

PreveCeutical Announces LOI to Acquire Penta 5 Health and Wellness Packaging Companies with Market-Ready Products and Production Facilities

Vancouver, British Columbia--(Newsfile Corp. - October 3, 2018) - **PreveCeutical Medical Inc.** (CSE: PREV) (OTCQB: PRVCF) (FSE: 18H) (**the "Company" or "PreveCeutical"**), announces that the Company has entered into a letter of intent dated October 1, 2018 (the "**LOI**") with Penta 5 Packaging Inc. ("**Penta 5 Canada**") and Penta 5 USA, LLC ("**Penta 5 USA**") together with Penta 5 Canada and their subsidiaries, the "**Penta 5 Group**", both of which are arm's length parties to the Company, with respect to a strategic acquisition whereby PreveCeutical would acquire the Penta 5 Group and its assets, which includes over 120 market-ready products and a 150,000 square foot state-of-the-art packaging facility (the "**Transaction**").

The Penta 5 Group is comprised of a group of independent health and wellness and consumer packaging companies engaged in the cannabis, beverage, industrial and medical packaging industry segments that are committed to developing health and wellness products and improving the quality of life of both humans and animals. The Penta 5 Group currently has a wide range of innovative products, and it is close to commercializing additional products, including cannabis-based medicinal oils, hydrogen infused water that boosts metabolism and improves stamina and a range of non-toxic, mosquito control products that could aid in stopping the spread of diseases including Malaria, Yellow Fever and Dengue Fever.

PreveCeutical aims to acquire the Penta 5 Group to further its vision of becoming a globally recognized producer of preventive health care products. Following the Transaction, the Company plans to use the Penta 5 Group's market-ready products and their production and distribution facilities to generate future positive sales revenues and expeditiously manufacture and develop its own cannabis-based products.

Mr. Stephen Van Deventer, PreveCeutical's Chairman, CEO and President, stated: "*The Transaction will significantly benefit PreveCeutical and its shareholders. The Penta 5 Group, led by R. Charles Murray, has recorded over 20 years of success in the wellness and packaging industries. Mr. Murray's extensive industry experience and large distribution network will open doors to create many cannabis-based health and wellness products and expand into newmarkets, including animal health care.*"

Penta 5 Group Products

The Penta 5 Group has extensive and diverse established product lines, which, among other things, include items designed for medical, humanitarian and recreational uses. Medical packaging products include VialPaQ™ pouches, which are trackable, childproof pouches that can be used to hold CBD oils in premeasured, controlled doses. Humanitarian products include HotPaQ™ pouches for heating foods and liquids without electricity, and MosquitoPaQ™ patented mosquito repellants for use in combating the threat of mosquito borne diseases by reducing mosquitos' desire for blood. Recreational product lines include pouches designed for the craft beer industry and for outdoor activities, such as the 64 oz. CarboPouch™ created to replace traditional glass growlers filled at local craft breweries and the two litre Beverage-on-the-Go™ pouch designed for use in activities like river rafting and picnics.

Further, the Penta 5 Group's Nutracis™ cannabis-based product line is produced and controlled by the Penta 5 Group from 'farm to shelf. A specific cannabis plant variety is grown for this product line and, once it is harvested, the CBD is extracted from the plant using a patented ethanol extraction procedure which ensures the highest CBD purity possible and allows the ethanol to be reused.

In addition to its existing products, the Penta 5 Group is planning to launch 30 new patent-pending CBD products ranging from CBD infused skin care creams, flavoured CBD alcohols and CBD supplements for elderly pets, to environmentally friendly CBD sunscreen and mosquito repellent combinations.

Commercial Terms of the LOI

Under the terms of the LOI, the Company would acquire the Penta 5 Group and all of its assets and liabilities (including approximately US \$3 million in long-term debt) by way of share exchange, whereby PreveCeutical would acquire all of the issued and outstanding equity securities of the Penta 5 Group (the "**Penta 5 Securities**"). The Penta 5 Securities would be exchanged for 90 million common shares in the capital of the Company and 45 million non-transferable performance warrants, each of which performance warrants would be exercisable to acquire one common share of PreveCeutical at the exercise price of \$0.135 per share for 36 months from the closing of the Transaction. The performance warrants would vest in three equal tranches over a 24-month period upon the occurrence of certain milestones commencing 12 months from the closing of the Transaction. At closing, the former Penta 5 Group shareholders would hold approximately 18.7% of the Company's issued and outstanding voting securities on a non-diluted basis (approximately 25.7% on a partially-diluted basis). A 5% finder's fee is payable by the Company to an arm's length party in connection with the Transaction on the aggregate value of the Transaction (excluding the 45 million performance warrants).

At the closing of the Transaction, R. Charles Murray and Robert Hall will be appointed as the President and Chief Operating Officer of PreveCeutical, respectively, and Mr. Murray (or his nominee) will have the right to be appointed or nominated for

election to the board of directors of the Company at any annual general meeting of shareholders that takes place while the aforementioned performance warrants are outstanding.

R. Charles Murray

Mr. Murray is an experienced businessman and entrepreneur, and currently is the Chief Executive Officer of Penta 5 USA. In addition, Mr. Murray is the Chief Executive Officer of PPI Technologies Group, formerly an affiliate of the Penta 5 Group, which is the leading supplier in the United States of machinery for packaging both wet and dry products in StandUp pouches and trays, and last year achieved over \$42 million in annual revenue. Mr. Murray has experience in accounting, quality control and production, as well as in marketing and sales activities. His past accomplishments include the development of 175 patents or patents pending and receiving the Ernst & Young Entrepreneur of the Year Award in the distribution and manufacturing category.

Robert Hall

Mr. Hall brings over 17 years of management experience of private and public companies. Through his vast network of business associates, he has raised significant seed funding and provided working capital for the expansion of large scale projects. Mr. Hall has held and performed a variety of executive roles focused on operations, corporate finance, marketing and sales. In addition, Mr. Hall advises public and private companies across multiple industries, where he is able to utilize his entrepreneurship skills and capital markets experience.

About PreveCeutical

PreveCeutical is a health sciences company that develops innovative options for preventive and curative 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 type 2 diabetes and obesity; a Sol-gel drug delivery program; Nature Identical™ peptides for treatment of various ailments; non-addictive analgesic peptides as a replacement to the 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. This product is available on PreveCeutical's website.

For an interview providing further information on the Transaction, please visit : <https://youtu.be/jflv8-EHDMI>

Cannot view this video? Visit:

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

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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, expectations and orientations regarding the future including, without limitation, the ability of the Company to enter into and complete the Transaction and develop and bring its cannabis-based products to market, the commercialization of the Penta 5 Group's products, the manufacture and sale of the Company's current and future products, the efficacy of the Company's products, generally, matters related to the Company's current and planned research and development programs, and the anticipated benefits of the Transaction, the Company's anticipated business plans and the prospect of its ability and success in executing its proposed plans. 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. Forward looking statements are based on certain assumptions regarding PreveCeutical, including expected growth, results of operations, performance, industry trends and growth opportunities. Actual results could differ from those projected in any forward-looking statements due to numerous factors including risks and uncertainties relating to the inability 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 Transaction, complete its research programs as planned, obtain the financing required to carry out its planned future activities and the ability and success of the Company in acquiring the Penta 5 Group. Other factors such as general economic, market or business conditions or changes in laws, regulations and policies affecting the healthcare, cannabis, biotechnology, pharmaceutical or packaging industries, may also adversely affect the future results or performance of the Company. 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. 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 filings are available at www.sedar.com.

Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.