

Phoenix Canada Oil Company Limited Signs Definitive Agreement for Reverse Takeover Transaction with ZYUS Life Sciences Inc.

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TORONTO, CANADA / NOVEMBER 16, 2022 -- Phoenix Canada Oil Company Limited (TSX-V: PCO) (“Phoenix”) and ZYUS Life Sciences Inc. (“ZYUS” or the “Company”), a private Canadian life sciences company, together announce that they have entered into a Definitive Agreement dated November 15, 2022 (the “Agreement”). The Agreement is the Definitive Agreement contemplated by the non-binding letter of intent Phoenix and ZYUS entered into on May 27, 2022 and announced by press release dated May 30, 2022. The Agreement outlines the terms and conditions of a business combination by way of plan of arrangement (the “Arrangement”), which will result in ZYUS becoming a wholly-owned subsidiary of Phoenix and constitute a reverse takeover of Phoenix by ZYUS as defined in the policies of the TSX Venture Exchange (the “Exchange”).

Charlotte Moore Hepburn, the CEO of Phoenix, stated that, “We are enormously proud of our partnership with ZYUS. The vision and mission of ZYUS align with our corporate values, and we see enormous value in addressing the critical clinical need for a regulated, opioid-sparing medication for adult pain. We are excited by the significant progress ZYUS has made with respect to their scientific and patent portfolio, and we believe that both their current operations, as well as their program of research, has transformative potential in the biomedical space”.

“Signature of the definitive agreement marks an important and exciting milestone for ZYUS in its efforts to advance the science of well-being. We are pleased to work with a partner like Phoenix, who shares our vision and passion for improving the lives of patients worldwide,” said Brent Zettl, President and CEO of ZYUS. “With Phoenix as our partner, we look forward to embarking upon the next chapter of our journey to elevate cannabinoids as a standard of care and expand the potential of cannabinoid-based formulations.”

The previously disclosed key terms of the Arrangement remain largely unchanged, except for the following:

- It is expected the subscription receipts issued by ZYUS for the concurrent private placement previously announced (the “Concurrent Financing”) shall be offered at a price of \$1.60 per subscription receipt;
- Each holder of a warrant to purchase ZYUS Shares (“ZYUS Warrants”) other than Phoenix outstanding immediately prior to closing will not receive replacement warrants to purchase shares in the resulting issuer (“Resulting Issuer Common Shares”), but will instead receive, upon the subsequent exercise of such holder’s ZYUS Warrants, in accordance with its terms (including payment of the same aggregate consideration), such number of Resulting Issuer Common Shares that is equal to: (i) the number of ZYUS Shares to which the holder was entitled; multiplied by (ii) the Exchange Ratio (defined below);

- Phoenix will distribute warrants to the holders of its Common Shares immediately prior to closing of equivalent value to the ZYUS Warrants currently held by Phoenix which will be cancelled;
- Each holder of an option to purchase ZYUS Shares (“ZYUS Options”) outstanding immediately prior to closing will not receive replacement options to purchase Resulting Issuer Common Shares, but will instead receive, upon the subsequent exercise of such holder’s ZYUS Options, in accordance with its terms (including payment of the same aggregate consideration), such number of Resulting Issuer Common Shares that is equal to: (i) the number of ZYUS Shares to which the holder was entitled; multiplied by (ii) the Exchange Ratio;
- Upon completion of the Arrangement, it is expected that the shareholders of Phoenix will hold approximately 8% and the shareholders of ZYUS will hold approximately 92% of the outstanding Resulting Issuer Common Shares, after taking into account the close of the Concurrent Financing which numbers remain subject to adjustment based on the final exchange ratio to be determined at the time ZYUS files its application for its interim order

Subject to receipt of regulatory approval, closing of the Arrangement is expected to occur on or about March 30, 2023. Completion of the Arrangement is subject to customary terms and conditions as set forth in the Agreement including court, shareholder and Exchange approvals; the completion of the Concurrent Financing; and other conditions typical for similar transactions. For additional details on the terms of the Transaction, please see the May 30, 2022 press release.

About Phoenix

Phoenix is incorporated under the laws of the Province of Ontario and has a head office in Toronto, Ontario. The company is a reporting issuer in the provinces of Alberta, British Columbia and Ontario.

About ZYUS

ZYUS is a Canadian-based life sciences company focused on the global development and commercialization of innovative cannabinoid-based therapeutics and product candidates. Through clinical research and IP development, we intend to deliver high-quality oils, soft gels, topical creams and other cannabinoid-based therapeutics and product candidates to patients worldwide. The ZYUS vision is to elevate cannabinoids as a standard of care and expand the potential of protein-based formulations in pursuit of a transformational impact on patients’ lives. ZYUS: Advancing the Science of Well-Being. Visit www.zyus.com.

Notice on Forward-Looking Statements:

This release includes forward-looking information or forward-looking statements within the meaning of Canadian securities laws, the 1933 Act, the U.S. Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995 regarding Phoenix, ZYUS and their respective businesses, which may include, but are not limited to, statements with respect to the completion of the Arrangement, the terms on which the Arrangement is intended to be completed, the ability to obtain regulatory and shareholder approvals, expectations with respect to ZYUS business plans, product lines, intellectual property strategy (including successful examination of patent applications) research activities (including without limitation, the safety,

efficacy and clinical progress of Trichomylin® , the expected timing of the availability of clinical trial results and the ability to use data generated by the Australian study to pursue FDA approval) and the prospects for regulatory approval, commercializing or selling any product or drug product candidates both domestically and abroad, the timeline for Phoenix Shares to resume trading, and statements regarding the Unit Financing and Concurrent Private Placement. Research and clinical trial programs are of an experimental nature and no particular results can be guaranteed due to a number of factors and risks. Often but not always, forward-looking information can be identified by the use of words such as “expect”, “intends”, “anticipated”, “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would” or “will” be taken, occur or be achieved. Such statements are based on the current expectations and views of future events of the management of each entity, and are based on assumptions and subject to risks and uncertainties, many of which are beyond the control of Phoenix and ZYUS, and cannot be predicted or quantified, including risks related to: potential impacts due to the COVID-19 pandemic such as delays in regulatory review, manufacturing and supply chain interruptions, disruption of the global economy, the reliability of the results of studies relating to human safety and possible adverse effects resulting from the administration of drug product candidates; ability to secure regulatory approval for any investigational new drug applications submitted to the U.S. Food and Drug Administration, and the success of future product advancements, including the success of future clinical trials. Although the management of each entity believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this release, including completion of the Arrangement, the Concurrent Private Placement (and the proposed terms upon which the Arrangement and the Concurrent Private Placement are proposed to be completed) and the ability to use data generated by the Australian study to pursue FDA approval), the ability to secure regulatory approval for any patents and regulatory approval of drug product candidates, and the success of future product advancements, including the success of future clinical trials and patent applications, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the medical cannabis industry, pharmaceutical industry, research and clinical trial activities, market conditions, economic factors, management’s ability to manage and to operate the business of the Resulting Issuer and the equity markets generally.

Although Phoenix and ZYUS have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and neither Phoenix nor ZYUS undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) has in any way passed upon the merits of the Arrangement and associated transactions and neither of the foregoing entities has in any way approved or disapproved of the contents of this press release. Neither the TSXV nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this press release.

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