

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares (the "Shares") in the capital of PreveCeutical Medical Inc. (the "Issuer").

PreveCeutical Medical Inc.
Suite 2200, 1177 West Hastings Street
Vancouver, British Columbia
V6E 2K3

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Canadian Securities Exchange.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Kimberly Van Deventer ("Ms. Van Deventer")
588 Broughton Street, Suite 2601
Vancouver, British Columbia
V6G 3E3

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

The Acquisition (as defined below) was a series of purchases of Shares on the Canadian Securities Exchange on August 2, 2018.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Ms. Van Deventer acquired 1,500,000 Shares (the "**Acquisition**"). As a result of the Acquisition, Ms. Van Deventer beneficially holds and controls 9.4% of the issued and outstanding Shares (on a non-diluted basis).

Together with Ms. Van Deventer's convertible securities consisting of 500,000 stock options (exercisable within 60 days) and convertible credit facilities with the Issuer pursuant to which she has the option to convert the outstanding balance to an aggregate of 32,497,903 Shares and 7,504,167 common share purchase warrants, Ms. Van Deventer's holdings currently represent approximately 17.9% (on a partially diluted basis) of the currently issued and outstanding Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Ms. Van Deventer acquired the Shares. Ms. Van Deventer advanced money to the Issuer in the form of convertible debentures and convertible promissory notes. Ms. Van Deventer has the option to convert the outstanding balance of the credit facilities to securities.

3.3 If the transaction involved a securities lending arrangement, state that fact.

The transaction did not involve a securities lending arrangement.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately before the completion of the Acquisition, Ms. Van Deventer owned 35,000,000 Shares, 500,000 stock options (exercisable within 60 days), and is a party to certain convertible credit facilities with the Issuer, pursuant to which she has the option to convert the outstanding balance to an aggregate of 32,497,903 Shares and 7,504,167 common share purchase warrants. As a result of the Acquisition, Ms. Van Deventer beneficially owns and controls 36,500,000 Shares, together with her above-noted convertible securities, representing approximately 9.4% (17.9% on a partially diluted basis) of the currently issued and outstanding Shares.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

Ms. Van Deventer has beneficial ownership and control over an aggregate of 36,500,000 Shares, together with the above-noted convertible securities, representing 9.4% (17.9% on partially diluted basis) of the currently issued and outstanding Shares.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Ms. Van Deventer beneficially owns and controls the following convertible securities:

Description of Security (include conversion/exercise terms, including conversion/exercise price)	Number of convertible/exchangeable securities outstanding (owned/controlled by Ms. Van Deventer)	Number of listed securities issuable upon conversion/exercise
Stock Option Issued: August 11, 2016 Expiry Date: August 10, 2020 Exercise Price: \$0.05 per share	500,000	500,000 common shares
Convertible Debentures: Credit Facility Agreement (December 9, 2016 as amended on April 20, 2018) Exercise Price: \$0.06 per share	\$859,624.13	14,327,069 common shares

Convertible Debentures: <u>Credit Facility Agreement</u> <u>(May 9, 2017 as amended on</u> <u>April 20, 2018)</u> <u>Exercise Price: \$0.06 per unit⁽¹⁾</u>	\$450,250	7,504,167 common shares 7,504,167 warrants
Convertible Promissory Note: <u>Credit Facility Agreement</u> <u>(March 28, 2018)</u> <u>Exercise Price: \$0.06 per share</u>	\$390,000 ⁽²⁾	6,500,000 common shares
Convertible Promissory Note <u>Loan agreement (January 26,</u> <u>2018, as amended April 20, 2018)</u> <u>Exercise Price: \$0.06 per share</u>	\$250,000	4,166,667 common shares
Total convertible securities	\$1,949,874.13 convertible debt ⁽³⁾ 500,000 stock options	40,502,070 ⁽⁴⁾

Notes:

(1) Each unit is comprised of one common share of the Issuer and one transferrable common share purchase warrant exercisable at a price of \$0.10 per share.

(2) \$390,000 advanced on a \$700,000 promissory note dated March 28, 2018.

(3) Total represents the principal amounts. Each convertible debt security bears simple interest of 5% per annum.

(4) Representing 500,000 common shares at \$0.05 per share, 32,497,903 common shares at \$0.06 per share, and 7,504,167 common share purchase warrants exercisable at \$0.10 per share.

If exercised or converted into shares, Ms. Van Deventer's convertible securities would increase her securityholdings in the Issuer by approximately 8.5%.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement. State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Ms. Van Deventer acquired 1,500,000 Shares at a price of \$0.035 per Share on the Canadian Securities Exchange for a total price of \$53,380, including \$1,080 in commission and fees.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

Not applicable.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

Not applicable.

(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

Not applicable.

(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

Not applicable.

- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Not applicable.

- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

- (f) **a material change in the reporting issuer's business or corporate structure;**

Not applicable.

- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**

Not applicable.

- (j) **a solicitation of proxies from securityholders;**

Not applicable.

- (k) **an action similar to any of those enumerated above.**

Ms. Van Deventer acquired the Shares for investment purposes. She will review her holdings from time to time and may, in the future, increase or decrease her ownership or control over the securities of the Issuer. Except as set out above, Ms. Van Deventer does not otherwise have any plans related to the above enumerated list.

Item 6 – Agreements, Arrangements, Commitments or Understandings

With Respect to Securities of the Reporting Issuer, describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a

joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

As set out above, Ms. Van Deventer is a creditor under four convertible credit facility agreements made as of December 9, 2016, May 9, 2017, January 26, 2018, and March 28, 2018, respectively, in an aggregate principal amount of \$1,949,874.13. Under the terms of the agreements and waivers in respect of same dated April 20, 2018, the amount of any outstanding principal and accrued interest thereon under the credit facility is convertible into Shares or units at the price of \$0.06 per share or \$0.06 per unit, as applicable. Ms. Van Deventer is entitled to any such Shares and units (if and when issued).

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

[Remainder of page intentionally left blank; certificate page to follow]

Item 9 – Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

August 3, 2018

Date

"Kimberly Van Deventer"

Kimberly Van Deventer