



FOR IMMEDIATE RELEASE

News Release

August 6, 2019

PreveCeutical Grants Asterion Option to Purchase up to a 51% Interest in Sol-Gel Intellectual Property

Vancouver, British Columbia: PreveCeutical Medical Inc. (“PreveCeutical”) (CSE: PREV, OTCQB: PRVCF, FSE: 18H), and **Asterion Cannabis Inc. (“Asterion”)** announce that they have entered into an option to purchase agreement (the “**Option Agreement**”), whereby PreveCeutical has granted to Asterion the right and option (the “**Option**”) to purchase up to 51% of PreveCeutical’s right, title and interest in and to certain intellectual property rights relating to a soluble gel (“**Sol-Gel**”) nasal delivery system for the nose-to-brain delivery of therapeutic formulations, including cannabis and cannabinoids (the “**Sol-Gel IP**”).

PreveCeutical’s President and Chief Science Officer, Dr. Mak Jawadekar stated, “This option agreement presents a unique and timely opportunity for PreveCeutical. We are excited to further our existing strategic partnership with Asterion and are confident that Asterion will assist PreveCeutical in the rapid commercialisation of the Sol-Gel IP.”

Stephen Van Deventer, Asterion’s Chairman and CEO stated, “We are pleased that our partner, PreveCeutical, has granted Asterion the exclusive option to purchase an interest in the innovative Sol-Gel IP, which provides Asterion with the option to acquire intellectual property that compliments its current business.”

Commercial Terms

To exercise the Option, Asterion, at discretion, will be required to make a series of cash payments to PreveCeutical in the aggregate amount of \$2,652,000 as follows:

Payment Date	Payment Amount (CAD)	Earned Interest
Effective Date	\$325,000	6.25%
July 22, 2019	\$325,000	12.50% <i>(additional 6.25%)</i>
August 22, 2019	\$325,000	18.75% <i>(additional 6.25%)</i>
September 22, 2019	\$390,000	26.25% <i>(additional 7.50%)</i>
October 22, 2019	\$390,000	33.75% <i>(additional 7.50%)</i>

Payment Date	Payment Amount (CAD)	Earned Interest
November 22, 2019	\$390,000	41.25% (<i>additional 7.50%</i>)
December 22, 2019	\$507,000	51.00% (<i>additional 9.75%</i>)
TOTAL:	\$2,652,000	51%

By making all of the above cash payments to PreveCeutical, Asterion will be deemed to have exercised the Option in full; provided that prior to the exercise of the Option in full, Asterion will have, and will be deemed for all purposes to have, acquired the various interests in and to the Sol-Gel IP (each, an “**Earned Interest**”), upon making the corresponding payment amounts to PreveCeutical as set forth in the above table.

Upon the the earlier of ten days after the date of the exercise by Asterion of the Option in full and December 22, 2019 (the “**Participation Date**”), PreveCeutical and Asterion will be deemed to have entered into a joint venture for the continued development and commercialization of the Sol-Gel IP (the “**Joint Venture**”) in which Asterion’s participating interest will be 51% and PreveCeutical’s participating interest will be 49%, assuming that the Option is exercised in full. On or prior to the Participation Date, the Parties intend to enter into a joint venture agreement (the “**Joint Venture Agreement**”) that will provide for the ownership, development and commercialization of the Sol-Gel IP.

Prior to the Participation Date, PreveCeutical is solely responsible to fund the costs for the continued development and commercialization of the Sol-Gel IP. After the Participation Date, each of PreveCeutical and Asterion will be required to fund such costs in proportion to its respective participating interest in the Joint Venture, from time to time.

The Option is subject to a buy-back right held by PreveCeutical (the “**Buy-Back Right**”), whereby PreveCeutical will have the right to buy-back all, but not less than all of the Earned Interest by Asterion to such date at any time prior to the Participation Date by paying to Asterion an amount equal to 150% of the aggregate amount of all cash payments made by Asterion to PreveCeutical under the Option Agreement.

The ability of PreveCeutical to transfer up to a 51% interest in the Sol-Gel IP is subject to PreveCeutical having obtained the necessary consents from UniQuest Pty Limited (the “**UniQuest Consent**”). Pursuant to the Option Agreement, if the UniQuest Consent is not obtained prior to the Participation Date, then PreveCeutical will be deemed to have exercised the Buy-Back Right and either: (i) PreveCeutical will be required to pay Asterion an amount equal to 110% of the aggregate amount of all cash payments made by Asterion to PreveCeutical under the Option Agreement (the “**Repayment Amount**”) within 10 days of the Participation Date; or (ii) the Repayment Amount will be deemed to be a loan by Asterion to PreveCeutical accruing interest at a rate of 8% per annum, compounding annually, with a maturity date of 24 months after the Participation Date.

