

## **GHP Noetic Science-Psychedelic Pharma Inc. Provides Update on Qualifying Transaction With Xcyte Digital Corp.**

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**TORONTO, ON / July 28, 2023 / GHP Noetic Science-Psychedelic Pharma Inc.**

(TSXV:PSYF.P) ("**GHP**") is pleased to provide an update on its previously announced acquisition (the "**Transaction**") of all of the issued and outstanding securities of Xcyte Digital Corp. ("**Xcyte**") which will constitute GHP's "**Qualifying Transaction**" (as such term is defined in Policy 2.4 - *Capital Pool Companies* of the TSX Venture Exchange (the "**Exchange**")) and will result in a reverse takeover of GHP by Xcyte.

On closing of the Transaction ("**Closing**"), it is expected that GHP (being, following Closing, the "**Resulting Issuer**"), will be listed as a Tier 1 Technology Issuer on the Exchange, and its business will be the business currently carried on by Xcyte, which is ultimately the business carried on, conducted and operated by Onstream Media Corporation ("**Onstream**") and its subsidiaries as of the date of the amended and restated business combination agreement dated June 15, 2023 (the "**Transaction Agreement**"), being event technology aggregation and development.

See GHP's news releases dated June 22, 2023 and February 9, 2023 for additional information regarding, among other things, Xcyte, the business carried on by Onstream, the material terms of the Transaction, the Consolidation (as defined below) and the proposed directors and officers of the Resulting Issuer and their respective biographies.

### **Concurrent Financing**

The previously announced majority arm's length non-brokered private placement (the "**Concurrent Financing**") is now expected to consist of the issuance by GHP of a combination of (a) units (the "**SV Units**") comprised of one subordinate voting share (a "**SV Share**") and one-half of one share purchase warrant (each whole warrant, a "**Warrant**"), (b) units (the "**MV Units**", and together with the SV Units, the "**Units**") comprised of one multiple voting share (a "**MV Share**") and one half of one Warrant, (c) subscription receipts automatically convertible into SV Units (the "**SV Subscription Receipts**") upon satisfaction of the Escrow Release Conditions (as defined below) and (d) subscription receipts automatically convertible into MV Units upon satisfaction of the Escrow Release Conditions (the "**MV Subscription Receipts**", and together with the SV Subscription Receipts, the "**Subscription Receipts**"). The SV Units and the SV Subscription Receipts will be issued at a price of \$0.25 per SV Unit or SV Subscription Receipt, as the case may be, and the MV Units and MV Subscription Receipts will be issued at a price of US\$1900 per MV Unit or MV Subscription Receipt. Each Warrant will entitle the holder to purchase one SV Share (each, a "**Warrant Share**") at a price of \$0.50 per Warrant Share for a period of 36 months following the Closing. The SV Shares and Warrant Shares will be issued on a post-consolidation basis as GHP expects to undertake a consolidation of its common shares (to be re-designated as SV Shares) on the basis of one post-consolidation SV Share for each 1.25

pre-consolidation GHP common shares (the "**Consolidation**"). SV Units and SV Subscription Receipts may only be issued to purchasers resident outside of the United States and MV Units and MV Subscription Receipts may only be issued to purchasers resident in the United States. The Company expects to complete the Concurrent Financing for aggregate gross proceeds of a minimum of \$4,300,000 (the "**Minimum Financing**") and up to a maximum of \$6,000,000 (the "**Maximum Financing**") or such other amount as may be mutually agreed upon by GHP and Xcyte.

