The following management discussion and analysis ("MD&A") of the financial condition and results of operations of PreveCeutical Medical Inc. ("PreveCeutical" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2017. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* as of November 28, 2017. Results are reported in Canadian dollars unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period presented, are not necessarily indicative of the results that may be expected for any future period.

For the purposes of preparing this MD&A, management, in conjunction with the Company's board of directors (the "Board of Directors"), considers the materiality of information. Information is considered material if:

(i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of PreveCeutical's common shares;

(ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or

(iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this MD&A, is complete and reliable.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and United States securities laws. All statements, that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans and expectations regarding the future, including, without limitation, statements regarding the Company's future cash requirements; general business and economic conditions; the proposed use of the proceeds of the private placements; the proposed research and development services to be provided by UniQuest Pty Limited ("UniQuest"), the details of the Company's research programs, the anticipated business plans of the Company regarding the foregoing, the timing of future activities and the Company's ability and success in executing its proposed business plans, are forward looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking information can be identified by words such as "pro forma", "plans", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" including negative variations thereof and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, the ability of the Company to obtain sufficient financing to fund its business activities and plans, the inability of the Company or UniQuest to, among other things, complete the Company's research programs as planned, the inability of the Company to obtain any required governmental or regulatory approvals (including Canadian Securities Exchange approval), permits, consents or authorizations required as well as those factors discussed under the heading "Risks and Uncertainties". Other factors such as general economic, market or business conditions or changes in laws, regulations and policies affecting the biotechnology or pharmaceutical industry, may also adversely affect the future results or performance of the Company.

FORWARD-LOOKING STATEMENTS - continued

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially and adversely from those expressed or implied by forward-looking statements contained in this MD&A. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and such beliefs, estimates and opinions may prove incorrect. For the reasons set out above, investors are cautioned against attributing undue certainty or placing undue reliance on to forward-looking statements.

DATE

This MD&A reflects information available as at November 28, 2017.

MATERIAL CHANGE TO CORPORATE STRUCTURE

Effective June 30, 2017, the Company completed the acquisition of 1050962 B.C. Ltd., formerly PreveCeutical Medical Inc. (hereinafter referred to as "0962") resulting in the reverse take-over of the Company by 0962 (the "Transaction"). Pursuant to the terms of the Transaction, 0962 became a wholly-owned subsidiary of the Company by way of a "three-cornered amalgamation" with 1110607 B.C. Ltd., a wholly-owned subsidiary of the Company. Prior to the Transaction, the Company completed a three (3) to one (1) consolidation of its issued and outstanding shares and changed its name to "PreveCeutical Medical Inc."

Following the Transaction, all of the issued and outstanding shares of 0962 were cancelled and the Company issued an equal number of shares to the former shareholders of 0962, resulting in a reverse take-over of the Company by 0962 (the "Reverse Takeover"). As at June 30, 2017, the previous shareholders of 0962 held 83% (on a non-diluted basis) of the issued and outstanding common shares in the capital of the Company.

The Company resumed trading on the Canadian Securities Exchange on July 14, 2017, under the new symbol "PREV" and under the new CUSIP 74141E104 and ISIN CA74141E1043.

Effective July 31, 2017, the Company amalgamated with its wholly owned subsidiary, by way of vertical short form amalgamation (the "Amalgamation"). The amalgamated company retained the Company's name, PreveCeutical Medical Inc. The financial statements for the quarter ending September 30, 2017 reflect the Amalgamation.

DESCRIPTION OF BUSINESS

The Company's business model is to license, brand and market nutraceutical and wellness products, using nature and science to develop lasting contributions to health and well-being.

The Company continues to market and sell its initial product, CELLB9®, online. The Company is working on a number of marketing campaigns to attract more customers to its store website. CELLB9 is an oral solution containing polarised and potentiated essential minerals extracted from a novel peptide, obtained from Blue Scorpion serum and is an immune-system booster. The active potentiated ingredients in the Blue Scorpion serum appear to support health at a deep cellular level, having been used for many years and in over 40 countries. The solution is colourless and odourless and can be administered orally. CELLB9 is produced by Samson Pharmaceuticals Inc., in its Food and Drug Administration approved facility in the United States of America.

