

ORLETTO CAPITAL INC.

PRESS RELEASE
For immediate release

CONCLUSION OF AN AGREEMENT IN PRINCIPLE WITH RESPECT TO A QUALIFYING TRANSACTION BETWEEN ORLETTO CAPITAL INC. AND DEVONIAN HEALTH GROUP INC.

Québec, Québec, April 26, 2016 – Benoit Chotard, President of Orletto Capital Inc. (“Orletto”) (TSX-V “OLE.P”), a Capital Pool Company, is pleased to announce that, on May 15, 2015, Orletto and Devonian Health Group Inc. (“Devonian”) initially signed an agreement in principle, as amended on April 7 2016 (the “Agreement in Principle”), pursuant to which the parties intend to complete a business combination by way of an amalgamation which will constitute the Qualifying Transaction (as defined in the Policy 2.4) of Orletto pursuant to Policy 2.4 of the TSX Venture Exchange (the “Exchange”) found in the Exchange Corporate Finance Manual (“Policy 2.4”). The resulting issuer will be involved in the industry segment of life sciences. The completion of the Qualifying Transaction will be subject to a number of conditions including the completion of a concurrent public financing by way of a prospectus of a minimum amount of \$6,000,000 and a maximum amount of \$10,000,000 (the “Public Offering”) as more fully described below.

About Devonian

Devonian Health Group Inc. is a corporation resulting from a long-form amalgamation under the *Business Corporation Act* (Québec) (CQLR c S-31.1) (“QBCA”) on March 27, 2015 of Devonian Technologies Inc., Devonian Pharmaceutical Inc., Devonian Cosmetics Inc. and CONSULTANT GO CONTACT INC. Devonian’s head office is located at 360 Entrepreneurs Street, Montmagny, Québec, G5V 4T1. On April 28, 2015, Devonian entered into an assets purchase and sale agreement with Lemieux Nolet inc., in its capacity as trustee of PurGenesis Technologies Inc. (“PurGenesis”) in connection with the purchase of the assets of PurGenesis (the “Assets Purchase Agreement”). Pursuant to the Assets Purchase Agreement, Devonian acquired all of the assets of PurGenesis including the property titles on an immovable within the registration division of Montmagny. Since April 28, 2015, Devonian has assumed the development of products previously owned by PurGenesis.

PurGenesis was a corporation specialized in the development of botanical drugs as well as dermo-cosmetic products. Until 2013, the corporation raised more than \$36 million in financing from private investors and from government agencies. PurGenesis completed a full pre-clinical program on an anti-inflammatory drug and successfully completed a phase I clinical study in healthy volunteers as well as a phase 2a clinical study in patients with left-sided ulcerative colitis. The corporation also completed the development of dermo-cosmetic products for women. PurGenesis built a state-of-the-art, pharmaceutical grade, 1,625 square metre extraction facility. Several patents and trademarks were filed prior its acquisition by Devonian.

Devonian is a late stage botanical pharmaceutical company with novel therapeutic approaches targeting unmet medical needs. Devonian's core strategy is to develop prescription botanical drugs. This strategy is supported by U.S. Food and Drug Administration ("FDA") set of regulatory guidelines favouring a more efficient drug development pathway versus traditional prescription medicines. Devonian is based on a broad-based platform originating from over ten years of research. This platform provides a unique process of extraction, purification, stabilization and conditioning of a molecular complex responsible for the photosynthetic process in plants and algae: The Supra Molecular Complex Extraction and Stabilisation Technology (SUPREX). Thykaminetm is the first product issued from this platform. The potent anti-inflammatory and anti-oxidative activities of Thykaminetm has been demonstrated in several pre-clinical experiments as well as in a Phase 2a "proof of concept" clinical study in patients with mild-to-moderate distal ulcerative colitis. The product is now moving into large phase 2 clinical trials in two therapeutic areas: Ulcerative Colitis and Atopic Dermatitis. While the development of prescription botanical drugs is its core business, Devonian is also involved in the development of high value derma-cosmeceutical products as part of a secondary strategy to generate short-term revenues and optimize manufacturing efficiency. Devonian owns a state of the art, 1,625-square-metre facility, located in Montmagny, Quebec. Devonian plans to seek the FDA current good manufacturing practice (cGMP) qualification, in due time, for its facility.

