

BRIDGEMARK GROUP CASH-SWAP SECURITIES LITIGATION
NOTICE OF
PREVECUTICAL MEDICAL INC.
SETTLEMENT CLAIMS PROCESS

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

To be entitled to compensation under the settlement, you must file a claim at
www.prevsecuritieslitigation.com **before August 15, 2025.**

Who this Notice is For

This notice is for everyone who acquired securities of PreveCeutical Medical Inc. (CSE: PREV) (OTCQB: PRVCF) (FSE:18H) - CUSIP: 74141E (“**PreveCeutical**”) from and including April 9, 2018, to and including November 26, 2018 (the “**PreveCeutical Class Members**”).

What the Action is About

On July 11, 2019, an action styled *TIETZ V BRIDGEMARK FINANCIAL CORP., ET AL.*, Action No. S-197731, was commenced in the Supreme Court of British Columbia (Vancouver) (“**Court**” and “**Action**”) against various defendants, including PreveCeutical and certain of its current and former executive officers (“**Insiders**”).

The Action arose from private placements in ten public companies, including PreveCeutical, between February and August 2018. It alleges that the private placements were part of a fraudulent investment scheme and that the companies entered into consulting agreements with the subscribers to the private placements and their designated associates as a condition of the subscribers’ participation in the private placements.

It is alleged that these agreements required the payments of lump sum consulting fees, which were paid by the companies contemporaneously with the closing of the private placements (the cash swaps) and provided justification for the companies to issue free trading shares to the subscribers as consultants under a prospectus exemption. It is alleged that the subscribers quickly sold most of their shares into the market at prices substantially below the price they had purportedly paid to acquire the private placement shares and below the prevailing market

prices for the companies’ shares. It is alleged that the sales at discount-to-market prices nonetheless resulted in a substantial profit to the subscribers, considering the cash swap.

The Action also alleges that, as part of this scheme, the companies involved made misrepresentations to the market in the disclosure documents they released about the private placements. It is alleged that the companies carrying out the private placements represented the private placements were prospectus-exempt cash for securities distributions under which the companies raised significant financing when, in fact, the actual substance of the private placements left each company with cash proceeds from its private placement that were substantially less than the amount the company represented to the public it had received.

The Claims Against PreveCeutical Medical Inc.

Concerning PreveCeutical, it is alleged that, among other things, in June 2018, PreveCeutical announced that it had raised a total of approximately \$6.5 million through a private placement when, in fact, PreveCeutical retained only roughly \$3.7 million of this amount, returning approximately \$2.8 million through prepaid consulting fees to certain private placement subscribers, a group of purported consultants who provided no consulting services.

It is alleged that, between April 9, 2018 and November 26, 2018 (the “**PreveCeutical Class Period**”), PreveCeutical released certain materially misleading disclosure documents regarding the true substance and effects of the private placement. The Plaintiffs allege this resulted in damage to PreveCeutical Class Members.

Exposure of the Scheme

The Action alleges the scheme was exposed, and the alleged misrepresentations were publicly corrected on November 26, 2018, when, among other things, the Executive Director of the B.C. Securities Commission published a news release announcing an ongoing investigation into the private placements.

The claims pursued against PreveCeutical and the Insiders included damages for losses allegedly attributable to their alleged acts and omissions in furtherance of the scheme and due to PreveCeutical's alleged misleading disclosures. The Plaintiffs claimed PreveCeutical and the Insiders were liable for those losses.

PreveCeutical Settlement

On November 18, 2021, the Plaintiffs entered a settlement with PreveCeutical and the Insiders to entirely resolve the allegations made against them in the Action ("**PreveCeutical Settlement**" and "**PreveCeutical Settling Defendants**").

The PreveCeutical Settlement provides for settlement funds of CDN \$350,000 ("**PreveCeutical Settlement Fund**") plus the assignment to the Plaintiffs of BCSC Action No. S 1813498, in which PreveCeutical sues certain defendants in the Action, alleging that PreveCeutical was the victim of fraud, conspiracy, breach of contract, and other wrongs by those Defendants for the same transactions involving PreveCeutical that are the subject of the claims asserted in the Action.

The PreveCeutical Settlement also provides that the PreveCeutical Settling Defendants will cooperate with the Plaintiffs in prosecuting the Action against non-settling defendants and the unnamed consultants referred to in the Action.

The PreveCeutical Settlement compromises disputed claims and does not admit liability, wrongdoing, or fault on the part of the PreveCeutical Settling Defendants, each of whom has denied and continues to deny the allegations against them in the Action.

Class Certification to give effect to Settlement

On April 4, 2022, the Court certified the Action as a class proceeding against the PreveCeutical Settling Defendants solely for settlement purposes. Certification against the PreveCeutical Settling Defendants was obtained with their consent and without prejudice to non-settling defendants' rights.