DESCRIPTION OF BUSINESS - continued

The Company continues to evaluate additional nutraceutical and wellness products that fit its acquisition, licensing, branding and marketing strategy. As outlined below, PreveCeutical has entered into three Research and Option Agreements with UniQuest, the main commercialisation company for the University of Queensland.

Management has not yet determined whether these projects have a value that is economically recoverable and management continues to evaluate same to assess whether additional efforts and funds should be allocated to such projects.

Stabilization of blue scorpion venom
The Company's research project, stabilization of Blue Scorpion Venom ("BSV") is to develop products derived from the BSV, which is the base of the Company's initial product, CELLB9. This project aims to identify the active components (peptides) that are provide immune boosting and tumour-selective painting properties, to access synthetic versions of the active peptides as an alternative to milking the Caribbean Blue Scorpions, and ultimately to identify other therapeutic applications for the BSV and/or active peptides.

Phase 1 of this three distict phase project, which is the identification and separation of proteins from venom sources for sequencing using 1D & 2D Gel Electrophoresis, is currently underway.

On August 29, 2017, the Company entered in a joint venture agreement with Sports 1 Marketing (the "JV Agreement") to develop a therapy utilizing peptides and proteins from the BSV project geared towards atheletes with concussion. The Company believes that there is therapeutic potential in the peptides and proteins identified in the BSV to treat concussions (mild traumatic brain injury). Pursuant to the JV Agreement, Sports1 Marketing is compensated by being granted 220,000 transferable options under the Company's stock option plan, expiring on August 29, 2019, to purchase the Company's common shares at an exercise price of $0.81 per share. 200,000 of these options were granted to Sports 1 Marketing, and 20,000 were granted to Sports 1 Marketing's consultant.

Sol-gels for nasal delivery of cannabinoids
With increasing evidence of the clinical benefits presented by cannabinoids ("CBD"), and recent legalising of 'medical marijuana' across a number of jurisdictions, PreveCeutical has partnered with UniQuest for the development and evaluation translatable formulations for systemic/central nervous system (CNS) delivery of CBD. This project is focused on developing a CBD based nose-to-brain delivery system that is intended to provide relief across a range of ailments including pain, inflammation, seizures and neurological disorders. Soluble gels (sol-gels) present an ideal platform for achieving this aim as they are in-solution upon administration, and rapidly gelling upon contact with mucosal tissue. The Company believes that the sol-gels will pave the way for safer and more reliable drug delivery for agents such as CBDs that are rapidly metabolised or that would benefit from direct nose-to-brain CNS delivery.

The CBD sol-gel research and development program consists of 3 phases. Phase 1 of the program commended during the qurater ended September 30, 2017.

Research and development of this project requires supply of cannabis-derived products and ingredient information. Effective September 18, 2017, PreveCeutical entered into a strategic research and development supply agreement (the "Supply Agreement") with a licensed producer of medical cannabis under Health Canada's Access to Cannabis for Medical Purposes Regulations. Pursuant to the terms of the Supply Agreement and as consideration for the supply of certain cannabis products to be used in the Company's research and development programs, the Company granted the supplier 2,564,103 non-transferable options (the "Supply Agreement Options") to acquire that number of common shares in the capital of the Company, having an aggregate value of $2 million.

DESCRIPTION OF BUSINESS - continued

Smart siRNA for the treatment of diabetes and obesity
This project is focused on the development of Smart-siRNAs for the treatment of diabetes and obesity and encompasses three fragmented phases spanning over four years.

In this research project, through rational design and systematic evaluation, select targeted bio-responsive gene carrier-and-release systems are anticipated to deliver Smart-siRNA's to target cells. With effective gene-silencing optimized the program aims to target the single gene implicated in both obesity and diabetes. The program expects to demonstrate that this strategy is safe and effective in appropriate preclinical (mice) models of obesity and diabetes, paving the way for broader pre-clinical safety and efficacy evaluations

Major equipment required for these projects have been purchased, installed and commissioned.

Disulfide linker technology in engineering analgesic peptides
The Company signed a non-binding letter of intent with UniQuest on August 7, 2017 for a research and development program to extend application of the disulfide linker technology in engineering pain killing peptides for moderate to severe pain and inflammatory conditions. This program involves peptide library synthesis, pharmacological evaluation, alongside pharmacokinetic assessment and efficacy determinations in appropriate animal models of pain and inflammation. This program may encompass either party's intellectual property, product lines or other pharmaceutical offerings that may fall within the peptide research and development program. This program is intended to expand and expedite development of lead peptide candidates and facilitate the engagement of experienced collaborators to demonstrate proof-of-concept through pharmacological, pharmacokinetic and *in vivo* evaluation in models of pain and inflammation. A definitive agreement has not been signed as at the date of this MD&A.