Devonian currently has 24,989,973 Class A Shares outstanding, 8,833,333 warrants giving the right to its holder to subscribe for 8,833,333 Class A Shares of Devonian, 1,261,407 warrants giving the rights to its holder to subscribe for 1,576,758 Class A Shares of Devonian (collectively, the "Devonian Warrants"), as well as convertible debentures totaling \$1,155,000 (the "Debentures"). Devonian has no other common shares or other securities outstanding and is not a party to any agreement requiring it to issue options, share purchase warrants or other securities convertible into shares. Mr. André Boulet, President and Chief Executive Officer of Devonian and 9099-3452 Québec inc., domiciled or having a place of business at 38 rue des Tournois Blainville (Québec) J7C4Y3, controlled by André Boulet, own 13,130,602 Class A Shares of Devonian which represents 52.54 % of the issued and outstanding Class A Shares of Devonian. Mr. André P. Boulet, through ownership of or control or direction over the securities of 9099-3452 Québec inc., is a principal securityholder of Devonian and holds directly or indirectly 52.54% of the Devonian Shares. Mr. André P. Boulet holds 649 Devonian Shares personally and 13,129,953 Devonian Shares are held by 9099-3452 Québec inc., a corporation affiliated to Fiducie André Boulet, which is controlled by Mr. André P. Boulet.

Devonian Financial Information

Based on audited financial statements for the year ended July 31, 2015, Devonian had no revenue, operating expenses of \$761,754 and a net profit of \$1,922,555. In addition, as at July 31, 2015 Devonian had assets of \$11,733,839, current assets of \$2,184,639, and liabilities of \$6,545,356.

About Orletto

Orletto is a Capital Pool Company created pursuant to the Policy 2.4 and, to date, has not conducted material operations of any kind, other than to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. On September 9, 2014, Orletto completed its initial public offering, and the Orletto common shares commenced trading on the Exchange. Since incorporation, Orletto has incurred costs in carrying out its initial public offering, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer.

Orletto currently has 5,493,000 common shares issued and outstanding and 898,600 options to purchase common shares at a price of \$0.10 per common shares (the "Orletto's Options"). Orletto has no other common shares or other securities outstanding and is not a party to any agreement requiring it to issue options, share purchase warrants or other securities convertible into shares.

Summary of the Proposed Qualifying Transaction

Amalgamation

According to the terms of the Agreement in Principle, Orletto proposes to merge with Devonian on a pre-money valuation of \$30,000,000 for both corporation and at an exchange ratio of 5% for the shareholders of Orletto and 95% for the shareholders of Devonian, calculated on a non diluted basis prior to any issue of securities issuable upon the exercise of the Orletto's Options, the Devonian Warrants, the conversion of the Debentures and the Public Offering. Following the amalgamation, on a non diluted basis, the shareholders of Orletto will hold 2,000,000 voting shares of the resulting issuer and the shareholders of Devonian will hold 38,000,000 voting shares of the resulting issuer at a deemed price of \$0.75 per share. Each outstanding Orletto common share will be exchanged for approximately 0.3641 voting share of the resulting issuer and each outstanding Devonian Class A Share will be exchanged for approximately 1.5206 voting share of the resulting issuer. Following the amalgamation, the resulting issuer will be named "Devonian Health Group Inc.". Mr. André P. Boulet, who will be the proposed President, Chief Executive Officer, Secretary and director of the resulting issuer, will hold an aggregate of 19,966,523 voting shares of the resulting issuer some of which will be held by 9099-3452 Québec inc., a corporation affiliated to Fiducie André Boulet, which is controlled by Mr. André P. Boulet. Mr. Matthew Peppler, who will be a proposed director of the resulting issuer, will hold approximately 1,267,174 voting shares of the resulting issuer and approximately 1,267,174 share purchase warrants of the resulting issuer, each share purchase warrant giving the right to its holder to subscribe for one voting share of the resulting issuer at a price of \$0.20 per voting share. Mr. Pierre Colas, who will be a proposed director of the resulting issuer, will hold approximately 32,155 voting share of the resulting issuer assuming conversion of the Debentures held by Mr. Colas, in principal and interest, as at June 30, 2016. It is anticipated that Messrs. Boulet, Peppler and Colas will constitute the only insiders of the resulting issuer and will respectively held 47.58%, 3.02% and 0.08% of the voting shares of the resulting issuer calculated on a partially diluted basis prior to any issue of securities issuable upon exercise of the Orletto's Options and the Devonian Warrants but after the conversion of the Debentures in principal and interest due as at June 30, 2016 and prior to the Public Offering (as defined herein) and assuming that no subscriber will become an insider through the subscription of more than 10% of the voting shares of the resulting issuer under the Public Offering.

