Update Report July 2, 2019

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PreveCeutical Medical, Inc.

HIGHLIGHTS FROM QUARTER REPORT

It takes tenacity to push a biotechnology agenda forward. Costly, time consuming and inherently complex, research and development projects are fraught with uncertainty. The second quarter financial report of Pharmaceutical Medical makes clear the Company is moving forward despite limited capital and a daunting work load shared by a small team.

The Company has partnered with the University of Queensland's commercial arm UniQuest Pty. to pursue preventative and palliative therapies based on natural and organic substances. The research team is working on an ambitious agenda of four projects, and progress continues for each.

- **Sol-gel Nasal Delivery System** with cannabinoid-based therapy for anxiety - formulation phase underway to develop a *Sol-gel* compound using the powered nanoparticle cannabis extract the team completed earlier in the year. The next step is to test the formulation on human nasal mucosal tissue using a previously selected applicator. Management has also begun discussion with potential partners in the market for the *Sol-gel* system.
- **Gene Therapy for Obesity-Diabetes** - four 'first generation' siRNA sequences have been selected that target the enzyme PTP-B1 which is known to be complicit in both obesity and Type II diabetes. The next step for the research team is to refine the 'smart' siRNA sequences with proprietary chemistry to increase stability.
- **Scorpion Venom-based Peptides** for brain cancer treatment - four peptides have been chosen out of thirteen for further testing against benchmark peptides known to inhibit the activity of target proteins implicated in brain cancer. The next step will identify which if any show promise to invade brain cancer cells.
- **Peptides** for non-opioid analgesic - a selection of peptides have been evaluated for docking and binding affinity to critical opioid receptors. The University of Queensland Animal Ethics Committee has approved the team's application for the screening of these lead peptide candidates in animal models.

Notably, work on the non-opioid analgesic has given rise to new patent applications with the Australian Patent Office related to cyclic peptides and their use in pain management. UniQuest, the University of Queensland's commercializing arm and PreveCeutical's R&D partner, has a world reputation for commercial success. UniQuest has facilitated over 700 patent patents, of which 87 were granted in the U.S., and spun out more than 70 start-up companies.

MARKET DATA

Price:	$0.04 (7/1/19)
52 Wk Hi-Lo:	$0.12- $0.02
Ave. Volume:	116 K
Short Interest:	<1%
Beta:	NA

All Market Data in US$

VALUATION

Price/Sales:	nm
Price/CFO:	nm
Price/EPS:	nm
Price/Book Value:	nm

Based on TTM ending 3/31/19

Consensus EPS FY2019: NA

Forward PE: NA

EQUITY SECURITIES

Common Shares Out: 396.4 M

Insiders:	21.8%
Float:	309.9 M
Institutional:	-0-
5% Holders:	-0-

Warrants and Options Outstanding: 214.2 M

Convertible Debt Equivalent Shares: 59.4 M

As of 5/29/19

Source: Company Reports and Crystal Equity Research estimates

Please read the important disclosures on page 10 of this report.