OVERALL PERFORMANCE

During the quarter ending September 30, 2017, the Company's continued to work on business development. This included executing:

(i) the research and option agreement with UniQuest for the research program regarding Smart siRNAs for the treatment of diabetes and obesity;
(ii) the Joint Venture Agreement;
(iii) the Supply Agreement; and
(iv) a letter of intent for the disulfide linker technology in engineering analgesic peptides.

As products and therapies are developed through the Company's programs,the Company anticipated that it will either enter into strategic partnerships to manufacture and market such products or it will license the intellectual property to other companies.

To allow the Company to reach a broader market and access greater capital for future funding requirements, the Company has listed on the following stock markets:

- Effective July 14, 2017, the Company resumed trading on the Canadian Securities Exchange under the symbol "PREV".
- Effective July 31, 2017, the Company's shares began trading on the Frankfurt Stock Exchange under the symbol "18H".
- The Company's application for its shares to be quoted on the OTCQB market was approved and the Company's common shares began trading on the OTCQB under the symbol "PRVCF" effective September 15, 2017.

OVERALL PERFORMANCE - continued

The Company filed an application on September 14, 2017 to list its common shares on the TSX Venture Exchange as a Tier 2 issuer. Management is currently attending to and preparing the necessary documents in respect of same.

For the period ended September 30, 2017, the Company continued to focus on business development and its research programs. These programs continue to be funded by equity and debt.

SELECTED FINANCIAL INFORMATION

	3 months ending September 30, 2017	9 months ending September 30, 2017	9 months ending September 30, 2016	December 31, 2016
Revenues	$13,046	$34,394	$22,632	$31,054
Net (Loss)	($1,089,511)	($4,537,070)	($1,180,323)	($3,127,217)
Net (Loss) per Share	($0.0185)	($0.0779)	($0.0332)	($0.071)
Cash/(Bank Indebtedness)		$489,384	$32,855	($47,036)
Total Assets		$2,059,055	$663,727	$207,182
Total Liabilities		$2,585,671	$280,067	$503,244
Deficit		($7,787,293)	$1,057,314	($3,250,223)

The deficit of $7,787,293 includes the reverse takeover and listing costs that amounted to $2,322,165 as follows:

3,995,667 common shares deemed to be issued at $0.50	1,997,834
Stock options and agent's options deemed to be issued (Black-Scholes model)	166,000
Legal and transaction costs	158,331
Total Reverse Takeover and Listing Costs	**2,322,165**

These costs increased the net loss, share capital value, contributed surplus and the deficit. This valuation had no impact on the cash and liquidity. The deficit as at September 30, 2017 excluding the reverse takeover and listing costs was $5,465,129.

FINANCIAL RESULTS OF OPERATION

For the nine months ending September 30, 2017, the Company continued its focus on developing its product line and building resources including to identifying, reviewing and commissioning additional products for research and development.

The Company had a net loss of $1,089,510 during this quarter, compared to $512,841 for the quarter ending September 30, 2016. This included revenue of $13,046 for the quarter, compared to $15,150 last year, and expenses including cost of sales of $1,102,555, compared to $527,990 in the same quarter last year.

FINANCIAL RESULTS OF OPERATION - continued

The Company continues to sell its product, CELLB9, online. In the three months ending September 30, 2017, there was revenue of $13,046 from online sales giving a gross profit of $7,300, compared to $15,150 revenue and $1,984 gross profit in the same period last year. For the nine months ending September 30, 2017, revenue was $34,394, an increase of $11,762 from the same period last year ($22,632) with a gross profit of $10,969, an increase of $9,498 from same period last year ($1,471). Gross profit in 2016 was lower as there were more promotional items and discounts given during that period.

Interest expense included accrued interest for the loan on license agreement ($762) and three convertible loans ($31,058). All of the three convertible debts bear a simple interest rate of 5%. One convertible debt has a balance, including accrued interest, of $12,021. The other two convertible debts have a combined balance, including accrued interest, of $2,356,345. These debts have been classified as long-term debts as the lenders have signed a waiver by which there will be no demand on the funds until January 31, 2019. Interest expense in the same period last year was $1,023, which is $30,797 less than this year as at the end of September 30, 2016, in addition to the loan on the license agreement, there was one convertible debt in the amount of $14,350.