Public Offering between \$6,000,000 and \$10,000,000

In order to meet the minimum listing requirements of the Exchange, Orletto will complete the Public Offering concurrent with the Qualifying Transaction. The Public Offering will be made by Orletto through Richardson GMP Limited acting as lead agent (the “Lead Agent”) and including Industrial Alliance Securities Inc. and Mackie Research Capital Corporation as co-leads (together with the Lead Agent, the “Agents”), on a commercially reasonable efforts basis, for a minimum of 8,000,000 units (the “Units”) for total gross proceeds to Orletto of \$6,000,000 (the “Minimum Offering”) and a maximum of 13,333,333 Units for total gross proceeds of \$10,000,000 (the “Maximum Offering”) at a price of \$0.75 per Unit (the “Offering Price”). Each Unit consist of one common share of Orletto and one-half of one common share purchase warrant of Orletto (each whole common share purchase warrant, a “Warrant”). Each Warrant entitles its holder to purchase one common share of Orletto (a “Warrant Share”) at a price of \$1.10 per common share for a period of 24 months from the listing date of the resulting issuer. The Units will be sold pursuant to the terms and conditions of an agency agreement to be entered into between Orletto, Devonian and the Agents. The Offering Price was determined based upon arm’s length negotiations between Orletto, Devonian and the Lead Agent.

Agents’ Compensation in connection with the Public Offering

In consideration for the services to be rendered by the Agents in connection with the Public Offering, Orletto has agreed to pay the Agents a fee equal to 10% (the “Agents’ Fee”) of the gross proceeds of the Public Offering, including the gross proceeds from the sale of any Additional Units (as defined herein) acquired upon exercise of the Over Allotment Option (as defined herein). As additional compensation, the Agents will be granted an option (the “Agents’ Option”) that will entitle the Agents to purchase that number of common shares of Orletto (the “Agents’ Shares”) equal to 10% of the total number of common shares comprised in the Units sold pursuant to the Public Offering (including pursuant to the Over Allotment Option), at a price of \$0.75 per Agents’ Share, for a period of 24 months from the closing of the Public Offering (the “Closing Date”). In order to cover for over-allotments, if any, Orletto will grant the Agents an over-allotment option (the “Over-Allotment Option”), exercisable for a period of 30 days from the closing date, to purchase an additional number Units equal to 15% of the number Units sold pursuant to the Public Offering (the “Additional Units”). Orletto has also agreed to pay a corporate finance fee of \$45,000 (plus GST) to the Lead Agent and reasonable out-of-pocket expenses.

Use of proceeds of the Public Offering

In the case of the Minimum Offering and after giving effect to the Qualifying Transaction, the resulting issuer will achieve the following:

- complete a large Phase 2 clinical trial of Thykaminetm in patients with atopic dermatitis;
- carry out business development activities related to Thykaminetm licensing;
- meet general and administrative expenses.

In the case of the Maximum Offering, the following additional developments will be undertaken:

- complete cGMP extraction qualification;
- development of the oral and suppository formulations;
- structural characterization/mechanism of action; and
- R&D: potential pharmaco-kinetic markers.

Summary of Proposed Directors and Officers of the Resulting Issuer

After the closing of the amalgamation, the board of directors of the resulting issuer will consist of five (5) directors all of whom will be nominees of Devonian, namely, André P. Boulet, President, Chief Executive Officer and Secretary, François Michaud, Chief Financial Officer, Matthew Pepler, Director, Jean Bourgoin, Director and Pierre Colas, Director, provided the Exchange does not object to such nominations and such persons are eligible to act as directors pursuant to the requirements of the *Canada Business Corporation Act* (R.S.C., 1985, c. C-44) (the “CBCA”).

André P. Boulet – President and Chief Executive Officer

Dr. André P. Boulet, has extensive experience in drug development, regulatory affairs, market access, financing and restructuring in the pharmaceutical and biotech industries. A seasoned entrepreneur, he stands out for his combined strengths in applied science, business and finance.

He had a successful career as entrepreneur as well as partner of the venture capital firm BioCapital L.P. Dr. Boulet has developed international expertise in drug development and health economics, working with Hoechst Marion Roussel, Marion Merrell Dow Canada and Laboratoires Nordic Inc (now Sanofi).

Dr. Boulet holds a bachelor’s degree in medical biology from the University of Quebec at Trois-Rivières and a master’s degree in experimental medicine/immunology-immunochemistry and a Ph.D. in physiology/endocrinology from Laval University in Quebec City. He also completed a postdoctoral fellowship in biochemistry and biophysics at the University of Pennsylvania, in the United States, and a training program in health economics at York University, in the United Kingdom.

François Michaud - Chief Financial Officer

Mr. Francois Michaud has over 24 years of financial experience in a wide range of industries with public and private corporations in Canada and Europe. Before joining Devonian, he was CFO at Devcore Group, a construction and property development company, CFO at Biosytech Inc, a TSX listed biotechnology corporation, CFO at Hemera Technologies Inc, a software business and CFO at Ekco Group, a UK based manufacturing corporation. He also held senior positions in Corporate Finance with DS Smith Plc, Quebecor Inc, JP Morgan and KPMG.