About PreveCeutical

PreveCeutical is a health sciences company that develops innovative options for preventive and curative therapies utilizing organic and nature identical products.

PreveCeutical aims to be a leader in preventive health sciences and currently has five research and development programs, including: dual gene therapy for curative and prevention therapies for type 2 diabetes and obesity; a Sol-Gel drug delivery program; Nature Identical™ peptides for treatment of various ailments; non-addictive analgesic peptides as a replacement to the highly addictive analgesics such as morphine, fentanyl and oxycodone; and a therapeutic product for treating athletes who suffer from concussions (mild traumatic brain injury).

For more information about PreveCeutical, please visit www.PreveCeutical.com, follow us on Twitter: <http://twitter.com/PreveCeuticals> and Facebook: www.facebook.com/PreveCeutical.

About Asterion

Asterion is a Canadian medicinal cannabis company with operations in Australia, specializing in medical cannabis with a goal of becoming an industry leader in next generation cannabis products. Asterion is focused on the future of advanced agriculture and aims to produce the highest quality genetically uniform cannabis strains, at an affordable price.

Asterion is led by a team of highly experienced executives with over 120 years of combined experience in medical cannabis, renewable energy, capital markets, and other highly relevant sectors across North America, Oceania, Europe, Africa and Asia.

For more information about Asterion, please visit www.Asterioncannabis.com.

***On Behalf of the Board of Directors of
PreveCeutical***

“Dr. Mak Jawadekar”
President and Chief Science Officer

***On Behalf of the Board of Directors of
Asterion***

“Stephen Van Deventer”
Chief Executive Officer

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Forward-Looking Statements:

This news release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and U.S. securities legislation, including the United States *Private Securities Litigation Reform Act of 1995*. All statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, the efficacy of PreveCeutical and Asterion’s products and research programs, including the Sol-Gel research program, the exercise of the Option, the possible the Buy-Back Right, the formation of the Joint Venture and the participating interests of PreveCetuical and Asterion in the Joint Venture, matters related to PreveCeutical and Asterion’s current and planned research and development programs, and each of

their anticipated business plans and their prospect of success in executing their proposed plans and bringing their products to market, including the Sol-Gel IP. Often, but not always, forward-looking statements can be identified by words such as “will”, “plans”, “expects”, “may”, “intends”, “anticipates”, “believes”, “proposes”, “estimates” or variations of such words including negative variations thereof and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements are based on certain assumptions regarding PreveCeutical and Asterion, including the fact that Asterion’s interests in the Sol-Gel IP is only an option and there is no guarantee that the interests, if earned, will be certain, the establishment of the Joint Venture, expected growth, results of operations, performance, industry trends and growth opportunities. Actual results could also differ from those projected in any forward-looking statements due to numerous factors including, risks and uncertainties relating to the inability of PreveCeutical and Asterion, as applicable, to, among other things, obtain any required governmental, regulatory or stock exchange approvals, permits, consents or authorizations required, including Canadian Securities Exchange acceptance of any planned future activities, obtain the UniQuest Consent, successfully negotiate and enter into the Joint Venture Agreement, execute their proposed business plans, including the commercialisation of the Sol-Gel IP, complete their research programs as planned and obtain the financing required to carry out planned future activities. Other factors such as general economic, market or business conditions or changes in laws, regulations and policies affecting the healthcare and cannabis industries in Canada and Australia may also adversely affect the future results or performance of PreveCeutical and Asterion. These forward-looking statements are made as of the date of this news release and, unless required by applicable law, neither PreveCeutical nor Asterion assumes any obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements. Although PreveCeutical and Asterion believe that the statements, beliefs, plans, expectations, intentions and assumptions contained in this news release are reasonable, there can be no assurance that those statements, beliefs, plans, expectations intentions or assumptions will prove to be accurate. Readers should consider all of the information set forth herein and should also refer to other periodic reports provided by PreveCeutical and Asterion from time-to-time. These reports and PreveCeutical’s filings are available at www.sedar.com.

Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.