Expenses for this quarter amounted to $1,132,344 which is $618,419 higher than the same quarter last year ($513,925). This increase related to:

- Business development and investor relations expenses for this quarter were $211,403 higher than the same period last year ($313,473 this quarter compared to $102,070 last year). The increase is due to investor relation services required for stock listing in Germany and the United States, and due to increased presentations globally to investors.
- Research and development costs for this quarter was $200,414. These costs are for the first phase of the two research and development projects with UniQuest and fees paid to the Chief Research Officer and the Chief Scientific Officer.
- Travel and meals expenses for this quarter was $144,457, compared to $100,749 last year, an increase of $43,708. This was due to increased travel activities relating to investor relations and development.
- Transfer agent and filing fees for this quarter was $42,889 compared to $2,961 last year, an increase of $39,928. This includes fees paid for listing with the OTC Market in the United States and filing fees for listing with TSX Venture Exchange.
- Increase in rent expenses amounted to $37,774 ($44,862 this quarter compared to $7,087 for the same quarter last year). Rent expense this quarter was for the lease of the office space which the Company leased in April 2017. Rent payments started in June 2017.
- Salary and wages increased by $23,421 from the same period last year ($193,374 compared to $169,952). This increase relates to additional staff members being hired.
- Professional fees this quarter were $54,307 compared to $40,871 same period last year. The increase of $13,436 was due to a review that was conducted for the Company's product, CellB9.
- The balance of the increase in expenses of $48,335 this quarter compared to the same period last year comprised of increase in consulting, marketing and promotion, and insurance expenses.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company's current revenue stream is from the sale of its product, CELLB9. The net income from revenue at this time is minimal. Until the Company starts to market additional products from its research and development programs, it continues to depend on equity and debt for funding.

As at September 30, 2017, the Company had working capital of $981,177 and cash of $489,384. As at December 31, 2016, there was a working capital deficiency of $298,732 and bank indebtedness of $47,036. The increase in cash and working capital is from equity funds from the private placement in June 2017 and funds from the convertible loan.

The Company is anticipates that it will continue to incur more costs, including research and development costs, than revenue into next year. The Company is in the development stage and is primarily focused on developing marketable products. To support its such operations, the Company continues to depend on equity financing.

Management is taking steps to ensure that the Company has funding to continue its operation. These include:

1. Securing investment in the Company by way of private placements.

2. With the completion of the Transaction, the Company has broader access to equity financing. The Company currently has 4,271,200 common share purchase warrants outstanding, entitling the holder to purchase one common share of the Company at a price of $1.00 per share on or before June 29, 2018. On July 12, 2017, the Company issued a further 4,200,000 common share purchase warrants entitling the holder to purchase one common share of the Company at a price of $0.50 per share on or before July 12, 2020. The exercise of such warrants is dependent primarily on the market price and overall market liquidity of the Company's securities at or near the expiry date of such warrants (over which the Company has no control) and therefore there can be no guarantee that any existing warrants will be exercised**.**

3. To cover any shortfall for operational funding and working capital requirements, the Company entered into a convertible credit facility agreement with Kimberly Van Deventer (President and Director) and Stephen Van Deventer (CEO and Director) (the "Lenders") on December 9, 2016, as amended March 31, 2017 in the principal amount of $2 million. Under the terms of the agreement and waiver in respect of same dated June 30, 2017, the amount of any outstanding principal and accrued interest thereon under the credit facility is convertible, after October 28, 2017, into common shares in the capital of the Company at the price of $0.50 per share (being the share price offered in the Company's private placement, which placement closed on June 29, 2017). The Company has drawn the full $2 million under the agreement, which bears simple interest at 5% per annum. The Lenders have signed a waiver by which there will be no demand on the funds until January 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES - continued