INVESTMENT HIGHLIGHTS

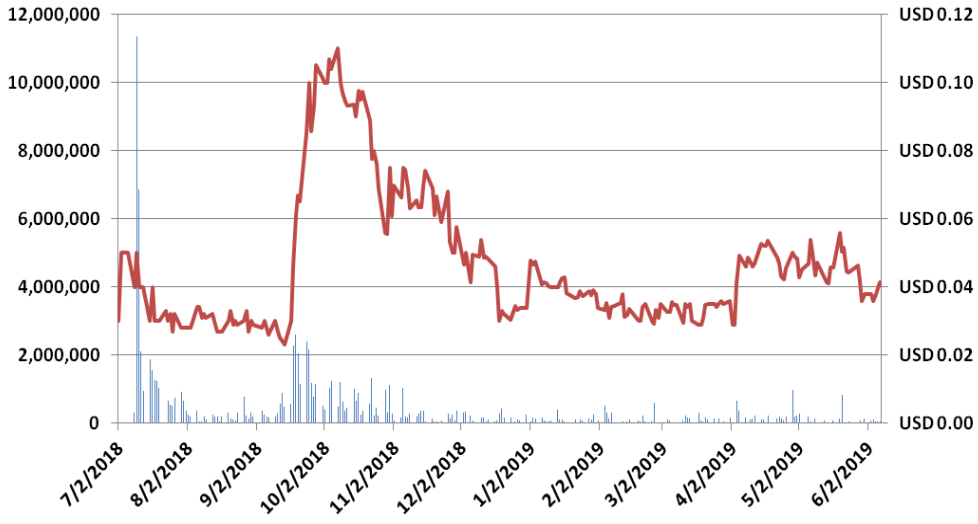
Positives

- Varied portfolio of novel therapeutic compounds and products; opportunity to compete effectively as relatively small biotechnology developer in preventative healthcare market
- Large and growing market for preventative healthcare, projected to reach US$432.4 billion by 2024 according to GrandView Research, with insurance schemes in North America driving 15% annual growth
- Research and development relationship with established and reputable scientific team at University of Queensland in Australia
- Continued progress in reaching objectives in all four of the Company's research and development projects; refinement of project goals and objectives
- Insiders demonstrate long-term commitment to development projects with recent capital infusion, adjusted terms for existing loans
- Recent director appointments bring significant new corporate talent to the board of directors, add to stature of leadership team

Negatives

- Few barriers to entry for competing health science developers and marketers in already well populated biotech market
- Significant business execution risks inherent in ambitious research and development program of several mutually exclusive projects
- Need to raise additional, potentially dilutive capital to achieve commercial stage with each project in current development pipeline
- Potential for immediate loss of capital due to wide bid-ask spread and relatively low daily trading volume
- Possible price volatility in unseasoned common stock and derivative securities with limited trading history

STOCK CHART



Source: Yahoo! Finance

OUTLOOK

Progress with each of PreveCeutical Medical's research and development projects has enabled a refinement in the Company's business strategy. The intellectual property portfolio is building and beginning to take on more credibility as leads are qualified and refined. The Company may be in a better position than ever to initiate discussions with prospective research partners or even licensees in at least one of its projects, the *Sol-gel* nasal drug delivery platform. Such collaboration is typically a value-creating step for a biotechnology company, potentially capturing critical expertise and new capital. It can also facilitate market access at commercial stage.

In our view, investors have not given full credit to PreveCeutical's research team for their progress. The stock remains bogged down by the problem of constrained capital, almost to the exclusion of any other relevant factors. It is notable, in our view, that insiders have committed additional capital the Company, potentially providing investors a tip on valuation as well as the Company's future prospects.

Despite the apparent insider endorsement, the stock should be regarded as speculative and appropriate only for those investors with a high tolerance for risk and price volatility.

RESEARCH PIPELINE

- Smart siRN Gene Therapy targeting obesity and diabetes

- *Sol-Gel* Nasal Drug Delivery System with cannabis-based anxiety therapy

- Nature Identical Scorpion Venom Peptide for cancer treatment

- Non-addictive Pain Therapy based on peptides developed with disulfied linker

INDUSTRY PEERS

- **AcelRX Pharmaceuticals** (ACRX: Nasdaq)
- **BioDelivery Sciences** (BDSI: Nasdaq)
- **Cara Therapeutics** (CARA: Nasdaq)
- **Corium International** (CORI: Nasdaq)
- **Cumberland Pharmaceuticals** (CPIX: Nasdaq)
- **Egalet** (EGLT: Nasdaq)
- **Elite Pharmaceuticals** (ELTP: OTC)
- **Immune Pharmaceuticals** (IMNP: Nasdaq)
- **OptiNose, Inc.** (OPTN: Nasdaq)
- **Pivot Pharmaceuticals** (PVOTF: OTC/PK)
- **PLx Pharma** (PLXP: Nasdaq)
- **Protagonist Therapeutics** (PTGX: Nasdaq)
- **Voyager Therapeutics** (VYGR: Nasdaq)
- **Zealand Pharma** (ZEAL: Nasdaq)

BUSINESS DESCRIPTION

PreveCeutical is an early stage life sciences company focused on compounds using natural substances for preventative therapies and supplements. The Company's first commercial product is *CELLB9*, an oral solution of essential materials extracted from a novel peptide in the venom of scorpions that has been found helpful with the immune system. Current production of *CELLB9* has been suspended until development is completed for a 'nature identical' version of the venom peptides.

The nature identical scorpion venom peptide effort is one of four research and development projects in a wide ranging development program currently underway. Scientific efforts for each program are being undertaken at the University of Queensland in Australia by teams led by Dr. Harry Parekh, the Company's Chief Research Officer. PreveCeutical has a development and licensing agreement in place with UniQuest Pty. Ltd., the commercial arm of the University of Queensland. The agreement ensures PreveCeutical has licensure rights to all intellectual innovations created through joint research projects.

In recent months PreveCeutical leadership has begun business development efforts aimed at establishing peer relationships for joint development or licensing of its various technologies. We believe the *Sol-gel* Nasal Drug Delivery research program is the most advanced and therefore likely to be the first of any such joint venture or license arrangement. The Company's first therapeutic compound under development is a cannabis-based therapy for anxiety.

Anxiety disorders and depression represent a sizable and growing market valued at $15.2 billion in 2015, by Grand View Research, an industry research firm. Market growth is being driven by an aging population that is prone to mental health issues such as depression, phobias and anxiety. The market has attracted a number of large players, including GlaxoSmithKline, Pfizer, Eli Lilly, Forest Laboratories and AstraZeneca among others. Large pharmaceutical companies such as these frequently sponsor early development projects by third-parties or use in-licensing and acquisition as a means to incorporate new therapies into their portfolios.

STRATEGIC RELATIONSHIPS

- **UniQuest Pty. Ltd.**, **University of Queensland** - research agreement and technology license encompassing selected therapeutic targets for anxiety, pain, obesity, and diabetes
- **Asterion Cannabis, Inc.** - licensor of natural health products, including three natural sleep aids that meet requirements of European Pharmacopoeia and Health Canada
- **Samson Pharmaceutical** - manufacturer of *CELLB9* immune system booster based on blue scorpion venom
- **Aurora Cannabis** - licensed supplier of medical cannabis for pharmaceutical research
- **Sports1 Marketing** - joint venture partner in developing therapies for brain concussion

OBESITY/DIABETES

A recent study has found that diabetes is more common in countries where food is plentiful. Excess food consumption, particularly sugar, can lead to obesity. However, researchers stop at drawing a direct line between obesity and diabetes.

That is because the respective natures of the two diseases are inherently different. Type I diabetes is an autoimmune condition wherein the immune system attacks the cells that produce insulin. The body cannot manage blood glucose when these cells are damaged. Excessive sugar consumption can make Type I symptoms worse.

Likewise Type II diabetes affects the ability of a person to regulate blood sugar levels. However, the data is not definitive in making a link between sugar consumption and Type II diabetes. The sugar formula fructose has been implicated in some research. The liver absorbs fructose, potentially building up liver fats and decreasing insulin sensitivity. Without proper use of insulin the liver cannot remove glucose from the bloodstream. Persistently excessive blood sugar can lead to lead to Type II diabetes.

DUAL-GENE THERAPY PROGRESS

PreveCeutical's partner, UniQUest, has reported recent progress with a research project targeting obesity and diabetes with gene therapy. The team has identified at least four siRNA sequences that target the enzyme PTP-B1 which is known to be complicit in both obesity and Type II diabetes. These particular siRNA components have been shown to reduce the gene's expression by at least 80% more than any random siRNA sequence, qualify them as having therapeutic potential. The team has also completed tests with mice and human-derived cells, demonstrating that the chosen siRNA components silence the target gene and protein by at least 50%.

The next step for the research team is to refine the 'smart' siRNA sequences with proprietary chemistries that increase stability. The smart siRNAs will have to be tested again to reconfirm reduction in the gene expression. If these tests are successful, the team will move on to animal models of obesity and/or diabetes.

Short for Small Interfering RiboNucleic Acid, siRNA is sometimes called silencing RNA. siRNA prevents the production of specific proteins based on the nucleotide sequences of their corresponding messenger RNA. RNA is found in all cells and carries instructions from DNA on constructing proteins.

siRNA has been used to target errant genes and so has a therapeutic use. However, siRNA can also cause unintended consequences by knocking out non-threatening proteins in addition to the target. Furthermore, too much siRNA can activate an immune response. Therefore, chemical modification like that now being undertaken by PreveCeutical's research team in Australia, can enhance the therapeutic value by making it more stable and enhancing activity.

Encoded by the gene PTP-N1, the protein tyrosine phosphatase or PTP family are known to be signaling molecules. PTPs regulate a variety of cellular processes, such as cell growth and differentiation. PTP-1B has been shown to act as a negative regulator of insulin signaling and is complicit in the development of obesity. A gene therapy that can successfully inhibit PTP-1B could help promote resistance to obesity as well as increase insulin acceptance.

GENE THERAPY

At least one small molecule inhibitor based on PTB-1B, trodusquemine, is currently moving into a phase 2 clinical trial. Novo Biosciences has shown that trodusquemine can stimulate the regeneration of heart muscle tissue in mice. While this work is capitalizing on other characteristics of PTP-B1, it appears to confirm the enzyme and its gene counterpart are worthwhile targets. Another phase 2 clinical trial by ISIS Pharmaceutical, Inc. is taking an alternative approach using PTP-1B directed antisense oligonucleotides. ISIS claims early success in improving or restoring insulin receptor sensitivity in patients with Type II diabetes.

SOL-GEL DRUG DELIVERY SYSTEM

In late May 2019, PreveCeutical announced that its research partner UniQuest at the University of Queensland has been granted permission to acquire and use human nasal tissue for the final phase of testing of a nasal drug delivery system. Called the *Sol-gel* system, the team is first testing a cannabinoid-based compound for treatment of anxiety. Tests with human tissue will be an important step in validating the *Sol-gel* system in a laboratory setting.

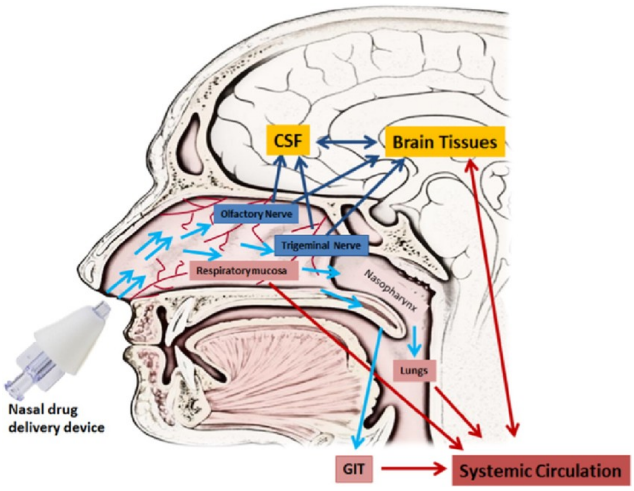
Previously, the team had used an adult human nasal cast with a custom applicator for a proprietary gel-based delivery vehicle. Those tests successfully demonstrated that the *Sol-gel* system using the customer applicator can deliver the gel to the target tissue and that the gel is retained directly at the correction location in the nasal cavity. The tests were completed in late 2018.

Although variety of compounds could be delivered using the *Sol-gel* system of nasal drug delivery, medicinal cannabis is the focus of early studies. The team has completed formulation of a powdered nanoparticle using cannabis extracts that will be used in further composition of a *Sol-gel* compound.

NASAL DRUG DELIVERY

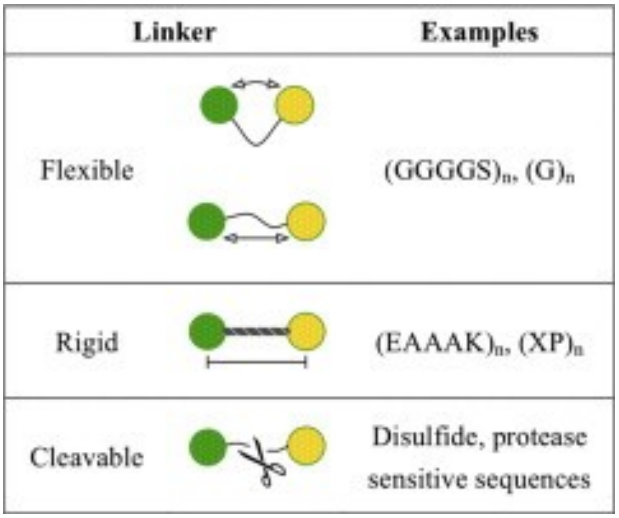
Through nasal administration of therapeutic compounds, the drug is either blown or breathed into the nose. The drug can be applied either topically or through some kind of device. While delivered to the nose, the active ingredient can have systemic as well as local effects. There is growing scientific support for delivery of drugs through the nasal route. Higher concentrations of drugs can be delivered to the blood stream because the nasal route avoids many of the negative elements of delivering drugs through the alimentary system or by injection Stomach upset and delayed or diminished effects due to digestive degradation are two examples. Injection site pain, risk of systemic infection and volume limitations are just three of the drawbacks of intravenous and subcutaneous injection. An important advantage of nasal drug delivery is that it provides a direct path to the central nervous system and allows a higher concentration of the therapeutic agent to be delivered across the blood brain barrier.

That said, some limitations of nasal drug delivery have been revealed. There is concern for nasal irritation and potential loss of all or a portion of the dose through sneezing or leakage. There have been some progress in overcoming these challenges. For example, various dosage forms have been tried to increase the time the compound remains in the nasal cavity. PreveCeutical's team has taken the approach of a gel that serves as a bioadhesive to the mucosa and remains in the nasal cavity for an extended period. The presence of a enzymes in the nasal cavity can also have an effect on stability of the therapeutic compound. These enzymes do not lead to the extent of degradation in the stomach for orally administered drugs, but modification of the chemical properties of the compound have to explored. Enzyme inhibitors could also help increase stability of the therapeutic ingredient.



The nasal application device can make a significant difference in successful delivery of the drug to the target site in the nasal cavity. PreveCeutical's team has made progress in selecting an application device and has tested application devices with its gel technology. However, the manufacturer has not been officially disclosed. There are several types available, including a bi-directional technology from OptiNose (OPTN: Nasdaq), the proprietary particle dispersion technology of Kurve Technology, or the 'precision olfactory delivery' device originated by Impel Neuropharma.

LINKER TECHNOLOGY



Linker technology is considered to be an important advance in developing innovative therapeutic compounds. These linkers provide a chemical bridge between the therapeutic chemistry and diseased cells. Linkers also help maintain the stability of the compound during the preparation stage, in storage and even during systemic circulation after the drug is administered to a patient.

PreveCeutical Medical has licensed a disulfied linker technology developed at the University of Queensland. The Company's research partner UniQuest has made recent progress with the disulfide linker technology in engineering peptides, a type of protein, that could moderate pain or reduce inflammation. The team reports development of a revised bioresponsive linker synthesis that will make adequate supplies of the linker available for continued work on the project to develop an analgesic peptide.

A linker technology has been instrumental in progress with the Company's planned gene therapy aimed at obesity and diabetes as discussed on page 4. The components of the smart siRNA are so chemically complex a highly bioresponsive linker is important in their development. The Company reports recent progress in developing a new chemical synthesis protocol that will help deliver sufficient quantities of the linker for use in the siRNA gene therapy project.

NON-ADDICTIVE ANALGESICS

The Company is using the disulfide linker technology is to engineer a peptide that can be the foundation of a non-addictive analgesic. Since linkers can help detect protein partners for targets, linker technology is effective in sorting through peptides, a type of protein. Only those peptides with selective binding and high receptor affinity are selected for further study. A bank of lead candidates has been compiled from a larger library of known peptides with previously established relevance in moderating pain and inflammation. The research team has also made recent progress in building a cell-based assay that is being used to evaluate lead peptides. The University of Queensland Animal Ethics Committee has approved the team's application to screen the lead peptide candidates in rat models of pain and inflammation.

The project remains at an early stage, leaving considerable room for uncertainty in its success. Non-addictive analgesics are a compelling objective given the significant health and social problem created by highly addictive opioid pain medications. The CDC estimates the economic burden of opioid misuse is near $79 billion per year.

SCORPION VENOM PEPTIDE PROJECT

PreveCeutical research team continues work on 'nature identical' versions of peptides identified as providing the therapeutic properties of blue scorpion venom. A baker's dozen (13) peptides were synthesized and tested used in the third and most recent step of the blue scorpion venom project. Four out of the thirteen peptides were chosen as being active in inhibiting the target protein responsible for brain cancer. The peptides were compared to chlorotoxin, a peptide from the venom of the 'death stalker' scorpion Leiurus quinquestriatus, which is already known to bind well to glioma cells.

The four finalist peptides will be used in the next phase of the Company's scorpion venom project. The next tests will determine whether the peptides are effective in slowing cancer cell migration from one to another of a two-cell model. The most promising of the four will then be subjected to further scrutiny to determine their ability to find to brain cancer cells.

Tumors of the brain and spinal cord are often difficult to treat. Surgery, radiation therapy and chemotherapy are potential treatments, but are not without debilitating side effects.

BALANCES

Canadian Dollars	12/31/18	3/31/19
Cash	$ 0.06	$ 0.06
Current assets	$ 1.34	$ 1.40
Long-term assets	$ 0.53	$ 0.81
Intangible assets	$ 0.03	$ 0.03
Total assets	$ 1.90	$ 2.23
Accts. Payable	$ 0.54	$ 0.80
Current Liabilities	$ 1.14	$ 1.60
Conv. Debt	$ 3.04	$ 3.36
Deficit	($21.63)	($22.66)
Total Equity	($ 2.29)	($ 3.06)
Shares Outstanding	390.2	396.4
Warrants/Options	200.6	217.7

Dollars, shares and derivatives in millions

Source: Company Reports and Crystal Equity Research Estimates

QUARTER END

PreveCeutical Medical reported CN$2.2 million (US$1.7 million) in total assets at the end of March 2019, compared to CN$1.9 million (US$1.5 million) three months earlier. The increase can be attributed primarily to the addition of a new long-term 'right-of-use' asset. The asset relates to a shared rent and cost agreement signed in November 2018 with Asterion Ltd. Pty by which the two companies will share office space leased by PreveCeutical. Asterion, which has common leadership with PreveCeutical, is reimbursing the Company for costs. A related lease obligation is also now included in liabilities, totaling CN$146,978 (US$111,979) in short-term lease obligations and CN$318,869 (US$242,938) in long-term lease obligation. A new accounting standard related to leases adopted effective January 2019, triggered the balance sheet change.

Total prepaid and deposit balances declined to CN$1.5 million (US$1.1 million) compared to CN$1.6 million (US$1.2 million) three months earlier. These assets relate to advance payments made by the Company to UniQuest for research and development work as well as to third-party suppliers of materials such as cannabis required for certain processes. Prepaid assets and deposits are recognized as work is completed.

OPERATING COMPARISONS

Canadian Dollars

As Reported

	3 Mo 2018	3 Mo 2019
Sales	$ 0.02	$ 0.03
Oper. Loss	($ 1.34)	($ 1.06)
Net Loss	($ 1.42)	($ 1.18)
CFO	($ 0.92)	($ 0.63)
LPS	($0.01)	($0.00)

As Adjusted for Non-cash Charges*

	3 Mo 2018	3 Mo 2019
Sales	$ 0.02	$ 0.03
Oper. Loss	($ 1.09)	($ 0.91)
Net Loss	($ 1.16)	($ 1.03)
CFO	($ 0.92)	($ 0.63)
LPS	($0.01)	($0.00)

Dollars in millions; Fiscal year ends December

**Crystal Equity Research Estimates*

QUARTER RESULTS

Despite writing off the value of inventory on hand, in the quarter ending March 2019, PreveCeutical Medical reported sales of *CellB9* blue scorpion therapy, the Company's single commercial product. Sales totaled CN$3,031 (US$2,309) in the quarter. No current production of *CellB9* is planned until the Company has completed preparation of a nature identical substitute for blue scorpion venom.