Francois is a CPA, CA and holds a Bachelor’s degree in Business Administration from the Université du Québec en Outaouais.

Matthew Pepler – Director

Matthew Pepler is the founder and President of Popgun Trading Co. Inc., a private equity firm founded in 2002 in California and currently incorporated in Florida. Popgun specializes in finding and investing in early-stage disruptive-technology companies focused in the areas of biotechnology, pharmaceuticals, and medical instruments. Popgun’s team includes a cardiologist who is head of medical study analysis, an equity analyst with 15 years’ experience, and a head trader with 10 years’ experience in finance and economics.

Every year, Mr. Pepler travels across Europe, North America, and Asia looking for new opportunities. This year he has taken large positions in promising new companies in Australia, Canada, and the United Kingdom.

Mr. Pepler was born in Chappaqua, New York. He attended the University of Pennsylvania, where he studied at the Wharton School of Business and graduated cum laude from the School of Liberal Arts. In 1981, Mr. Pepler also completed the Producer Program of the American Film Institute in Beverly Hills, California. From 1983 to 1997, Mr. Pepler was under contract, first as a development executive and then as a producer, at studios including Warner Brothers, Disney, and Twentieth Century Fox.

After earning his Series 7 and Series 63 securities licences, Mr. Pepler transitioned to a career in finance. He built a large clientele of movie-industry executives and artists, which he brought with him to Paine Webber Group Inc., an American stock brokerage and asset management firm. There he earned a well-deserved reputation as a reliable, successful money manager and broker, specializing in disruptive technology and biotech stocks.

In 2002, Mr. Pepler incorporated the Popgun Trading Co. in Santa Monica, California. By 2012, the corporation had grown to the point that, for economic reasons, he moved it to and reincorporated in Boca Raton, Florida, where it is now located.

Jean Bourgoin – Director

Dr. Bourgoin has over 25 years of global clinical drug development experience in the pharmaceutical industry. He joined Rhône-Poulenc Rorer Canada (now Sanofi Canada) in 1982 and held positions of increasing responsibility, serving as Vice President of Scientific Affairs at Aventis for eight years. In this role, he had responsibility for all activities related to clinical research, health economics, and professional education. After leaving Aventis in 2004, he served as Chief Medical Officer of WEX Pharmaceuticals Inc. from 2005 to 2006 and Vice-President, Medical Affairs of Bradmer Pharmaceuticals Inc. from 2006 to 2007. Dr. Bourgoin earned his bachelor's degree at Collège Jean de Brébeuf in Montreal, an M.Sc. in Pharmacology from the University of Montreal, and his M.D. from the same university. He is a licensed member of the Medical Council of Canada and was Associate Professor in the Pharmacology Department of the University of Montreal from 1989 to 2006.

Pierre Colas – Director

Mr. Colas has over 30 years of experience in the field of corporate finance. Retired Quebec based investment banker Pierre Colas was the Vice-President and Managing Director, Investment Banking of Industrial Alliance Securities from March 2009 to February 2014 and Senior Vice-President, Investment banking at Desjardins Securities from April 2005 to March 2009. Mr. Colas earned a bachelor degree in commerce from Concordia University in 1981.

Other Matters Concerning the Amalgamation

The completion of the amalgamation is subject to the approval of the Exchange and all other necessary regulatory approvals. The completion of the amalgamation is also subject to additional conditions, including completion of the Public Offering, various shareholders approvals and board of directors approvals of Orletto and Devonian, on the amalgamation, the continuance of Devonian from the QBCA to the CBCA as well as satisfactory completion of due diligence review by the Lead Agent, and certain other usual conditions. Orletto does not intend to provide Devonian with any deposit or any advance or loan as permitted by the Policy 2.4. The Qualifying Transaction will not be a non-arm's length transaction as none of the directors, officers or insiders of Orletto own any interest in Devonian. The Qualifying Transaction is exempt of the sponsorship requirements.

Trading of the Orletto common shares will not resume until the closing of the Qualifying Transaction.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Except for historical information, this press release may contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws that reflect the Orletto's or Devonian's current expectation regarding future events, including, without limitation, the proposed use of the net proceeds and the timing and completion of the Public Offering. Forward-looking statements contained in this press release involve known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements of Orletto, Devonian and the resulting issuer, as the case may be, to be materially different from any future results, performance or achievements expressed or implied by the said forward-looking statements. Orletto, Devonian and the resulting issuer, as the case may be, expressly disclaims any intention to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise, other than as required by law.

This press release does not constitute an offer of securities for sale in the United States or to "U.S. persons" ("U.S. persons"), as such term is defined in Regulation S promulgated under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). The securities being offered have not been, nor will be, registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from such registration requirements.

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