4. On May 9, 2017, the Company entered into an additional convertible credit facility agreement with the Lenders in the principle amount of $1 million to be used towards the operations of the Company. Under the terms of the agreement and waiver in respect of same dated June 30, 2017, the amount of any outstanding principal and accrued interest thereon under the credit facility is convertible, after October 28, 2017, into units, each consisting of one common share in the capital of the Company and one common share purchase warrant entitling the holder to purchase one common share in the capital of the Company at the price of $1.00 per share for a period of twenty four (24) months after the issuance of the units, subject to acceleration. Funds borrowed under this agreement bear simple interest at 5% per annum and are convertible at a price of $0.50 per unit, wherein each unit is comprised of one common share of the Company and one transferable common share purchase warrant in the capital of the Company. Each warrant entitles the holder to purchase (1) one common share at the exercise price of $1.00 per share (being the share price offered in the Company's ongoing private placement). The credit facility amount can be further increased if required, at the election of the Company. The Lenders have signed a waiver by which there will be no demand on the funds until January 31, 2019.

5. The Company is continuing to look into other funding including grants for research and development.

RELATED PARTY TRANSACTIONS

1. Management

   During the three months ending September 30, 2017, compensation to management and directors included:

   - Consulting fees of $30,000 paid to Hill Road Capital, a corporation related to PreveCeutical's Director and VP Corporate Development, Brian Harris.
   - Consulting fees of $30,000 paid to SHROF Financial Management, a company owned by PreveCeutical's Chief Financial Officer and Controller, Shabira Rajan.
   - Salary paid to Stephen Van Deventer, PreveCeutical's Chairman and Chief Executive Officer ("CEO") in the amount of $45,000 for services provided.
   - Salary paid to Kimberly Van Deventer, PreveCeutical's President and director in the amount of $36,000 for services provided.

2. Cornerstone Global Partnership Inc. ("CGP")

   CGP is a corporation owned by the CEO and Chair, Mr. Stephen Van Deventer and President and director, Mrs. Kimberly Van Deventer.

   The short-term loan of $105,000 was made to the Company by CGP in January 2016 which was payable for the exclusive right and license to use CGP's property including, but not limited to trademarks, intellectual property, URL's and the use of the property on packing, promotional and advertising material associated with the business. For the three months' ending September 30, 2017 interest in the amount of $753 was payable on the loan. The balance of the loan including interest at September 30, 2017 was $75,441.

RELATED PARTY TRANSACTIONS - continued

3. Convertible Debenture – Credit Facility Agreements with Stephen Van Deventer and Kimberley Van Deventer

   The Lenders are key executives and directors of the Company. The credit facility agreements were entered into to compensate for any funding shortfall in the Company's ability to cover operating costs. The initial agreement was entered into on December 9, 2016 as amended March 31, 2017 in the principal amount of $2 million. For the three months ending September 30, 2017, accrued interest under this facility, at a 5% simple interest per annum, amounted to $25,205.48. The amount drawn on the credit facility at September 30, 2017 including interest before IAS 32 adjustment for financial instruments was $2,054,743. With the adjustments, the amount drawn on the credit facility was $1,899,178. This facility is categorised as long term debt as the lenders have signed a waiver by which there will be no demand on the funds until January 31, 2019.

   The Company entered into a second credit facility agreement with the Lenders in the amount of $1 million on May 9, 2017 to cover additional operational costs. For the three months ending September 30, 2017, accrued interest under this credit facility, at a 5% simple interest per annum, amounted to $5,678. The amount drawn on the credit facility at September 30, 2017, including interest and before IAS 32 adjustment for financial instruments was $547,167. This facility is categorised as long term debt as the lenders have signed a waiver by which there will be no demand on the funds until January 31, 2019.

OUTSTANDING SHARE DATA

As of September 30, 2017:

(i) the Company had 49,090,983 common shares issued and outstanding;

(ii) the Company had 7,403,814 stock options including broker options outstanding; and

(iii) the Company had 8,471,200 outstanding share purchase warrants.

During the quarter, 100 stock option and 54,323 broker agent's options were converted into common shares.

