PEGASUS MERCANTILE ANNOUNCES CEASE TRADE ORDER

Vancouver, BC – February 4, 2026 – Pegasus Mercantile Inc. (CSE: LOAN) (Frankfurt: U040) (OTC: XTCYF) ("Pegasus" or the "Company") announces that the British Columbia Securities Commission ("BCSC") has issued a Failure-to-File Cease Trade Order ("FFCTO") dated February 4, 2026, due to it not being able to file its annual financial statements and management's discussion and analysis ("MD&A") for the year ended September 30, 2025 on SEDAR by January 28, 2026.

The Company applied for a Management Cease Trade Order ('MCTO") on January 15, 2026 due to delays obtaining information regarding one of the issuer's subsidiaries and a recent acquisition project, and the application for an MCTO was declined by the BCSC.

The FFCTO is a result of the Company's delayed filing of its: (i) audited consolidated financial statements for the fiscal year ended September 30, 2025 (the "Annual Financial Statements"), (ii) management's discussion and analysis relating to the Annual Financial Statements, (iii) CEO and CFO certificates relating to the Annual Financial Statements.

The FFCTO provides an exception for beneficial security holders of the Company who are not currently (and who were not as of February 3, 2026) insiders or control persons of the Company and who sell securities of the Company acquired before February 3, 2026, if both of the following criteria are met:

1. the sale is made through a "foreign organized regulated market", as defined in section 1.1 of the Universal Market Integrity Rules of the Canadian Investment Regulatory Organization; and
2. the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.

The FFCTO will remain in place until such time as the Annual Filings and all continuous disclosure requirements have been satisfied and the Company receives an order from the BCSC revoking the FFCTO. The Company will make further announcements with respect to the status of the Annual Filings and the FFCTO as and when appropriate.

About Pegasus Mercantile:

Pegasus is a prospect generator that provides high growth companies with financial, operational, and management assistance. The Company has expanded and is entering a new phase of diversification.

The focus of the Company has been on global wellness, psychedelics, mycology, hemp and CBD, healthcare-related target companies and their clinical studies and trials.

For further information visit website: www.pegasusmercantile.com

Contact Meris Kott CEO (561) 212-3323 info@pegasusmercantile.com

Further information about the Company is available on www.sedarplus.ca under the Company's profile.

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

Forward-Looking Statements

*Certain statements contained in this press release may constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated", "proposed" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. In particular, this release contains forward-looking information relating to the Company's ability to cure its filing default and the expected timing of the revocation of the FFCTO***.*** *Such forward-looking information is subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including the risk that the Company may not cure its default in a timely manner. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*