



News Release

April 27, 2018

PreveCeutical Enters into Credit Facility Agreement Amends Credit Facility Agreement

FOR IMMEDIATE RELEASE - Vancouver, British Columbia: PreveCeutical Medical Inc. (the “Company” or “PreveCeutical”) (CSE: PREV, OTCQB: PRVCF, FSE: 18H) announces that it has entered into a \$700,000 credit facility agreement with the Company’s former President and director, Kimberly Van Deventer, and amends and increases a credit facility agreement with Ms. Van Deventer and the Company’s Chief Executive Officer, President and director, Stephen Van Deventer (collectively, the “Lenders”).

2016 Credit Facility

Effective December 9, 2016, as amended March 31, 2017, the Lenders entered into a convertible credit facility agreement with the Company in the aggregate principal amount of \$2 million (the “2016 Credit Facility”). Under the terms of the 2016 Credit Facility, the amount of any outstanding principal and accrued interest thereon is convertible, after January 31, 2019, into fully paid and non-assessable common shares in the capital of the Company at the price of \$0.50 per share (the “2016 Conversion Price”).

The Company has drawn the full \$2 million available under the 2016 Credit Facility, which bears simple interest at a rate of 5% per annum. The Lenders have signed a waiver which provides that there will be no demand by the Lenders on the funds outstanding under the 2016 Credit Facility until January 31, 2019. Pursuant to an amendment to the 2016 Credit Facility dated April 20, 2018 (the “2016 Amendment”), and in connection with the Company’s \$0.25 private placement (see news release dated April 9, 2018) (the “Private Placement”), the Company has reduced the 2016 Conversion Price to \$0.30 per share.

2017 Credit Facility

Effective May 9, 2017, the Company entered into an additional convertible credit facility agreement with the Lenders in the principal amount of \$1 million to be used towards the operations of the Company (the “2017 Credit Facility”). Under the terms of the 2017 Credit Facility, the amount of any outstanding principal and accrued interest thereon is convertible into units in the capital of the Company (each, a “Unit”) at a price of \$0.50 per Unit (the “2017 Conversion Price”). Each Unit consists of one common share in the capital of the Company and one transferable common share purchase warrant (each, a “Warrant”) entitling the holder to purchase one common share at the price of \$1.00 per share for a period of 24 months after the issuance of the Units, subject to acceleration. Any outstanding funds under the 2017 Credit Facility bears simple interest

at a rate of 5% per annum.

Pursuant to an amendment and extension of the 2017 Credit Facility Agreement (the “2017 Amendment”) dated April 20, 2018, and in connection with the Company’s Private Placement, the Company has: (i) reduced the 2017 Conversion Price to \$0.30 per unit, (ii) reduced the exercise price of the Warrants to \$0.50 per share (being the exercise price of the warrants offered in the Private Placement), and (iii) entered into a promissory note with the Lenders, increasing the amount available under the 2017 Credit Facility Agreement by \$500,000.

The Lenders have signed a waiver which provides that there will be no demand by the Lenders on the funds outstanding under the 2017 Credit Facility until January 31, 2019.

2018 Credit Facility

Effective March 28, 2018, the Company entered into credit facility agreement with Ms. Van Deventer in the principal amount of \$700,000 on a revolving basis (the “2018 Credit Facility”), with any sums advanced to the Company accruing interest at a rate of 5% per annum (the “Advances”). The Company has been advanced an initial amount of \$70,000 from Ms. Van Deventer. Pursuant to the terms of the 2018 Credit Facility, at any time prior to the repayment of the 2018 Credit Facility in full, Ms. Van Deventer has the right to convert any or all of the then outstanding Advances (and the interest accrued thereon) into fully-paid and non-assessable common shares in the capital of the Company at the price of \$0.50 per share (the “2018 Conversion Price”). Pursuant to an amendment to the 2018 Credit Facility dated April 20, 2018 and in connection with the Private Placement, the Company has reduced the 2018 Conversion Price from \$0.50 to \$0.30 and allowed for future adjustment of the 2018 Conversion Price in the event of certain share capital transactions.

Related Party Transaction

The funds available to the Company under the 2016 Amendment, the 2017 Amendment, and the 2018 Credit Facility and any amendments thereto (collectively, the “Credit Facilities”), have and will be used by the Company for general corporate and working capital purposes. As the Company entered into the Credit Facilities with a current and former director and executive officer of the Company (collectively, the “Related Parties”), the Credit Facilities constitute a related party transaction pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company relied on Sections 5.5(a) and 5.7(1)(a) of MI 61-101 for an exemption from the formal valuation and minority shareholder approval requirements, respectively, of MI 61-101, as, at the time the 2016 Amendment, the 2017 Amendment, and the 2018 Credit Facility and any amendments thereto were entered into (collectively, the “2018 Agreements”), neither the fair market value of the subject matter of, nor the fair market value of the consideration for the 2018 Agreements, as applicable, exceeded 25% of the Company's market capitalization.

About PreveCeutical

PreveCeutical Medical Inc. is a health sciences company that develops innovative preventive therapies utilizing organic and nature identical products.

PreveCeutical aims to be a leader in preventive health sciences and currently has five research and

development programs, including: dual gene therapy for curative and prevention therapies for diabetes and obesity; a Sol-gel platform for nose to brain delivery of medical compounds including cannabinoids; Nature Identical™ peptides for treatment of various ailments; non-addictive analgesic peptides as a replacement to highly addictive analgesics such as morphine, fentanyl and oxycodone; and a therapeutic product for treating athletes who suffer from concussions (mild traumatic brain injury).

PreveCeutical sells CELLB9®, an Immune System Booster. CELLB9 is an oral solution containing polarized and potentiated essential minerals extracted from a novel peptide obtained from Caribbean Blue Scorpion venom.

For more information about PreveCeutical, please visit www.PreveCeutical.com, follow us on Twitter: <http://twitter.com/PreveCeuticals> and Facebook: www.facebook.com/PreveCeutical.

On Behalf of the Board of Directors

“Stephen Van Deventer”
CEO and President

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Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and U.S. securities legislation, including the United States *Private Securities Litigation Reform Act of 1995*. All statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans and expectations regarding the future, including, the closing of the Private Placement, advances made under the Credit Facilities, the conversion of any outstanding amounts under the Credit Facilities to common shares in the capital of the Company, the adjustment of the 2016, 2017 and 2018 Conversion Price, the use of proceeds from the Credit Facilities and the anticipated business plans and timing of future business activities of the Company. Often, but not always, forward-looking statements can be identified by words such as “pro forma”, “plans”, “expects”, “may”, “should”, “budget”, “schedules”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “potential” or variations of such words 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. Actual results could differ from those projected in any forward-looking statements due to numerous factors including risks and uncertainties relating to investor interest in the Private Placement, and the ability of the Company to, among other things, obtain any required governmental, regulatory or stock exchange approvals, permits, consents or authorizations required, including Canadian Securities Exchange acceptance of the Credit Facilities and any planned future activities, completing its research programs as planned, and obtaining the financing required to carry out its planned future activities. 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. Although the Company believes that the statements, beliefs, plans, expectations, and intentions contained in this news release are reasonable, there can be no assurance that those statements, beliefs, plans, expectations, or intentions will prove to be accurate. Readers should consider all of the information set forth herein and should also refer to other periodic reports provided by the Company from time-to-time. These reports and the Company’s Canadian continuous disclosure filings are available at www.sedar.com.

Readers are cautioned not to put undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements.