



Pegasus Mercantile to Acquire Independent Retailers Alliance

Accelerating Growth of Canada's Largest Independent Cannabis Retail Network

Vancouver September 22, 2025 – Pegasus Mercantile Inc. (CSE: LOAN) (OTC: XTCYF) (“the Company”) signed an agreement to acquire the Independent Retailers Alliance Inc. (“the Alliance”) based in Ontario, accelerating the growth of Canada’s largest independent cannabis retail network, with an anticipated closing date of October 15, 2025.

The acquisition marks a major milestone in strengthening the position of independent cannabis dispensaries in Canada. The Alliance, founded by Jazz Samra, unites local, independently owned cannabis stores into one powerful network that leverages buying power, shared resources, technology, medical and educational platforms, plus collaborative branding to help independents thrive in an increasingly competitive market. Their near-term goal for 2026 is to scale their current retail members from 75 to 150+ stores across Ontario and their brands base. Their hope is to expand into British Columbia, Alberta, and Western Canada, creating a national platform that unites independent retailers countrywide.

Transaction Details

The shares and assets to be acquired by the Company, owned and sold by the Alliance include intellectual property, research, data, techniques, processes, brand names, trade-names, trade-marks, patents, and client and vendor lists relating to their current products. Pegasus shall pay CDN \$2,000,000 represented by restricted shares of common stock in tranches, tied to performance milestones over a period of 14 months. All payment shares will be restricted for a period of four months and one day from the date of issuance. Additionally, financing up to CDN\$1,000,000 will be announced with terms to be discussed, and the Company shall serve as an exclusive financial advisor to the Alliance. It will operate as a subsidiary of Pegasus and shall have the right to appoint one individual to the board of directors of the Company, in the first quarter of 2026 subject to the Company board and regulatory approval of the individual. This acquisition remains subject to CSE acceptance.

“Independent Retailer Alliance brings a paradigm shift to the Canadian cannabis sector that it desperately needs. Competition from larger chains and even still today grey-market illegal stores makes it near impossible for independent stores to flourish. Pharmacies have used this model for decades; nonetheless most Cannabis associations in Canada have only focused on collaborative buying initiatives but never on creating standard operating procedures, education platforms, and marketing models to help these smaller dispensaries survive. We feel this will be the game changer for independent cannabis dispensaries and we are excited to be a part of this evolution with Jazz,” stated Meris Kott, CEO, Pegasus Mercantile Inc.

“The vision for the Alliance has always been to create a network strong enough to help independents not only survive, but thrive,” said Jazz Samra, Founder of the Independent Retailers Alliance. “This partnership with Pegasus Mercantile gives us the fuel we need to scale nationally, launch new initiatives, and cement ourselves as the strongest voice and support system for independent cannabis retailers across Canada.”

About Independent Retailers Alliance Inc.

The Alliance is a Canada-wide network of independent cannabis retailers working together to increase buying power, strengthen branding, and provide shared resources. It is dedicated to ensuring local cannabis retailers remain competitive, profitable, and empowered through collaboration. <https://retailersalliance.ca/>

About Pegasus Mercantile Inc.

The Company is a prospect generator that provides high growth companies with technology, financial, operational and management assistance in the fast growing market for global wellness products and novel consumer goods and services.

For information visit website: www.pegasusmercantile.com

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