Expenses in the quarter totaled CN$1.1 million (US$840,000), compared to CN$1.3 million (US$990,000) in the same quarter in the previous year. Spending on research and development activities represented the single most significant category, reaching CN$696,358 (US$530,538) in the recently reported quarter compared to CN$381,208 (US$290,432) a year ago. The expenses were all related to the Company's four primary development projects underway with joint venture partner UniQuest in Australia.

Attempts at economy could also be observed in first quarter 2019 financial report. Several expense categories revealed deep cuts in spending, including office and general activities, marketing and promotion, travel, meals and vehicle expenses. The Company also reduced share-based compensation.

BALANCES

US Dollars	12/31/18	3/31/19
Cash	$ 0.05	$ 0.05
Current assets	$ 0.99	$ 1.06
Long-term assets	$ 0.40	$ 0.61
Intangible assets	$ 0.02	$ 0.02
Total assets	$ 1.41	$ 1.70
Accts. Payable	$ 0.40	$ 0.61
Current Liabilities	$ 0.85	$ 1.22
Conv. Debt	$ 2.25	$ 2.56
Deficit	($16.01)	($17.22)
Total Equity	($ 1.69)	($ 2.32)
Shares Outstanding	390.2	396.4
Warrants/Options	214.6	214.2

Dollars, shares and derivatives in millions

Source: Company Reports and Crystal Equity Research Estimates

EARNINGS COMPARISONS

US Dollars

As Reported

	3 Mo 2018	3 Mo 2019
Sales	$ 0.01	$ 0.02
Oper. Loss	($ 0.99)	($ 0.80)
Net Loss	($ 1.05)	($ 0.90)
CFO	($ 0.68)	($ 0.48)
LPS	($0.00)	($0.00)

As Adjusted for Non-cash Charges*

	3 Mo 2018	3 Mo 2019
Sales	$ 0.01	$ 0.02
Oper. Loss	($ 0.80)	($ 0.69)
Net Loss	($ 0.86)	($ 0.78)
CFO	($ 0.68)	($ 0.48)
LPS	($0.00)	($0.00)

Dollars in millions; Fiscal year ends December

**Crystal Equity Research Estimates*

CAPITALIZATION

Capital constraint continued for the Company as revealed by limited cash resources and negative working capital at the end of March 2019. The quarter ended with CN$64,893 (US$49,440) in cash, nearly even with the cash kitty three months earlier. Working capital flipped to negative CN$207,445 (US$158,947) compared to positive CN$194,510 (US$148,192) at year end 2018. Current liabilities increased in part due to changes in lease accounting described in the section on Balances on page 8. Accounts payable also increased by 50% to CN$800,530 (US$609,904) at quarter end.

Capital Raises

During the first quarter PreveCeutical raised capital totaling CN$305,000 (US$232,370) through the placement of 6.1 million shares of common stock and warrants. The warrants are exercisable at CN$0.08 per share. Net proceeds from the private placement totaled CN$289,800 (US$220,791). The Company also used common stock to pay for services valued at CN$26,584 (US$20,254).

The Company also raised CN$380,000 (US$289,513) debt. The convertible debt issued included CN$130,000 (US$99,044) through an unsecured credit facility with the Company's former President and CN$250,000 (US$190,469) through another unsecured credit facility jointly with the Company's chief executive officer and its former President. At the end of March 2019, the Company reports these facilities have reached the previously established maximum available credit. Following the quarter close as lenders the CEO and former president agreed to an extension of repayment date to July 31, 2020.

