Nova Leap Health Corp. Closes Second and Final Tranche of Oversubscribed Non-Brokered Private Placement

written by Raj Shah | January 18, 2020

January 17, 2020 (Source) – NOVA LEAP HEALTH CORP. (TSXV: NLH) ("Nova Leap" or the "Company"), a 2019 TSX Venture 50™ ranked company focused on the home health care industry, closed the second and final tranche of its non-brokered private placement, previously announced on December 5, 2019, December 20, 2019 and January 14, 2020 (the "Offering"), through the issuance of unsecured subordinated convertible debentures (the "Debentures") for gross proceeds of $756,000 on January 16, 2020. The aggregate gross proceeds raised in the first and second tranche of the Offering were $3,094,000.

The Debentures will mature five (5) years after the issue date (the "Maturity Date") and will accrue interest at the rate of 8.0% per annum, payable semi-annually. At the holders' option, the Debentures may be converted into common shares of Nova Leap at any time and from time to time, up to the Maturity Date, at a conversion price of CAD$0.52 per common share (the "Conversion Price"). At any time after the date that is one year following the issue date of the Debentures, the Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than 30 days' notice if the daily volume weighted average trading price of the

common shares is greater than CAD$0.78 for any 20 consecutive trading days.

An insider of the Company subscribed for an aggregate of $150,000 principal amount of Debentures in the final tranche. The Company's material change report in relation to the insider's participation in the Offering will not have been filed at least 21 days before the closing of the Offering as the insider's participation was not known at that time. The Company paid a cash commission of $32,460 which was equal to 6.0% of the gross proceeds of the second tranche of the Offering raised through certain brokers. The Debentures and any common shares issued thereunder are subject to a statutory hold period lasting four months and one day following the issue date of the Debentures.

The proceeds from the Offering will be used for acquisition, expansion, working capital and general corporate purposes.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Nova Leap

Nova Leap is an acquisitive home health care services company operating in one of the fastest growing industries in the U.S. & Canada. The Company performs a vital role within the continuum of care with an individual and family centered focus, particularly those requiring dementia care. Nova Leap achieved

the #10 Ranking in the 2019 TSX Venture 50™ in the Clean Technology & Life Sciences sector. The Company is geographically diversified with operations in 5 different U.S. states: Vermont, New Hampshire, Massachusetts, Rhode Island and Oklahoma as well as Nova Scotia, Canada.

FORWARD LOOKING INFORMATION:

Certain information in this press release may contain forward-looking statements, such as statements regarding the use of the proceeds of the Offering. This information 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. Risks that could cause results to differ from those stated in the forward-looking statements in this release include regulatory changes affecting the home care industry, unexpected increases in operating costs and competition from other service providers. All forward-looking statements, including any financial outlook or future-oriented financial information, contained in this press release are made as of the date of this release and included for the purpose of providing information about management's current expectations and plans relating to the future. 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.

CAUTIONARY STATEMENT:

Neither TSX Venture Exchange nor its Regulation Services

Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.