In granting certification against the PreveCeutical Settling Defendants, the Court certified a class of

everyone who purchased PreveCeutical shares during the PreveCeutical Class Period and in the following Issuers in the following periods (collectively, the "**Class**");

- Kootenay Zinc Corp., between January 30, 2018 and November 26, 2018;
- Affinor Growers Inc., between March 5, 2018 and November 26, 2018;
- Green 2 Blue Energy Corp., between April 12, 2018 and November 26, 2018;
- Beleave Inc. between April 24, 2018 and November 26, 2018;
- Citation Growth Corp., between May 17, 2018 and November 26, 2018;
- Cryptobloc Technologies Corp., between May 18, 2018 and November 26, 2018;
- BLOK Technologies Inc., between June 1, 2018 and November 26, 2018;
- Speakeasy Cannabis Club Ltd., between June 29, 2018 and November 26, 2018; and
- KOPR Point Ventures Inc. between July 25, 2018 and November 26, 2018.

The Class was certified for settlement purposes to include persons who purchased shares in the defendant issuers other than PreveCeutical because the PreveCeutical Settlement settled those persons' claims in conspiracy against PreveCeutical.

Approval of the PreveCeutical Settlement

At the same time as the Court certified the Action against the PreveCeutical Settling Defendants, the PreveCeutical Settlement was approved as fair, reasonable and in the best interests of the Class.

PreveCeutical Class Members continue to have claims against non-settling defendants. This includes defendants who participated in PreveCeutical's April 2018 private placement at issue in the Action, those involved in the subsequent sale of PreveCeutical's private placement shares, and other defendants who entered or arranged the consulting agreements with PreveCeutical as part of its April 2018 private placement transaction.

Settlement Administration Plan

The manner of administering the PreveCeutical Settlement and distributing the PreveCeutical Settlement Fund to PreveCeutical Class Members (the "**PreveCeutical Settlement Administration**")

Plan”) was approved by the B.C. Court on February 20, 2025.

The PreveCeutical Settlement Administration Plan only provides cash compensation to PreveCeutical Class Members.

The PreveCeutical Settlement Administration Plan provides that the PreveCeutical Settlement Fund, net of costs of administration, Class Counsel’s fees, disbursements, and applicable taxes, will be distributed *pro rata* to Authorized Claimants based on their Notional Entitlements (the terms Authorized Claimant and Notional Entitlement are defined in the PreveCeutical Settlement Administration Plan).

The PreveCeutical Settlement Administration Plan provides that Notional Entitlements of Authorized Claimants will be the difference between their acquisition cost and either their actual disposition proceeds or a deemed disposition at a price established by reference to the trading price of PreveCeutical shares on the CSE during the ten trading days following the end of the Class Period.

PreveCeutical Class Members are encouraged to review the PreveCeutical Settlement Administration Plan at www.bridgemarkclassaction.com.

Depending on the total number and value of claims made in the PreveCeutical Settlement Administration, PreveCeutical Class Members may also be entitled to claim under settlements with other defendants. As such, PreveCeutical Class Members should not assume the PreveCeutical Settlement Fund will be the only fund available for distribution to them. They should periodically check the above website for further opportunities to make claims.

Copies of Important Documents

Copies of select Court documents, including the Court’s Orders, the Settlement Agreement, and the PreveCeutical Settlement Administration Plan, may be found on the websites www.prevsecuritieslitigation.com and www.bridgemarkclassaction.com.

How to Make a Claim

To be entitled to compensation under the PreveCeutical Settlement, you must file a claim at www.prevsecuritieslitigation.com before August 15, 2025.

Excluding Yourself from the PreveCeutical Settlement and the Action

Under the PreveCeutical Settlement Administration

Plan, PreveCeutical Class Members who do not wish to participate in the PreveCeutical Settlement and the Action may exclude themselves by “opting out” by August 15, 2025.

If you opt-out, you cannot get any money from the PreveCeutical Settlement or other benefits from the Action that you may be entitled to.

For your opt-out to be valid, it must: (1) contain a statement of intention to opt out of the Settlement and Action by you or a person authorized to bind you; (2) state the number of PreveCeutical shares that you held at the close of trade on April 6, 2018; (3) state the number of PreveCeutical shares bought and sold between April 9, 2018 and November 26, 2018; (4) state the number of PreveCeutical shares sold after November 26, 2018 and up to the date of the request to opt out; (5) contain your name, address, telephone number and email address; and (6) contain such other information as the Court may require. If requested, providing supporting documents to evidence your share transactions may also be necessary.

Under the PreveCeutical Settlement Administration Plan, other Class members are not entitled to opt out of the PreveCeutical Settlement and the Action at this time and will be bound by the terms of the PreveCeutical Settlement.

If you opt out, you will no longer be part of the Action against any Defendants and will not be entitled to participate in any future recovery.

Publication of this notice was authorized by the Supreme Court of British Columbia

PLEASE DO NOT CONTACT THE COURT WITH
INQUIRIES ABOUT THE ACTION OR THE
SETTLEMENT.

All inquiries should be directed to Class Counsel at pb@hbmlaw.com.