In late May 2019, the Company entered into a new loan agreement with the CEO for CN$300,000 (US$228,563) convertible into common stock at CN$0.06 per share. The loan interest rate is 5.0%. Given recent cash usage rates near CN$650,000 (US$495,219), we estimate that the Company will need to raise additional capital in the near-term.

Dilution

Existing shareholders may have concerns for dilution given recent capital raises. Shares issuances brought total shares outstanding to 396.4 million and warrants to 183 million. There are 31.2 million options outstanding as well and certain debt is convertible into 59.4 million shares. If fully exercised, these derivatives would increase shares outstanding by 69.3%. Importantly, fully exercised warrants and options represent potential for CN$14.4 million (US$11.0 million) in new capital. At the current stock price no derivatives are in-the-money.

MANAGEMENT AND DIRECTORS

In early June 2019, two new directors were appointed to PreveCeutical's board, adding important expertise in finance, management and public company governance to the leadership team.

- **Keith Anderson** is an experienced entrepreneur who is currently a senior officer at Syd Financial, Inc., a mineral explorer in Canada. He was previously an investment advisor with Canaccord Genuity Corp. and has extensive experience as a director and officer of public and early-stage companies. Anderson will serve on the audit, corporate governance and nominating committees of the board.
- The second new director is **Mark Lotz**, a Chartered Professional Accountant and principal of Lotz CPA, Inc., a provider of strategic tax and business planning services. Lotz is also director of several other public companies, including two in the health care and pharmaceutical industries. He serves as an expert witness in securities regulation and litigation. Lotz will serve on the audit, corporate governance and nominating committees of the board of directors.

PreveCeutical Medical is led by **Stephen Van Deventer** as Chief Executive Officer. He is an experienced executive with over twenty-five years work in early stage operations of public and private companies. Van Deventer is also Chairman and Chief Executive Officer of Asterion Pty. Ltd., which plans to grow cannabis and develop cannabis-based products. PreveCeutical and Asterion have recently entered into a joint venture agreement related to cannabis-related therapies.

Shabira Rajan is the Chief Financial Officer. She has over twenty years experienced in accounting and corporate finance for both public and private companies. She was previously the Director of Finance at Canada Line Rapid Transit, Inc.

The Chief Science Officer is **Dr. Mak Jawadekar**, who is responsible for coordinating the Company's research and development effort. He was most recently the Director of Portfolio Management at Pfizer, where he was involved with drug delivery technology assessment. He has a Doctorate in Pharmaceutics from the University of Minnesota.

Dr. Harry Parekh is the Chief Research Officer. He is affiliated with the University of Queensland Pharmacy Australia Centre of Excellence (PACE) where he leads the Drug/Gene Delivery Group. He is responsible for execution of the Company's research and development program, including coordinating work undertaken by affiliate research groups.

Paget Hargreaves as Director and Secretary of PreveCeutical Australia Pty. Ltd. Hargreaves is also a senior officer of Asterion Pty. Ltd., with which the Company has entered into a joint venture agreement for development of cannabinoid-based products.

CAPITALIZATION

Recent Price:	$0.04
Shares Out:	396.4 M
Market Capital:	$15.86M
+ Preferred Stock	-0- M
+ Debt	3.13 M
- Cash	0.06 M
Enterprise Value:	$18.93 M
Deficit:	($17.22) M
Working Capital:	($ 0.16) M

Balances as of 3/31/19

All figures in US Dollars

Source: Company Reports and Crystal Equity Research Estimates

OWNERSHIP

	Common Stock (in Millions)
Insiders:	
S. Van Deventer, CEO	86.5*
S. Rajan, CFO	-0-
M. Jawadekar, CSO	-0-
H. Parekh, CRD	-0-
N. Coltura, Dir.	-0-
K. Anderson, Dir.	-0-
M. Lotz, Dir.	-0-
Total Insiders**	86.5
As % of Shares Outstanding	21.8%
5% Holders	-0-

**Includes 45.7 million shares held by Cornerstone Global Partners, of which S. Van Deventer is a principal*

***Insiders hold warrants and options for an additional 9.1 million shares*

Source: Company Reports and Crystal Equity Research estimates

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