



DEVONIAN HEALTH GROUP INC.

PRESS RELEASE

For immediate release

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Devonian Health Group announces Non-Brokered Financing by way of a private placement of Convertible Debenture

- **Aspri Pharma Canada Inc. acts as lead subscriber**
- **Unsecured Convertible Debentures convertible at a price of \$0.75**
- **Interest at a rate of 10.0% per annum payable semi-annually in Subordinate Voting Shares**
- **Each Unit consists of one Subordinate Voting Share and one Subordinate Voting Share Warrant at an exercise price of \$0.95 valid for 48 months following the closing**

Quebec, Quebec – July 19, 2018 – Devonian Health Group Inc. (“**Devonian**” or the “**Corporation**”) (TSXV: GSD), a clinical stage botanical pharmaceutical corporation focused on developing a unique portfolio of botanical prescription drugs and cosmeceutical products, announces its intention to complete a non-brokered private placement of unsecured convertible debentures (the “**Debentures**”) for maximum gross proceeds of \$5 million (the “**Offering**”).

Aspri Pharma Canada (the “**Lead Subscriber**”) has subscribed for an aggregate principal amount of \$1 million dollars of Convertible Debenture Units.

The Debentures will bear interest at a rate of 10.0% calculated semi-annually and will be due 48-month term (the “**Term**”) from the closing date of the Offering (the “**Closing Date**”). The interests on the Debentures will start to accrue on the Closing Date and will be calculated and payable semi-annually in Subordinate Voting Shares.

The principal amount of the Debentures shall be convertible in units (“**Unit**”) of the Corporation at a price of \$0.75 per Unit. Each Unit consists of one Subordinate Voting Share in the capital of the Corporation and one Subordinate Voting Share Purchase Warrant (the “**Warrants**”). Each Warrant shall entitle its holder to acquire one Subordinate Voting Share in the capital of the Corporation at a price of \$0.95 until the date which is 48 months following the Closing Date



For the payment of the interest in Units, the number of Units to be issued will be calculated as follows: a) in the event the Subordinate Voting Shares comprised in the Units are not subject to any restrictions on resale on a recognized stock exchange immediately upon issuance, the average of the 5 volume-weighted average price (VWAP)s days immediately prior to the applicable interest payment date (and the price of the Warrants comprised in the Units will equal such Interest conversion rate plus 30% (b) in the event the Subordinate Voting Shares are subject to any restrictions on resale following their issuance, 90% of the average of the 5 VWAPs days immediately prior to the applicable Interest Payment Date and the price of the Warrants comprised in the Units will equal such Interest Conversion Rate plus 30%.

If any time after the Closing Date, each of VWAPs for the Subordinate Voting Shares of the Corporation for any 20 consecutive trading days (the “Threshold Period”) is equal to or exceeds CDN \$1.85 and at least 5,000 Subordinate Voting Shares are traded daily on the TSXV or at least 20,000 Subordinate Voting Shares in the event the Subordinate Voting Shares are listed on a recognized stock exchange other than the TSX Venture Exchange (subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Subordinate Voting Shares that occur after the Closing Date), the Corporation may, within 20 trading days after such threshold period, deliver a notice to the holders of its irrevocable election to convert all of the then outstanding Debentures, for a number of Units, equal to the amount in capital of the Debenture at a price of CDN \$0.75 for the capital and the accrued and unpaid interest as calculated here above.

If, within a year after the Closing Date, Devonian issues additional convertible debentures at a conversion price less than \$0.75 per Unit or per Subordinate Voting Shares, then the conversion price of the Units issued pursuant to this private placement shall be reduced to the higher of i) the conversion price of the additional convertible debentures upon such issue or sale or ii) \$0.40. The exercise price of the Warrants will remain at \$0.95. Should a subscriber has converted his Convertible Debenture before the issuance of the additional convertible debentures, he will receive such additional number of Units which he would have been entitled if he had not converted his convertible debentures.

To its sole discretion, the Corporation may prepay in cash any portion of the principal amount of the Debentures with accrued and unpaid interest.

The Debentures and the underlying securities to be issued pursuant to this Offering will be subject to a restricted period of four months and a day, after the Closing Date under applicable Canadian securities legislation.



“We are very pleased to have received financing interest from Aspri Pharma Canada inc. and from a group of investors that believe in our commitment to deliver superior value to all our shareholders.” commented Dr. André P. Boulet, the President and Chief Executive Officer of Devonian.

The capital will be used for G&A and R&D activities.

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 Regulations 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.

About Devonian

Devonian Health Group Inc. is a late stage botanical pharmaceutical corporation with novel therapeutic approaches to targeting unmet medical needs. Devonian's core strategy is to develop prescription botanical drugs from plant materials and algae for the treatment of inflammatory-autoimmune diseases including but not limited to ulcerative colitis and atopic dermatitis. Based on a foundation of over 15 years of research, Devonian’s focus is further supported by a US-FDA set of regulatory guidelines favouring a more efficient drug development pathway for prescription botanical drug products over those of traditional prescription medicines. Devonian is also involved in the development of high-value cosmeceutical products leveraging the same proprietary approach employed with their pharmaceutical offerings. Devonian Health Group Inc. was incorporated in 2013 and is headquartered in Québec, Canada where it owns a state-of-the art extraction facility with full traceability ‘from the seed to the pill’. Their recently acquired commercialization partner, Altius Healthcare Inc., brings opportunities for further diversification and growth potential. Devonian is traded publicly on the TSXV Exchange (TSXv:GSD).

For more information, visit www.groupedevonian.com.

Forward Looking Statements

This press release contains forward-looking statements about Devonian’s objectives, strategies and businesses that involve risks and uncertainties. These statements are “forward-looking” because they are based on our current expectations about the markets we operate in and on various estimates and assumptions. Actual events or results may differ materially from those anticipated in these forward-looking statements if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. Such risks and assumptions include, but are not limited to, Devonian’s ability to develop, manufacture, and successfully commercialize value-added pharmaceutical and dermo-cosmeceutical products, the availability of funds and resources to



pursue R&D projects, the successful and timely completion of clinical studies, the ability of Devonian to take advantage of business opportunities in the pharmaceutical and dermo-cosmeceutical industries, uncertainties related to the regulatory process and general changes in economic conditions. You will find a more detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations in Devonian's prospectus dated April 21st, 2017 under the heading "Risk Factors" related to Devonian's business. As a result, we cannot guarantee that any forward-looking statement will materialize. We assume no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, unless required by applicable securities laws and regulations.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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