FOR IMMEDIATE RELEASE

News Release **December 19, 2018**

PreveCeutical Provides Year End Corporate Update

Vancouver, British Columbia: PreveCeutical Medical Inc. (the "Company" or "PreveCeutical") (CSE: PREV, OTCQB: PRVCF, FSE: 18H), is pleased to provide an update on the Company's progress in its ongoing corporate initiatives.

PreveCeutical has achieved several notable milestones this year and continues to execute its strategy to become a global preventive healthcare company. These milestones include: signing a letter of intent with Crushedit LLC ("Crushedit") in respect of a $16.25 million cannabidiol ("CBD") isolate supply agreement; entering into a natural health product licensing agreement (the "Licensing Agreement") with Asterion Cannabis Inc. ("Asterion"); launching a medicinal cannabis division (the "Cannabis Division"); completing a $6.5 million financing; and expanded its Australian operations.

The Company has reached its 2018 research targets for its scorpion venom-derived peptide program (the "Peptide Program") and the soluble gel ("Sol-gel") drug delivery platform program (the "Sol-gel Program") and completed a workshop in Australia to advance its dual gene therapy research and development program (the "Dual Gene Therapy Program").

Letters of Intent

In November, the Company announced that it had entered into a letter of intent (the "Crushedit LOI") with Crushedit, whereby PreveCeutical's Cannabis Division would supply Crushedit with a minimum of 2,500 kilograms of CBD isolate over a 12-month period at a purchase price of CAD $6,500.00 per kilogram, for aggregate proceeds of at least CAD $16,250,000.

The Company also announces that its letter of intent with the Penta 5 Group (see news release dated October 3, 2018) has expired. During its due diligence of the Penta 5 Group, the Company became aware of unexpected complexities regarding the structure of the group that made the proposed share purchase transaction unfeasible. The Company and the Penta 5 Group are in negotiations regarding possible alternative transaction structures involving the purchase or joint ventures of individual products. The Company continues to seek other revenue streams.

Licensing Agreement with Asterion

On August 14, 2018, Asterion granted PreveCeutical a worldwide licence to use, manufacture, distribute and sell three Health Canada approved natural health products (the "Natural Health Products"). The Natural Health Products consist of three natural sleep aids - "Blissful Sleep", "Blissful Sleep Ex" and "Skullcap Serenity". The ingredients in these Natural Health Products

have traditionally been used in herbal medicine to aid sleep and relieve anxiety and pain. All of the Natural Health Products have undergone thorough testing and meet or exceed the requirements of the European Pharmacopoeia and Health Canada. The Company plans to begin manufacturing the Natural Health Products and selling them in retail pharmacies, health-conscious stores as well as on the Company's website.

Cannabis Division

The Cannabis Division is responsible for bringing medicinal cannabis-based products (the "Medicinal Cannabis Products") developed by the Company to market and overseeing the Company's Sol-gel Program and its resultant formulations. Through the sale of the Medicinal Cannabis Products, the Company aims to help consumers address a number of ailments, including chronic pain, epilepsy, anxiety disorders and more. Moving forward, the Cannabis Division will seek out additional cannabis products and technologies for the Company to commercialise, ranging from transdermal patches and topical creams to capsules and novel methods of administering the medicinal cannabis.

Financing

On June 29, 2018, the Company closed a non-brokered private placement of 130,799,750 units (the "Units") at a price of $0.05 per Unit for gross proceeds of $6,539,988. The proceeds will be used to fund the Company's research and development programs and for general working capital purposes.

Australian Operations

Expanded Operations and Aurora Cannabis Inc. Shipments

The Company expanded its operations and incorporated an Australian subsidiary, PreveCeutical (Australia) Pty Ltd. The decision to expand its Australian operations was influenced by Australia's strong foundation of academic and clinical research, as well as the Australian research and development tax incentives.

The Company conducts its research and development programs in Australia, and after successfully applying for and receiving the necessary permits, PreveCeutical arranged for two deliveries of medicinal cannabis from Canada by Aurora to the Pharmacy Australia Centre of Excellence at the University of Queensland for use in the Sol-gel Program.

The Sol-Gel Program

By applying the Sol-gel technology to cannabis, the Company intends to develop therapies for relief from a range of symptoms, including pain, inflammation, anxiety, seizures and neurological disorders. The advantages of Sol-gels over conventional liquid nasal sprays include: longer therapeutic effects, reduced dosage requirements and reduced negative side effects, such as irritation.

