NEWS RELEASE

SATELLOS Announces Proposed Offering of Units

7/11/2022

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OR FOR DISSEMINATION TO U.S. NEWS WIRE SERVICES

Satellos Bioscience Inc. Announces Proposed Offering of Units

TORONTO, July 11, 2022 – Satellos Bioscience Inc. **(TSXV: MSCL)** ("**Satellos**" or the "**Company**"), a regenerative medicine company aimed at developing therapeutics that change the way degenerative muscle diseases are treated, announced today that it has filed a preliminary short form prospectus with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario in connection with a best efforts offering of units of the Company ("**Units**"), comprised of common shares and common share purchase warrants (the "**Offering**"). The number of Units to be distributed, the price and composition of each Unit, the size of the Offering and the exercise price of each warrant will be determined by negotiation between the Company and the Agents (as defined herein) in the context of the market with final terms to be determined at the time of pricing.

The Offering will be led by Bloom Burton Securities Inc., as lead agent, Leede Jones Gable Inc. and PI Financial Corp. (collectively, the "**Agents**") on a best efforts agency basis. The Company will pay to the Agents a cash fee equal to 7.0% of the gross proceeds raised under the Offering, and grant the Agents compensation options equal to 7.0% of the number of Units issued under the Offering (the "**Compensation Options**"). Each Compensation Option shall entitle the Agent to buy one Common Share at the same price per Unit under the Offering. The Compensation Options shall be exercisable until that date which is 24 months following the Closing Date (as defined below).

The Company intends to use the net proceeds from the Offering to advance it's lead program for the discovery and development of a small molecule drug for the treatment of Duchenne muscular dystrophy and

characterization activities intended to identify a development candidate by the end of 2022.

The Offering is expected to close on or about July 28, 2022 (the "Closing Date"). The Offering is subject to the Company and the Agents entering into a definitive agency agreement, and subject to the satisfaction of customary closing conditions, including the receipt of all necessary regulatory and stock exchange approvals, including approval of the TSX Venture Exchange ("TSXV").

In addition, the Units are anticipated to be offered by way of private placement in certain jurisdictions outside of Canada pursuant to and in compliance with applicable securities laws.

For further details with respect to the Offering, please see the preliminary short form prospectus, a copy of which is available on SEDAR at www.sedar.com.

This press release is not an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and such securities may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. persons absent registration or an applicable exemption from U.S. registration requirements. "United States" and "U.S. persons" have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

About Satellos Bioscience Inc.

Satellos is a biotechnology company dedicated to developing life-changing medicines to treat degenerative muscle conditions. Our scientists discovered what we believe to be a previously unrecognized root cause of skeletal muscle degeneration. One which has the potential to transform how muscle disorders are treated. Our scientific founder, Dr. Michael Rudnicki, is a thought leader who discovered and has shown how muscle stem cells regulate muscle repair and growth throughout life. He has shown how defects in a process known as stem cell "polarity", which controls how muscle stem cells divide to create muscle progenitor cells, lead to a failure of muscle regeneration in Duchenne and potentially other muscle disorders. As a result of this ongoing inability to produce sufficient numbers of new muscle cells, the muscles of people living with Duchenne are unable to keep up with and repair the continuous and accumulating damage their muscles experience. Satellos' lead program is focused on developing an oral therapeutic drug (i.e., a pill) intended to correct muscle stem cell polarity and restore the body's innate muscle repair and regeneration process. We believe our unique therapeutic approach represents a potential disease modifying treatment for Duchenne and other dystrophies, offering new hope to patients. To expand our programs to other degenerative muscle conditions or disorders, Satellos has created a proprietary discovery platform,

MyoReGenX™, which we utilize to identify disease situations where deficits in muscle stem cell polarity and regeneration occur and are amenable to therapeutic treatment. For more information about or to discuss potential collaborations with Satellos concerning our discovery platform and therapeutic candidates or our subsidiary Amphotericin B Technologies Inc., please contact Ryan Mitchell, PhD, Director – Business Development at rmitchell@satellos.com or visit Satellos.com.

CONTACT:

Christina Cameron, Investor Relations

Satellos Bioscience Inc.

ccameron@satellos.com

647.660.1780

Notice on forward-looking statements:

This press release includes forward-looking information or forward-looking statements within the meaning of applicable securities laws regarding Satellos and its business, which may include, but are not limited to, statements with respect to the anticipated terms and jurisdictions of the Offering; securities offered thereunder; the timing of the Offering, including the anticipated Closing Date; use of proceeds from the Offering; inclusion of additional Agents; fees anticipated to be paid to the Agents and terms thereof; regulatory and exchange approvals, including the listing of the common shares offered pursuant to the Offering on the TSXV; general benefits of modulating stem cell polarity; its prospective impact on Duchenne patients and muscle regeneration generally; and Satellos' technologies and drug development plans. All statements that are, or information which is, not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking information or statements". Often but not always, forward-looking information or statements can be identified by the use of words such as "shall", "intends", "anticipate", "believe", "plan", "expect", "intend", "estimate" "anticipate" or any variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "might", "can", "could", "would" or "will" be taken, occur, lead to, result in, or, be achieved. Such statements are based on the current expectations and views of future events of the management of the Company. They are based on assumptions and subject to risks and uncertainties. Although management 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, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the Company, including, without limitation, those listed in the "Risk

Factors" section of the Company's Preliminary Prospectus dated July 11, 2022 and Annual Information Form dated May 27, 2022 (both of which are on the Company's profile at www.sedar.com). Although Satellos has 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 Satellos does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

No regulatory authority has approved or disapproved the content of this press release. Neither the TSX Venture Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.