CHANGES IN ACCOUNTING POLICIES

Please refer to note 4 of the September 30, 2017 interim financial statements on www.sedar.com for a comprehensive list of the accounting policies not yet adopted during the current period.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Details of Financial Instruments and Risk Management are disclosed in the notes to the September 30, 2017 interim financial statements.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to its operations, some of which are beyond its control. Such risks include, but are not limited to:

- The industry is capital intensive and subject to fluctuations in market sentiment, foreign exchange and interest rates.
- The only sources of future funds for further product development and marketing which are presently available are the sale of inventory, funding from equity capital, and debt. Management has been successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.
- Any future equity financings for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- The Company's intention is to make its products available for sale globally. As such, operations are subject to political risk due to political, economic, social and other uncertainties, including the risk of civil rebellion, nationalization, land ownership disputes, renegotiation or termination of existing and future contracts, permits or other agreement, changes in laws or taxation policies, currency exchange restrictions and changing political conditions.
- The Company's continued operations require licenses from various parties and governmental authorities. There is no assurance that the Company will be successful in obtaining or maintaining the necessary licenses and permits to continue with its development and commercialization activities or that current licenses will remain in force as granted.
- While management believes that control over the Company's bank accounts and assets is adequate, there is an internal control weakness in respect of a lack of segregation of duties, and therefore a risk of management override of controls and procedures. It is management's opinion that these weaknesses in internal controls over financial reporting are inherently related to the small size of the Company.

Should one or more of these risks and uncertainties materialise, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward-looking statements.

STOCK OPTIONS

The Company's stock option plan was implemented on August 11, 2016. On March 27, 2017, the Board of Directors (as it was then) amended the plan to extend the term in which the options granted thereunder may be exercised from 24 months to 48 months after the date the options were granted. In addition to options granted under the Company's stock option plan, the Company has also granted options to certain agents and pursuant to certain agreements.

During the previous quarter ended June 30, 2017, there were 4,574,134 options outstanding, consisting of 4,449,568 incentive stock options and 124,566 agent's options. During the quarter ended September 30, 2017, the Company granted 320,000 stock options granted under its incentive option plan, 100 incentive options were exercised and 54,323 agent's options were exercised. As at September 30, 2017, the Company had 7,403,814 options outstanding, consisting of 4,769,468 incentive stock options, 70,243 agent's options and 2,564,103 Supply Agreement Options.

The Supply Agreement Options are non-transferable options to acquire an equal number of common shares in the capital of the Company (being 2,564,103 common shares), which were issued pursuant to the Supply Agreement as consideration for the supply of certain cannabis products to be used in the Company's research and development programs. The Supply Agreement Options expire on September 19, 2019 and have an exercise price of $0.78. The Supply Agreement Options were issued outside of the Company's option plan, which was approved by the Canadian Securities Exchange.

SUBSEQUENT EVENTS

Change in Share Capital

On October 26, 2017, 13,520 agent's options were exercised at a price of $0.30 per share for an equal number of the Company's common shares.

As of November 22, 2017, the Company was fully subscribed for a non-brokered private placement of up to 4,377,776 units at a price of $0.75 per unit, for gross proceeds of $3,283,332. Each unit will consist of one common share of the Company and one warrant, with each warrant entitling the holder thereof to purchase one common share of the Company at an exercise price of $0.90 per share for a period of 6 months from the closing of the Financing (the "Closing") and thereafter at an exercise price of $1.00 per share until the expiry of the period ending 12 months from the Closing. The financing is expected close on or about December 8, 2017.

Change in Directors and Officers

On October 24, 2017, the Company's Board of Directors accepted Mr. Brian Harris resignation as the Vice President of Corporate Development and director of the Company.

On October 24, 2017, the Company's Board of Directors appointed Dr. Makarand Jawaderkar as a director of the Company. Dr. Jawadekar will also continue as the Company's Chief Scientific Officer.

On October 31, 2017, Alicia Rebman resigned as the Company's Vice President of Marketing and Advertising. She will continue to be an employee of the Company as the Director of Marketing.

On November 17, 2017, Nicole Goncalves-Krysinski resigned as the Chief Legal Officer of the Company. She will continue to provide services as required as the Company's Foreign Legal Advisor.

Material Events

On November 1, 2017, the Company received approval from the Environmental Hazards Unit of the Queensland Government (the Australian state-level authority) to acquire, store and use high quality cannabis oil and dried cannabis plant extracts for the Company's cannabinoid Sol-gel research program. This Approval enables the Company, to apply for an importation permit with the Office of Drug Control in Canberra (the Australian federal-level authority).

OTHER

Additional information regarding the Company is available on the Company's website at www.preveceutical.com. Additional information relating to the Company, including other continuous disclosure documents required by the securities regulators, is filed on System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed electronically at www.sedar.com.

The effective date of this report is November 28, 2017.