The licensing of STS-201 represents a critical milestone in GeneTether’s evolution as the Company strategically shifts its focus toward oncology drug development.

- **Private Placement Financing**

The Company has also closed its previously announced non-brokered private placement (the “**Private Placement**”), raising gross proceeds of \$500,000. The financing was fully subscribed, demonstrating strong investor confidence in the Company’s strategy and future potential. The proceeds will be utilized to advance the Company’s development programs, with a focus on regulatory preparations and initial clinical activities for its lead asset, STS-201 and for general working capital purposes.

Upcoming Milestones

Commenting on the closings, Executive Chairman, Daren Graham said:

“We are very pleased to announce the closing of these two transformative transactions, which position GeneTether for success in the oncology space. The strong support from investors in our strategic acquisition of STS-201 underscores the confidence in our vision. We are eager to advance this program and work toward offering new therapeutic options for patients with soft tissue sarcoma.”

Terms of the License

Under the terms of the License, EGB Ventures, through its operating entity, (“**EGB**”) granted GeneTether an exclusive global license to develop and commercialize STS-201. EGB, including certain designates, received 12,000,000 shares of GeneTether’s common stock (each a “**Common Share**”) and US\$150,000 in upfront payments and will receive annual payments of US\$150,000. Additionally, EGB will receive a 33% royalty of aggregate net sales of STS-201 and 33% of any consideration received from the sale or other monetization of any pediatric review vouchers obtained by GeneTether.

Terms of the Private Placement

The Private Placement consisted of the issuance of 25,000,000 units of the Company (the “**Units**”) at a price of C\$0.02 per Unit, for gross proceeds of C\$500,000. Each Unit is comprised of one Common Share and one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder to



acquire one additional Common Share at a price of C\$0.05 per Common Share for a period of 36 months from the date of issuance. The proceeds of the Private Placement will be used to advance the Company's development programs, with a focus on regulatory preparations and initial clinical activities for its lead asset, STS-201 and for general working capital purposes. The securities issued pursuant to the Private Placement will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. The Warrants will not be listed on any exchange. No finders' fee was paid in connection with the Private Placement. The Private Placement remains subject to the final approval of the Canadian Securities Exchange.

Amended Option Plan and Option Grants

The Company announces that it has amended its stock option plan (the "**Plan**") to, among other things, change the Plan from a fixed option plan to a "rolling" option plan, pursuant to which the Company may grant such number of options as is equal to 20% of its issued and outstanding Common Shares as at the date of grant. The amended Plan was approved by the written resolution of the requisite majority of shareholders, in accordance with the policies of the Canadian Securities Exchange.

The Company also announces that it has granted incentive stock options to certain directors, officers and consultants of the Company, entitling the holders (subject to vesting restrictions) to acquire an aggregate of 7,975,890 Common Shares at an exercise price of \$0.09/share and expiring on January 6, 2034.

Related Party Transaction

The License and the Private Placement each constitute a "related party transaction" as such term is defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as William Garner, M.D. ("**Dr. Garner**"), an insider and a director of the Company, is the principal of EGB, the entity licensing STS-201 to the Company. In addition, certain directors and officers of the Company, including Dr. Garner, participated in the Private Placement, acquiring an aggregate of 24,276,250 Units on the same basis as other subscribers. The Company is relying on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(b) of MI 61-101 in respect of the License and the related party participation in the Private Placement. The Company has received minority shareholder approval of the License and Dr. Garner's participation in the Private Placement in accordance with Section 8 of MI 61-101 and is also relying on the exemption from the shareholder approval requirements of MI 61-101 contained in Section 5.7(a) of MI 61-101 with respect to the related party participation in the Private Placement. The License and the Private Placement were approved by the board of directors of the Company, with conflicted director(s) abstaining from the vote in respect thereof.

Early Warning

In accordance with National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, Dr. William Garner (100 Calle del Muelle, San Juan, Puerto Rico, USA 00901) will file an early warning report (the "**Early Warning Report**") regarding the change in his ownership and control of securities of the Company.

Prior to the completion of the License and the Private Placement, Dr. Garner beneficially owned or exercised control or direction over 23,978,313 Common Shares, 5,718,824 Warrants and 746,465



incentive stock options, representing approximately 61.89% and 67.34% of the issued and outstanding Common Shares on an undiluted and partially diluted basis, respectively. Upon completion of the License, the Private Placement and the option grant, Dr. Garner beneficially owns or exercises control or direction over 50,356,204 Common Shares, 26,245,074 Warrants and 746,465 Options, representing approximately 66.48% of the issued and outstanding Common Shares on an undiluted basis and 75.29% of the issued and outstanding Common Shares on a partially diluted basis assuming that Dr. Garner exercised all of his Warrants and options and no other holders of convertible securities exercised or converted any of their securities.

Dr. Garner intends to review his investment in the Company on a continuing basis and may purchase or sell securities of the Company, either on the open market or in private transactions, in each case, depending on a number of factors, including general market and economic conditions and other factors and conditions that Dr. Garner deems appropriate. A copy of the Early Warning Report for Dr. Garner will be filed on the Company's profile on SEDAR+ at www.sedarplus.ca. A copy may also be requested from the Company at the contact information noted below under the heading "Contact".

About Soft Tissue Sarcoma

Soft tissue sarcomas are a rare, diverse and often rapidly fatal group of tumors consisting of more than 100 different subtypes that are estimated to account for about 1% of all cancers in adults and 7% in children. Treatment of STS is an immediate unmet medical need. STS tumors can occur anywhere within the body, including muscle, fat, nerves, vascular tissue, and other connective tissues. Median survival after development of distant metastases is estimated to be 11 to 18 months, but this varies significantly based on primary histologic subtype and treatment paradigms. Based on the prevalence of STS in the United States, GeneTether and EGB believe it is a rare disease and that STS-201 for the treatment of STS may qualify for Orphan Drug status.

About GeneTether Therapeutics

GeneTether Therapeutics is a CSE-listed biopharmaceutical company based in Kelowna, British Columbia. For more information regarding GeneTether, including the License and Private Placement, please visit www.genetether.com and its profile page on SEDAR+ at www.sedarplus.ca.

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Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause GeneTether's actual results, performance or achievements, or developments in the industry to differ



materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “projects,” “potential” and similar expressions, or that events or conditions “will,” “would,” “may,” “could” or “should” occur. Forward-looking statements in this document include the Company’s expected use of proceeds from the Private Placement, the expectation that the Company will receive regulatory approval for the Private Placement and all other statements that are not statements of historical fact.

Although GeneTether believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by their nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with general economic conditions; adverse industry events; future legislative and regulatory developments; the Company’s ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; the ability of GeneTether to implement its business strategies; competition; the ability of GeneTether to obtain and retain all applicable regulatory and other approvals and other assumptions, risks and uncertainties, including those set forth under the heading “Risk Factors” in the Company’s final prospectus dated March 21, 2022.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

Neither the Canadian Securities Exchange nor its Regulation Service has approved nor disapproved the contents of this news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any U.S. state securities law and may not be offered or sold in the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws or pursuant to an exemption therefrom.



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