The Warrants may be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into by GHP and TSX Trust Company, as warrant agent. If entered into, a copy of the Warrant Indenture will be filed following the Closing under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Subscription Receipts, if issued, will be governed by a subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into between GHP and TSX Trust Company (the "**Subscription Receipt Agent**"). The gross proceeds raised from the issuance of Subscription Receipts, if any, will be held in escrow by the Subscription Receipt Agent pending (i) the completion of the Consolidation and the reorganization of the capital of the Company, to among other things, create the MV Shares and redesignate the GHP's common shares as SV Shares, (ii) the satisfaction or waiver of all conditions precedent to the completion of the Transaction, other than the release of the escrowed proceeds, and the conversion of the Subscription Receipts, (iii) the receipt of all government or regulatory approvals and third party consents required in connection with the Transaction (other than the final approval of the Exchange), (iv) the receipt of the conditional approval of the Exchange for the Transaction and the listing of the SV Shares and the Warrant Shares on the Exchange, and (v) the delivery by GHP to the Subscription Receipt Agent of a release notice confirming the conditions in (i) through (iv) have been satisfied (collectively, the "**Escrow Release Conditions**").

In connection with the Concurrent Financing, GHP may pay cash commissions (the "**Cash Commission**") equal to, in aggregate, up to 8% of the gross proceeds of the Concurrent Financing and issue such number of compensation warrants (each, a "**Broker Warrant**") as is equal to up to 8% of the gross proceeds of the Concurrent Financing divided by \$0.25. Each Broker Warrant will be exercisable into one SV Share for a period of 36 months at a price of \$0.50 per SV Share. Assuming the Minimum Financing, it is expected that GHP will pay a Cash Commission of up to \$344,000 and issue up to an aggregate of 1,376,000 Broker Warrants, and assuming the Maximum Financing, it is expected that GHP will pay a Cash Commission of up to \$480,000 and issue an aggregate of 1,920,000 Broker Warrants.

The Company also expects to issue to Echelon Wealth Partners Inc. a fiscal advisory fee of 500,000 fiscal advisory warrants (each, a "**Fiscal Advisory Warrant**"). Each Fiscal Advisory Warrant will entitle the holder thereof to acquire one SV Share for a period of five years at a price of \$0.25 per SV Share.

Closing of the issuance of the Subscription Receipts, if any, under the Concurrent Financing is expected to occur on or before August 31, 2023. Closing of the issuance of the Units, if any, is expected to occur concurrently with the closing of the Transaction. It is anticipated that the net

proceeds of the Concurrent Financing will be used (a) to satisfy the amounts payable in connection with the acquisition by Xcyte of certain revenue producing assets of Onstream (as further described in the Company's news release dated June 22, 2023), and (b) for fees for accounting, legal, broker and consulting services in regards to the Qualifying Transaction and general working capital purposes.

None of the securities to be issued in connection with the Transaction or the Concurrent Financing will be registered under the United States *Securities Act of 1933*, as amended (the "**1933 Act**"), or any state securities laws, and may not be offered or sold within the United States or to any U.S. Person (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where such offer or solicitation would be unlawful, including the United States.

### Summary of Selected Xcyte Financial Information

The following table summarizes selected financial information for Xcyte and its affiliates, derived from audited consolidated financial statements of Xcyte for the years ended September 30, 2022 and 2021; unaudited financial statements of Xcyte for the three and six months ended March 31, 2023 and 2022; unaudited combined carve-out financial statements of Xcyte and its affiliates for the years ended September 30, 2022 and 2021; and the unaudited combined carve-out financials for Xcyte and its affiliates for the three and six months ended March 31, 2023 and 2022 (together, the "**Combined Carve-Out Financial Statements**"). Further financial information will be included in the filing statement to be prepared in connection with the Qualifying Transaction.

	<b>Xcyte Digital Corp. &amp; Affiliates</b>		
	Combined Carve-Out Financial Information		
	Six Months Ended March 31, 2023 (unaudited) (\$ ) USD	Year Ended September 30, 2022 (audited) (\$ ) USD	Year Ended September 30, 2021 (audited) (\$ ) USD
Total Revenues	753,568	3,296,085	4,681,094
Total Expenses	1,478,867	3,195,420	5,283,195
Net profit (loss) and comprehensive profit (loss)	(725,299)	100,665	(602,101)
Total Assets	25,663,404	26,313,438	25,827,180
Total Liabilities	14,100,819	14,137,978	13,716,301

