

DEVONIAN HEALTH GROUP INC.

PRESS RELEASE
For immediate release

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DEVONIAN ANNOUNCES COMPLETION OF THE AMALGAMATION AND THE CLOSING OF A \$4,030,674 CONCURRENT PUBLIC OFFERING

Québec, Québec, May 15, 2017 – Devonian Health Group Inc. (“**Devonian**” or the “**Corporation**”) is pleased to announce its inception under the *Canada Business Corporations Act* through the previously announced amalgamation of Orletto Capital Inc. (“**Orletto**”), a capital pool company, and Devonian Health Group Inc. (pre-amalgamation) (“**DHG**”), a private corporation located in Montmagny, Québec (the “**Amalgamation**”).

The Amalgamation and the completion of a public offering (the “**Public Offering**”) constitute the qualifying transaction (the “**QT**”) of Orletto in accordance with the requirements of the TSX Venture Exchange (the “**TSX-V**”) Policy 2.4 - *Capital Pool Companies*. The Amalgamation and the Public Offering are described in further detail in the press releases of Orletto dated May 20, 2015, April 26, 2016 and April 27, 2017 and in the amended and restated prospectus dated April 21, 2017 amending and restating the amended and restated prospectus dated January 31, 2017 amending and restating the prospectus dated October 27, 2016 (the “**Prospectus**”) all of which are available on SEDAR at www.sedar.com. Prior to the Amalgamation and the Public Offering, Orletto received conditional approval of the QT from the TSX-V on May 10, 2017.

Following the announcement made on April 27, 2017 in connection with the Public Offering, the Corporation is also pleased to announce that it has proceeded with the issuance of the 5,374,232 units of the Corporation (the “**Units**”), at a price of \$0.75 per Unit, for aggregate gross proceeds of \$4,030,674. The Units issued in connection thereto have been offered through Richardson GMP Limited acting as agent (the “**Agent**”) pursuant to the terms of the Prospectus and an agency agreement dated October 27, 2016 between Orletto, DHG and the Agent, as amended on April 13, 2017. Each Unit consists of one subordinate voting share and one-half of one share purchase warrant (each whole share purchase warrant, a “**Warrant**”). Each Warrant will entitle its holder to purchase one subordinate voting share (a “**Warrant Share**”), at a price of \$1.10 per Warrant Share, until May 12, 2019. In consideration of the services rendered in connection with the Public Offering, the Agent received a cash commission equal to 10% of the gross proceeds of the Public Offering. As additional compensation, the Agent and members of its selling group have been granted an aggregate of 537,423 options, entitling its holder thereof to purchase 537,423 subordinate voting shares, at a price of \$0.75 per subordinate voting share, until May 12, 2019.

Between February 2017 and May 2017, DHG’s shareholders exercised warrants for a gross proceeds of \$1,045,669. “This is a great demonstration of Devonian’s shareholders support to the Company’s objectives” stated Dr André P. Boulet, President and Chief Executive Officer of Devonian.

The subordinate voting shares issued in connection with the Amalgamation and issued pursuant to the Public Offering will begin trading on the TSX-V under the symbol “GSD” upon receipt of final TSX-V approval.

The Corporation intends to use the net proceeds of the Offering in accordance with the proposed use of proceeds sets out in the Prospectus, which includes the completion of a large Phase 2 clinical trial.

The insiders of the Corporation have entered into a tier 2 surplus escrow agreement (the “Escrow Agreement”) with CST Trust Company, as the escrow agent, pursuant to which (i) all securities held by such persons as a result of the conversion of previously held securities in DHG and (ii) the subordinate voting shares and Warrants comprising the Units subscribed for by such persons under the Public Offering will be kept under escrow and released in accordance with the following schedule: 5% being released at the time of the bulletin from the TSX-V, 5% being released 6 months thereafter, 10% being released 12 months thereafter, 10% being released 18 months thereafter, 15% being released 24 months thereafter, 15% being released 30 months thereafter and the remaining 40% being released 36 months thereafter.

Two insiders of the Corporation have subscribed for 33,333 Units each under the Public Offering, which constitutes a “related party transaction” within the meaning of *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* (“Regulation 61-101”) and *TSX Venture Exchange Policy 5.9 – Protection of Minority Security Holders in Special Transactions*. However, the directors of the Corporation who voted in favour of the Public Offering have determined that the exemptions from formal valuation and minority approval requirements provided for respectively under subsections 5.5(a) and 5.7(1)(a) of Regulation 61-101 can be relied on as neither the fair market value of the Units issued to these insiders nor the fair market value of the consideration paid exceed 25% of the Corporation's market capitalization. None of the Corporation's directors has expressed any contrary views or disagreements with respect to the foregoing.

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.

About 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 US-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). The “Thykamine[™]” is the first product issued from this platform. The potent anti-inflammatory and anti-oxidative activities of “Thykamine[™]” have 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.

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.

The statements contained herein that are not historical facts are forward-looking statements. These statements address future events and conditions and so involve inherent risks and uncertainties. Actual results could differ from those currently projected. The Corporation does not assume the obligation to update any forward-looking statement.

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