

ZYUS Life Sciences Announces Closing of Private Placement

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

SASKATOON, Saskatchewan--(BUSINESS WIRE)--August 26, 2024--ZYUS Life Sciences Corporation (the "Company") (TSX-V: ZYUS), a Canadian-based life sciences company focused on the development and commercialization of novel cannabinoid-based pharmaceutical drug candidates for pain management, is pleased to announce the closing of a non-brokered private placement (the "**Private Placement**") of 3,510,345 units (each a "**Unit**") at a price of \$0.95 per Unit for aggregate gross proceeds of \$3.3 million. Each Unit consists of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"), whereby each Warrant entitles the holder to acquire one Common Share at a price of \$1.30 for a period of twenty-four months from the date of issuance.

Insiders of the Company, who are independent directors, purchased 842,103 Units pursuant to the Private Placement for gross proceeds of \$0.8 million (the "**Insider Participation**"). The Insider Participation constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Corporation has relied on exemptions from the formal valuation and minority shareholder approval requirements provided under section 5.5(b) and 5.7(1)(b) of MI 61-101 because the Corporation is not listed on a stock exchange specified in section 5.5(b) of MI 61-101 and neither the fair market value of securities being issued to insiders nor the consideration being paid by insiders exceed \$2,500,000. The Company did not file a material change report at least 21 days prior to the closing of the Private Placement as participation of the insiders had not been confirmed at that time.

No finders fees were paid in connection with the Private Placement. Proceeds of the Private Placement will be used for general corporate and working capital purposes, with approximately \$2.5 million of the net proceeds being used to repay debt owing to the Company's President and CEO, Brent Zettl and 102042227 Saskatchewan Ltd., an entity owned and controlled by Mr. Zettl.

The Private Placement was approved unanimously by the directors of the Corporation who are independent in respect of the Private Placement and who are not employees of the Corporation.

A valuation as at August 31, 2022 of ZYUS Life Sciences Inc., a wholly owned subsidiary of the Corporation, dated November 11, 2022 was obtained in connection with the plan of arrangement of the Corporation effective June 9, 2023. Details of such prior valuation are summarized at page 28 of the joint proxy circular of the Corporation dated March 24, 2023 and a copy thereof is appended to such circular (a copy of which will be mailed upon request).

All securities issued pursuant to the Private Placement are subject to a statutory hold period expiring four months plus a day from the date of issuance in accordance with applicable securities legislation in Canada. The Private Placement remains subject to the final acceptance of TSX Venture Exchange ("**TSXV**").

The securities described herein 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 state securities laws, and may not be offered or sold within the United States or to, or for account or benefit of, U.S. persons except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to available exemptions therefrom. This release does not constitute an offer to sell or a solicitation of an offer to buy of any securities in the United States.

About ZYUS Life Sciences Corporation

ZYUS (TSXV: ZYUS) is a life sciences company focused on the development and commercialization of novel cannabinoid-based pharmaceutical drug candidates for pain management. Through rigorous scientific exploration and clinical research, ZYUS aims to secure intellectual property protection, safeguarding its

innovative therapies and bolstering shareholder value. ZYUS' unwavering commitment extends to obtaining regulatory approval of non-opioid-based pharmaceutical solutions, in pursuit of transformational impact on patients' lives. For additional information, visit www.zyus.com or follow us on X (formerly known as Twitter) @ZYUSCorp.

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the Company's business, the Company's ability to advance clinical research activities, obtain regulatory approval of cannabinoid-based pharmaceutical drug candidates and introduce products that act as alternatives to current pain management therapies such as opioids, TSXV final acceptance, and the use of proceeds from the Private Placement. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "contemplates", "believes", "projects", "plans", "will" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, the Company's business, the Company's ability to advance clinical research activities, obtain regulatory approval of cannabinoid-based pharmaceutical drug candidates, -and introduce products that act as alternatives to current pain management therapies such as opioids, TSXV final acceptance, and the use of proceeds from the Private Placement are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Company will be able to achieve these results. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances or actual results unless required by applicable law.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

Contacts

ZYUS Media Inquiries
media@zyus.com
1-833-651-7723

ZYUS Investor Relations
investors@zyus.com