### Omnibus Incentive Plan

In connection with the Qualifying Transaction, the Company has determined that it is advisable to adopt an omnibus incentive plan (the "**Omnibus Plan**"), which will replace the Company's current stock option plan dated June 18, 2020, as amended effective on October 7, 2021. The Omnibus Plan will continue to allow for the issuance of options, including, with respect to U.S. Taxpayers, incentive stock options and will now permit the issuance of share appreciation rights, restricted and performance share units and deferred share units (together with options and share units, the "**Awards**"). The Company is of the view that the Omnibus Plan is required in order to provide additional incentive to, and attract and retain, the key executives necessary for the Company's long-term success, to encourage executives to further the development of the Company and its operations and to motivate top quality and experienced executives. The aggregate number of Awards reserved for issue under the Omnibus Plan may not exceed 10% of the aggregate number of issued and outstanding SV Shares plus the number of issued and outstanding SV Shares the issued and outstanding MV Shares are convertible into at the applicable time. The Omnibus Plan is subject to the approval of the Company's shareholder at the annual general and special meeting of the Company to be held on August 8, 2023 (the "**Meeting**"). Additional information in respect of the Omnibus Plan is described in the Company's management information circular dated July 12, 2023 prepared in connection with the Meeting, a copy of which can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Investor Relations Agreement**

In connection with the Transaction, Xcyte has entered into a capital markets advisory agreement dated May 24, 2023, effective June 15, 2023, with Sophic Capital Inc., ("**Sophic**"), a capital markets advisory firm (the "**Sophic Agreement**"), pursuant to which, among other things, Sophic has agreed to provide certain investor relations services in accordance with TSXV Policy 3.4 - *Investor Relations, Promotional and Market-Making Activities*. The Sophic Agreement will continue for a term of twelve months, and automatically renew for successive six month terms, unless terminated by either party. Compensation to Sophic is \$8,000 per month for the first six months, and \$9,000 per month after the initial six month term. The Company will grant 600,000 stock options, having an exercise price of \$0.25, vesting quarterly over a twelve month period following issuance, upon completion of the Transaction. The options will be exercisable until the earlier of twelve months following the date that Sophic ceases to be a service provider, and five years following the issuance date of the options.

### **Sponsor**

The Transaction will be subject to the sponsorship requirements of the Exchange unless a waiver or exemption from the sponsorship requirement is available. GHP expects that the Transaction will be exempt from the sponsorship requirement as a result of the Concurrent Financing being undertaken in connection with the Transaction and has requested a waiver from the Exchange's sponsorship requirements. There is no assurance that an exemption from the sponsorship requirement can or will be obtained.

***Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and, if applicable pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the***

*required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of GHP should be considered highly speculative.*

## **About GHP**

GHP is a Capital Pool Company (as such term is defined in Policy 2.4) led by Paul Barbeau (Chief Executive Officer). Its principal business activity is to identify and evaluate opportunities to acquire assets or a business. Incorporated in 2020 under the laws of the Province of Ontario, GHP is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta. Its common shares are listed for trading on the TSXV under the symbol PSYF.P.

*The TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.*

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

## **Cautionary Statements Regarding Forward-Looking Information**

*This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements are statements other than statements of historical fact that can be identified by phrases such as "expects", "anticipates", "intends", "aims", "plans" and "believes", and are based on expectations, estimates and projections as at*

*the date of this news release. Forward-looking statements in this news release include, but are not limited to, statements with respect to: the timing and completion of the Transaction; the proposed terms of the Concurrent Financing; the anticipated uses of the net proceeds of the Concurrent Financing; approval of the Sophic Agreement; the terms of the proposed Omnibus Plan and the completion of the conditions to the Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; the risk that the Exchange may not approve the Transaction; the risk that the shareholders may not approve the proposed Consolidation or the Omnibus Plan at the Meeting that factors may occur which impede Xcyte's future business plans; the results of continued development, marketing and sales; the accuracy of pro forma financial information; and other factors beyond the control of GHP and Xcyte. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. GHP disclaims any intention or obligation to update or revise any forward-looking statements in this news release, whether as a result of new information, future events or otherwise, except as required by law.*

**SOURCE:** GHP Noetic Science-Psychedelic Pharma Inc.