



DEVONIAN

DEVONIAN HEALTH GROUP INC.

PRESS RELEASE

For immediate release

Devonian Health Group Announces Cannabis Cutting-Edge Extraction Equipment in its Montmagny Facility.

QUEBEC, January 15, 2020 – Devonian Health Group Inc. (“Devonian” or the “Corporation”) (TSXv: GSD), a clinical stage botanical pharmaceutical corporation, focused on developing a unique portfolio of botanical pharmaceutical and cosmeceutical products, announced today the signature of a lease Agreement with Hzb Pharma Canada Inc. (Hzb). This agreement includes the installation of state-of-the-art ethanol extraction equipment in Devonian’s facility in Montmagny (Quebec) for the purpose of extracting cannabinoids from hemp and cannabis plant. Both parties expect to collaborate in the development of cannabinoid-based botanical drugs.

Hzb’s ethanol extraction process uses ultra cold ethanol to wash the cannabinoids and terpenes from the cannabis or hemp plant material. Within the process, more than 98% of cannabinoids are recovered and over 90% of ethanol is recovered and re-used.

“Ethanol-based extraction process is one of the technologies we intended to use for our cannabinoids-based pharmaceutical drug development program. It offers the possibility to obtain different profiles of cannabinoids and terpenes for screening various biological activities. We also plan to use other extraction technologies rendering different cannabinoid and terpene profiles, allowing us to compare and ultimately select the one with the best activity for further drug development. We believe that different extraction technologies could generate cannabinoid and terpene profiles with different spectrum of activities”, said Dr. Andre Boulet, President and CEO of Devonian.

“The physical proximity of both companies will allow the establishment of a strong collaboration toward the success of our pharmaceutical program”, added Dr. Boulet.

“Devonian state of the art facility speeds up the process of obtaining a processing license from Health Canada later this year. Since both companies share the same mission which is to develop botanical products using the highest pharmaceutical standards, the close proximity to Devonian will add value to both companies in developing, investigating and studying Hemp and Cannabis products to demonstrate efficacy in a few indication including neurological indications like Alzheimer, Parkinson or Multiple Sclerosis, in cooperation with international scientific leaders in those areas. HZB can extract high purity oil products from both plant with a very productive ethanol process and thus will also offer these pharmaceutical-grade cannabis and Hemp oil production services to Health Canada-approved cultivation partners ”, added Francois Coté, CEO of Hzb Pharma Canada Inc.

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 2015 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’. Acquired in 2018, Altius Healthcare Inc., its commercialization partner, 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

About Hzb Pharma Inc.

HZB Pharma Canada Inc. (HZB) specializes in the extraction, distillation, and manufacturing of derivatives, from Cannabis and Hemp plant biomass. A core strength of the company is the high performance and superior capacity of its proven engineering systems, which extract and distill CBD (cannabidiol), THC (tetrahydrocannabinol) and a host of other cannabinoid compounds, as well as terpenes, to the highest standards of purity (See Annex 1). Its ethanol extraction process positions HZB as industry leader in terms of volume throughput (without impacting quality and safety) and has been optimized to provide unprecedented lucrative margins. An additional core area of robustness is its Team of accomplished pharmaceutical professionals, who are well-versed in manufacturing, compliance, clinical Intellectual Property (IP) strategy, and in the commercialization of branded products for medical markets.

For more information, visit www.hzbcmo.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.

Contact:

Dr André P. Boulet, PhD
President and Chief Executive Officer
Devonian Health Group inc.
Telephone: (514) 248-7509
Email: apboulet@groupedevonian.com