



Lobe Sciences Enters into Joint Venture with Virtual Psychedelics Incorporated to Develop Multi-Sensory Pods for Clinical Psychedelic Use

Development of Krysalis™ Therapeutic Pod to Deliver Headset-free Virtual Experience with Biometric Monitoring

April 27, 2021, Vancouver, British Columbia - Lobe Sciences Ltd. (CSE: LOBE) (OTC Pink: GTSIF) (“**Lobe**” or the “**Company**”) is pleased to announce that it has entered into an agreement dated April 26th, 2021 with Virtual Psychedelics Incorporated (“**VPI**”) and certain industry-leading pioneers, including Hollywood director Brett Leonard and researcher and USC professor Dr. Skip Rizzo, with respect to the joint design, development and commercialization of a new psychedelic/virtual experience (“**VX**”) pod (the “**Krysalis™ Pod**”). The Krysalis™ Pod will be designed to be powered by a custom tech stack incorporating advanced display technology and state-of-the-art bio-monitoring with the goal of improving psychedelic therapy by optimizing set, setting and the overall experience for clinical and other uses. The Krysalis™ Pod will be designed as a headset-free, virtual experience that uses multi-sensory stimulation to create an application that can offer treatment options for cognitive, psychological, motor and functional impairments across a wide range of clinical health conditions.

Philip Young, CEO and director of Lobe, commented: “Lobe is extremely pleased to partner with industry veterans such as Brett Leonard and Dr. Skip Rizzo, to be at the forefront of psychedelic research, development and treatment. We believe this technology will be able to assist those suffering from depression, PTSD and other mental health issues. The Krysalis™ Pod is being designed as a therapeutic system capable of delivering an easy, immersive media experience, while simultaneously collecting critical biometric data in a safe and monitored environment.”

Dr. Albert “Skip” Rizzo

Dr. Skip Rizzo’s work in clinical virtual reality (“**VR**”) has been used over the last 20 years for treating veterans with PTSD, assessing children with ADHD, and for reducing social anxiety in persons on the autism spectrum. Dr. Rizzo is the author of over 300 peer-reviewed publications and has been the winner of 30 awards and distinctions, largely in the space of VR for mental health. Dr. Rizzo is a research professor at the University of Southern California’s Keck School of Medicine, Department of Psychology and Behavioral Sciences and Director for Medical Virtual Reality at the Institute for Creative Technologies. Further information about Dr. Rizzo is available at <https://ict.usc.edu/profile/albert-skip-rizzo/>.

Brett Leonard

Hollywood director Brett Leonard is a thought-leader and sought-after speaker in the VR industry, and is credited with helping to popularize VR in the early 1990s through sci-fi classics like Lawnmower Man and Virtuosity. Brett was named by the Producer's Guild of America as one of its "Digital 25" (among other digital media leaders including James Cameron, Ridley Scott and Mark Zuckerberg), which recognizes the contributions of leading visionaries, innovators and producers to the advancement of storytelling through digital media. Brett has remained on the forward-edge of virtual cinematic storytelling with his new VX World-Building/Transmedia production shop, Studio Lightship, co-founded with social network/transmedia pioneer Josh Shore.

Terms of the Agreement

The joint venture will be operated under a company to be owned 50% by Lobe and 50% by VPI and expected to be called Krysalis VX Corp. ("**Krysalis VX**"), or such other name as may be agreed by the parties. Krysalis VX will be operated by an experienced management team comprised of Josh Shore (Chief Executive Officer) and the other principals of VPI, namely Brett Leonard, Dr. Albert (Skip) Rizzo and William Alfonso (together, the "**VPI Principals**").

Under the terms of the agreement pursuant to which Krysalis VX will be governed, Lobe and VPI will have equal rights of representation on the board of Krysalis VX, with VPI and its principals contributing its experienced management expertise, while Lobe will contribute US\$250,000 in cash as well as issue 5,000,000 common shares of Lobe, at a deemed price per share of CAD\$0.20. The Lobe shares will be sold (subject to applicable hold periods and certain agreed restrictions on sale) in order to generate cash to fund Krysalis VX' initial business expenditures. Lobe has also committed to providing US\$1,500,000 to Krysalis VX pursuant to a secured line of credit, which will only be drawn when the initial funding contributions are expended and after Krysalis VX has detailed plans to file provisional patents relating to the business.

In connection with the agreement, each of the VPI Principals will be granted 150,000 non-transferable common share purchase warrants of Lobe, exercisable for a period of two years from the date of issuance at a price of \$0.20 per share. Lobe will also issue 500,000 common shares to certain finders in connection with the transaction, at a deemed price of \$0.20 per share. All Lobe securities issued or issuable will be subject to a statutory hold period of four months and a day from the date of issuance and, as applicable, resale restrictions required under U.S. securities laws.

The securities described in this news release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements.

About Lobe Sciences Ltd.

Lobe is a life sciences company focused on psychedelic medicines. The Company, through collaborations with industry-leading partners, is engaged in drug research and development using psychedelic compounds and the development of innovative devices and delivery mechanisms to improve mental health and wellness.

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Disclaimer for Forward Looking Statements

This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact included in this release, including statements regarding the future plans and objectives of the Company, its joint venture with VPI regarding Krysalis VX and the technology expected to be developed and commercialized, including systems, treatments and benefits thereof, statements regarding research and development using psychedelic compounds and the development of innovative devices and delivery mechanisms to improve mental health and wellness, are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that assumptions used in the preparation of the forward-looking statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including that the expected benefits to be derived from the joint venture with VPI may not materialize as expected, including that Krysalis VX may be unsuccessful in designing and commercializing the Krysalis™ Pod and/or the risk that the Company may not realize a return on its investment in Krysalis VX; risks relating to changes to the regulatory environment; that the Company's drug research and development activities may be unsuccessful; that drugs, therapeutic systems and medical devices produced by, or on behalf of, the Company, may not work in the manner intended or at all, and may subject the Company to product liability or other liability claims; that the Company may not be able to attain the Company's corporate goals and objectives; and other risk factors detailed in the Company's continuous disclosure filings from time to time, as available under the Company's profile at www.sedar.com. As a result, the Company cannot guarantee that any forward-looking statement will materialize as expected, and the reader is cautioned not to place undue reliance on any forward-looking information. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made only as of the date of this news release and the Company does not intend to update any of the included forward-looking statements except as expressly required by applicable securities laws.