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Pelican AI Corp. Announces Proposed Share Issuances and Litigation Update

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TORONTO, ON / [ACCESS Newswire](#) / September 4, 2026 / Pelican AI Corp. (CSE:PEL) ("**Pelican**" or the "**Company**") announces that it intends to issue approximately 2,500,000 common shares of the Company (the "**Shares**") at a price of C\$0.25 per Share in connection with a proposed non-brokered private placement and debt settlement having an aggregate value of approximately C\$625,000.

The proposed transactions consist of:

- a non-brokered private placement of approximately 100,000 Shares at a price of C\$0.25 per Share for gross proceeds of approximately C\$25,000 to a subscriber who was inadvertently excluded from Pelican Canada Inc.'s subscription receipt offering that closed on March 26, 2026 due to a clerical error; and
- the settlement of approximately C\$600,000 of bona fide outstanding indebtedness through the issuance of approximately 2,400,000 Shares at a deemed price of C\$0.25 per Share.

The private placement investor and each creditor participating in the debt settlement are arm's length to the Company. The Company intends to use the proceeds of the private placement for general working capital purposes. The debt settlement is intended to preserve the Company's cash resources and improve its balance sheet.

The Shares will be issued pursuant to applicable exemptions from the prospectus requirements under Canadian securities laws and will be subject to applicable statutory and Canadian Securities Exchange (the "**CSE**") hold periods. The final number of Shares issued under the private placement and debt settlement will be determined at closing based on the subscriptions accepted and the amount of indebtedness settled, respectively.

Completion of the private placement and debt settlement remains subject to the approval of the CSE and other customary closing conditions. The Company does not expect the proposed issuances to result in the creation of a new control person.

Litigation Update

The Company is pleased to announce that the settlement of litigation involving a former holder of a convertible promissory note originally issued by a subsidiary of the Company has become effective, and the claims asserted against the Company and its subsidiaries in that litigation have been settled.

The Company also wishes to clarify and update certain disclosure contained in its CSE Form 2A Listing Statement dated August 14, 2026 (the "**Listing Statement**") regarding separate litigation involving Parth Desai and certain related parties.

The Listing Statement indicated that the parties were continuing settlement discussions and that further litigation steps were being held in abeyance while those discussions continued. The applicable standstill arrangement expired on July 15, 2026.

The Company further confirms that a subsidiary of the Company filed a counterclaim in the ongoing New Jersey litigation on July 27, 2026.

The litigation involving Mr. Desai remains ongoing. The Company disputes the claims asserted against it and intends to continue vigorously defending those claims while pursuing the relief sought in its counterclaim. No court has determined the merits of the parties' claims or defences.

About Pelican AI Corp.

The Pelican Group specializes in AI-driven solutions for payment processing and financial crime compliance. With over 25 years of experience, the Pelican Group leverages artificial intelligence, machine learning and natural language processing to support banks, fintech companies and corporations in managing payments and ensuring regulatory compliance. Operating in over 55 countries, the Pelican Group has processed more than one billion transactions across various payment types and global banking standards.

For Further Information

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Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation, including statements regarding the proposed private placement and debt settlement, the anticipated approximate number of Shares to be issued, the use of proceeds, the preservation of the Company's cash resources, the expected improvement of the Company's balance sheet, the receipt of CSE approval, the completion of the proposed transactions and the status and potential outcomes of the disclosed litigation.

Forward-looking information is based on a number of material factors and assumptions, including that the Company will enter into definitive subscription and debt-settlement agreements on the anticipated terms, that the indebtedness proposed to be settled will remain outstanding at closing, that the CSE will approve the proposed issuances, that the private placement and debt settlement will be completed substantially on the terms described in this news release, and that the Company and its subsidiaries will be successful in defending the disclosed proceedings.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially, including the risk that the private placement or debt settlement is not completed on the terms proposed or at all, that required approvals are not obtained, that the amount of debt settled or the number of Shares issued changes, that the proceeds are not applied as currently intended, the risks associated with the disclosed litigation, general economic and market factors, competition, and the other risks described in the Company's public disclosure documents available on SEDAR+. Readers are cautioned not to place undue reliance on forward-looking information. The Company disclaims any obligation to update forward-looking information except as required by law.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities referred to 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"), or any state securities laws, and may not be offered or sold within 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, unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available.

Pelican is involved in ongoing litigation with Parth Desai, the former chief executive officer of a subsidiary of Pelican Canada Inc., and his affiliates in the United States, and an application has been commenced in Ontario seeking the appointment of a receiver over Pelican Canada Inc. Pelican denies the allegations made against it, has asserted counterclaims in the United States proceedings and intends to defend the proceedings vigorously. No receiver has been appointed as of the date of this news release. Although Pelican believes that it has valid defences and claims, litigation outcomes are inherently uncertain, and the proceedings could adversely affect Pelican, Pelican Canada Inc. and the value of Pelican's securities. Further information regarding the proceedings, Pelican's position and its counterclaims is provided under "Item 23 - Legal Proceedings and Regulatory Actions" and "Item 21 - Risk Factors" in the Listing Statement, which is available under Pelican's profile on SEDAR+. Readers should review that disclosure before making an investment decision.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

SOURCE: Pelican AI Corp.