This year the Sol-gel Program included the preparation of Sol-gel formulations containing fixed CBD:THC concentrations, which, when sprayed using the Company's custom applicator, will be able to safely and consistently deliver CBD:THC to the central nervous system in predefined ratios. This will enable the development of Medicinal Cannabis Products tailored for a broad range of ailments and diseases; optimising the conditions for extracting cannabinoids from the five cannabis

strains provided by the Company's licensed producer (LP) partner, Aurora; and developing the Company's custom Sol-gel applicator.

In September and November, the Company optimised a proprietary extraction protocol, developed an optimised protocol to convert phytocannabinoids from all five of the Company's cannabis strains from their acid to neutral forms, and announced encouraging results from its Sol-gel applicator trials for achieving direct nose-to-brain delivery in an adult human nasal cast.

Traditional liquid nasal sprays are not retained in the nasal cavity for any appreciable time, and are only capable of generating random spray and deposition. In contrast, the Company's Sol-gel Applicator generates a precise spray profile that directs the Sol-gel formulation high into the upper nasal cavity where it remains following rapid gelation. This is an important development, as the region targeted by the Sol-gel is adjacent to the olfactory epithelium which serves as a direct passage for molecules into the brain.

Dual Gene Therapy Research Program

In October, PreveCeutical's research team at the University of Queensland, held a two-day intensive workshop (the "Workshop"), which brought together leading scientific teams from the QIMR Berghofer Medical Research Institute in Brisbane and Murdoch University in Perth (the "Teams") to collaborate on PreveCeutical's Dual Gene Therapy Program, which is intended to address the increasing prevalence of obesity and diabetes using smart siRNA and tissue targeted bio-responsive delivery systems.

The primary objectives of the Workshop were to share key data derived to-date from gene engineering, delivery system design and synthesis and their evaluation in cellular models of diabetes and obesity. The Teams assessed and resolved potential assay bottlenecks, paving the way for high throughput screening of smart siRNA candidate libraries, which is anticipated to expedite the Program's progress.

During the Workshop, the Teams created a 10 to 12 month plan aimed at successfully concluding the current phase of the Dual Gene Therapy Program by demonstrating proof-of-concept in the delivery of smart siRNAs and effective in-cell modulation of a key biomarker implicated in diabetes and obesity.

Once the current phase of the Dual Gene Therapy Program is complete, it will move to the final phase where the safety and efficacy of the primary smart siRNA-delivery system constructs will be evaluated in preclinical models of diabetes and obesity.

The Peptide Program

Phase 1 of the Peptide Program yielded promising results, as PreveCeutical's research team identified eight peptide candidates for the Company's future Nature Identical™ peptide therapeutics, which are intended to treat, regulate and prevent cancer progression.

Phase 2 of the Peptide Program is now underway, as the Company works to re-design the peptides, with the goal of enhancing their biostability, while maintaining their potency during screening against well-characterised and defined targets associated with brain cancer. In Phase 3, the Company will begin to screen the peptides in cell-based cancer models.

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).

PreveCeutical sells CELLB9®, an Immune System Booster. CELLB9® is an oral solution containing polarized and potentiated essential minerals extracted from a novel peptide obtained from Caribbean Blue Scorpion venom. This product is available on the Company's website.

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

On Behalf of the Board of Directors

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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 ability of the Company to enter into a definitive supply agreement with Crushedit and to supply CBD isolate thereunder, manufacture and sell the Natural Health Products and to develop and bring its Medicinal Cannabis Products to market; the efficacy of the Company's products, generally, matters related to the Company's current and planned research and development programs, including, the Sol-Gel Program, the Dual Gene Therapy Program and the Peptide Program; the Company's use of the proceeds of the Financing; the Company's anticipated business plans; and its prospect of success in executing its proposed plans. Often, but not always, forward-looking statements can be identified by words such as "plans", "expects", "may", "intends", "anticipates", "believes", "proposes" 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 the Company, including expected results from research and development activities and that the Company will be able to obtain the financing required to carry out its planned future activities, retain and attract qualified research personnel and obtain and/or maintain the necessary intellectual property rights it needs to carry out its future business activities. Actual results could also differ from those projected in any forward-looking statements due to numerous factors including, risks and uncertainties relating to, complexities and delays in connection with research and development activities and the actual results of research and development activities; and the inability of the Company to, among other things, manufacture the Natural Health Products and supply the CBD isolate, obtain any required governmental, regulatory or stock exchange approvals, permits, consents or authorizations required, including Canadian Securities Exchange acceptance of any

planned future activities, commercialise therapeutic and diagnostic technologies, execute its proposed business plans, pursue business partnerships, complete its research and product development programs as planned and obtain the financing required to carry out its 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 may also adversely affect the future results or performance of the Company. These forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no 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 the Company believes 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 the Company from time-to-time. These reports and the Company'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.