



Devonian Health Group announces the completion of the second tranche of its previously announced private placement and provides an update

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QUÉBEC CITY, August 31, 2018 – Devonian Health Group Inc. (“**Devonian**” or the “**Corporation**”) (TSX VENTURE: GSD), a clinical stage botanical pharmaceutical corporation focused on developing a unique portfolio of botanical prescription drugs and cosmeceutical products, is pleased to announce the completion of the second tranche of its non-brokered private placement of unsecured debentures of the Corporation (the “**Debentures**”) convertible into units of the Corporation (the “**Units**”), at a conversion price of \$ 0.75 per Unit (the “**Offering**”) for aggregate gross proceeds of up to \$697,000. Each Unit entitles the holder to receive one subordinate voting share of the Corporation and one warrant. Each warrant entitles its holder to subscribe for one subordinate voting share of the Corporation at a price of \$ 0.95 within 48 months after the closing of the Offering.

The Debentures will bear interest at a rate of 10% calculated semi-annually and will have a 48-month due 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. For more information please see press releases dated July 19, 2018 and August 6, 2018.

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.

Update on the Offering

The Offering has been proceeding well despite the summer season and the Corporation is encouraged by the interest received thus far. As announced on July 19, 2018, the Corporation has closed the first tranche of its Offering pursuant to which Debentures have been subscribed for an amount of \$ 1 million entitling it to receive 1,333,333 Units if the Debenture is converted. The Corporation expects to close subsequent tranches within the next few weeks and received conditional approval from the TSX Venture Exchange (“**TSXV**”) with respect to the duration of its Offering. The outside date upon which the final acceptance of the Offering will be granted by the TSXV has been extended to October 5, 2018.

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.



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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 21, 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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