Nova Leap Health Corp. Closes Brokered and Non-Brokered Private Placements For $1.71 million

written by Raj Shah | February 24, 2018

February 23, 2018 (Source) – NOVA LEAP HEALTH CORP. (TSXV:NLH) ("Nova Leap" or the "Company"), a company focused on the home health care industry, closes its previously announced brokered private placement for gross proceeds of $1,461,250 by the sale of units of the Company at a price of $0.25 per unit (the "**BrokeredOffering**"). In addition, the Company closed a non-brokered private placement for gross proceeds of $250,000 by the sale of units on the same terms as the Brokered Offering. The Brokered Offering was brokered by a syndicate of agents led by Haywood Securities Inc. and including Gravitas Securities Inc. ("**Agents**"). The proceeds from the private placements will be used to partially fund the acquisition of a home care business located in the Northeastern United States as announced on January 9, 2018 and for working capital and general corporate purposes.

Each Unit issued pursuant to the private placements consisted of one common share in the capital of the Company (a "**Common Share**") and one half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one additional Common Share at a price of $0.375 for a period of 24 months from the closing date of the

Offering. The Common Shares and Warrants are subject to a 4 month hold period. Certain insiders of the Company subscribed for an aggregate of 2,250,000 Units. The Company's material change report in relation to the insiders' participation in the Offering will not have been filed at least 21 days before the closing of the Offering as their participation was not known at that time.

The Company paid the Agents: 1) a cash commission of $81,200 which was equal to 8.0% of the gross proceeds of the Brokered Offering, except in respect of any subscriptions by purchasers for the Brokered Offering on the President's List, which had a cash commission equal to 2.0% of such gross proceeds; 2) 324,800 broker warrants equal to 8.0% of the Units sold to purchasers not listed on the President's List and 2.0% of the number of Units sold to purchasers listed on the President's List; and 3) a corporate finance fee payable to Haywood Securities Inc. of $40,000, of which $20,000 was paid in cash, and $20,000 was paid through the issuance of 80,000 Common Shares at a deemed price of $0.25 per Common Share. Each broker warrant is exercisable for one Common Share at a price of $0.25 for a period of 24 months following the closing date of the Offering. No finders' fees were paid in respect of the non-brokered private placement.

This press release does not constitute an offer to sell or solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Nova Leap

The Home Care Providers industry is becoming one of the fastest growing healthcare industries in Canada and the United States. Home care saves patients billions of dollars every year by treating them in their own homes instead of in hospitals. An aging population, the prevalence of chronic disease, growing physician acceptance of home care, medical advancements and a movement toward cost-efficient treatment options from public and private payers have all fostered industry growth. Nova Leap is focused on a highly fragmented market of small privately-held companies providing patients one on one care in their homes. Nova Leap's post acquisition organic growth strategy is to increase annual revenue per location through a combination of increased employee investment, including training, focused sales and marketing efforts, billing rate increases, expansion of geographical coverage, and improved referral sources.

FORWARD LOOKING INFORMATION:

Certain information in this press release may contain forward-looking statements. This information, including the anticipated use of the proceeds from the Offering, is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

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