Nova Leap Health Corp. Closes Second Tranche of Brokered and Non-Brokered Private Placements

written by Raj Shah | October 25, 2018

October 25, 2018 (Source) – NOVA LEAP HEALTH CORP. (TSXV: NLH) ("Nova Leap" or "the Company"), a company focused on the home health care industry, closed the second tranche of its previously announced brokered private placement for gross proceeds of $506,049 by the sale of 1,445,855 common shares of the Company ("**Common Shares**") at a price of $0.35 per Common Share (the "**Brokered Offering**"). The Brokered Offering was brokered on a "best efforts" basis by a syndicate of agents co-led by Haywood Securities Inc. and Gravitas Securities Inc. ("**Agents**"). In addition, the Company closed a non-brokered private placement for gross proceeds of $26,250 by the sale of 75,000 Common Shares on the same terms as the Brokered Offering (together with the Brokered Offering, the "**Offering**"). The aggregate gross proceeds raised in the first and second tranches of the brokered and non-brokered private placements was $2.12 million.

The Common Shares issued pursuant to the Offering are subject to a 4 month hold period. An insider of the Company subscribed for an aggregate of 75,000 Common Shares. The Company's material change report in relation to the insider's participation in the second tranche of the Offering will not have been filed at least 21 days before the closing of the Offering as participation was not known at that time.

The Company paid the Agents: 1) a cash commission of $16,484

which was equal to 8.0% of the gross proceeds of the Brokered Offering, except in respect of subscriptions by purchasers on the president's list, which had a cash commission equal to 2.0% of such gross proceeds; 2) 47,097 agents' warrants equal to 8.0% of the Common Shares sold to purchasers in the Brokered Offering not listed on the president's list and 2.0% of the number of Common Shares sold to purchasers listed on the president's list; and 3) an additional fee comprised of approximately $2,900 in cash and 8,300 in agents' warrants. Each agents' warrant is exercisable for one Common Share at a price of $0.35 for a period of 24 months from the closing of the second tranche of the Brokered Offering.

The Company completed the first tranche of the Offering on September 28, 2018. The proceeds from the first tranche of the Offering were used to acquire a Massachusetts home care business as announced on October 1, 2018. The proceeds from the second tranche of the Offering will be used for working capital and general corporate purposes.

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, such as statements regarding the anticipated use of the proceeds from the second tranche of the Offering. This information is based on current expectations and assumptions, including assumptions concerning economic and market conditions, 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.

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