



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound July 2017 Monthly News Reports and is published on our Website.

## PREVECEUTICAL MEDICAL INC

Company Website: [www.preveceutical.com](http://www.preveceutical.com)

**History:** Incorporated in British Columbia, Canada on Oct. 2, 2015 as Carrara Exploration Corp. Present name adopted on July 14, 2017.

On June 21, 2017, Carrara Exploration Corp. ("Carrara") acquired all of the issued and outstanding of PreveCeutical Medical Inc. (Co.) in exchange for Carrara's common shares on a one-for-one basis. The transaction is accounted for as a reverse take over by Co.

**Business Summary:** Preveceutical Medical is engaged in the business of licensing, branding and marketing of nutraceutical and wellness products. Co. has one product available for sale, the CELLB9™ immune-system booster. CELLB9™ is an oral solution containing polarized and potentiated essential minerals extracted from a novel peptide, obtained from blue scorpion serum. The active potentiated ingredients in the blue scorpion serum appear to support health at a deep cellular level, having been used for many years and in over 40 countries. The solution is colorless and odorless and can be administered orally. CELLB9™ is produced by Samson Pharmaceuticals Inc., in its FDA approved facility in the U.S.

**Property:** Co. maintains its principal executive offices in Vancouver, British Columbia.

### Officers

Stephen Van Deventer, Chairman; Chief Executive Officer  
 Kimberly Van Deventer, President  
 Shabira Rajan, CPA, CGA, Chief Financial Officer; Contoller  
 Brian Harris, Vice President - Corporate Development  
 Harry Parekh, Ph.D., Chief Research Officer  
 Mak Jawadekar, Ph.D., Chief Scientific Officer  
 Nicole Goncalves-Krynsinski, Esquire, Chief Legal Officer

### Directors

Stephen Van Deventer, Chairman; Director  
 Matt Coltura, Director  
 Greg S. Reid, Director  
 Kimberly Van Deventer, Director  
 Brian Harris, Director

**Auditors:** Buckley Dodds Parker LLP

**Shareholder Relations:** Deanna Kress, Director of Communications & Investor Relations **Tel:** 604-416-7777 ext. 6288

**No. of Stockholders:** July 4, 2017, 296

**No. of Employees:** July 4, 2017, 7

**Address:** 1177 West Hastings Street Suite 2200, Vancouver, British Columbia V6E 2K3, Canada

**Tel:** 778 945-6239

**Fax:** 778 945-6290

**Web:** [www.preveceutical.com](http://www.preveceutical.com)

**Email:** [info@preveceutical.com](mailto:info@preveceutical.com)

### Consolidated Income Statement, Years Ended Dec. 31 (Can\$):

	2016	2015 (revised)
Revenues	31,054	...
Sales discount	(13,390)	...
Purchases	(13,296)	...

Freight in & duty	(5,115)	...
Royalties	(1,001)	...
Merchant service fees	(320)	...
Total cost of sales	(33,122)	...
Gross profit (loss)	(2,068)	...
Salaries & wages expenses	(1,588,626)	(81,600)
Consulting fees	(406,849)	...
Travel expenses	(154,254)	(17,319)
Accounting fees	(137,114)	...
Advertising & promotion expenses	(70,920)	(6,892)
Meals & entertainment expenses	(61,704)	(3,933)
Office expenses	(42,676)	(9,522)
Sub-contracts expenses	(40,241)	...
Legal fees	(40,059)	...
Professional fees	(39,169)	(2,375)
Meetings & conventions expenses	(36,367)	...
Inventory management expenses	(24,171)	...
Interest & bank charges	(22,798)	(284)
Memberships expenses	(17,217)	...
Utilities expenses	(14,803)	...
Vehicle expenses	(14,102)	(229)
Website expenses	(7,021)	...
Repairs & maintenance expenses	(3,607)	...
Business taxes & licences expenses	(783)	(352)
Amortization	(481)	...
Equipment rentals expenses	...	(500)
Total operating expenses	(2,722,962)	(123,006)
Profit (loss) from operations	(2,725,030)	(123,006)
Income (loss) from impairment	(2,727,217)	(123,006)
Impairment	(400,000)	...
Net profit (loss)	3,127,217	(123,006)
EBITA	(2,701,751)	(122,721)
Weighted average ordinary shares outstanding - basic	12,694,398	5,402,930
Year end shares outstanding	14,662,136	5,666,667
Net earnings (loss) per share - basic	Can\$(0.21)	Can\$(0.02)
Total number of employees	7	...
Number of common stockholders	296	...

Global Partners Inc.; <sup>□</sup> As of July 4, 2017

### Consolidated Balance Sheet, Years Ended Dec. 31 (Can\$):

	2016	2015 (revised)
<b>Assets:</b>		
Accounts receivable	897	...
Inventory	59,861	...
Loan receivable	...	7,000
Goods & service tax recoverable	27,603	619
Prepaid expenses	396	24,846
Security/tender deposits	16,256	1,837
Share subscription receivable	99,500	100,200
Total current assets	204,513	134,502
Equipment, gross	3,151	...
Accumulated amortization	(481)	...
Equipment	2,670	...
Total assets	207,183	134,502
<b>Liabilities:</b>		
Bank indebtedness	47,036	16,208
Consultants	69,376	...
Employee expenses	8,583	...
Other payables	57,661	...
Accrued liabilities	53,946	...
Accounts payable & accrued liabilities	189,565	...
Callable debt	73,227	...
Convertible debt	11,293	...
Payroll taxes payable	182,123	...
Bonus payable	...	81,000
Total current liabilities	503,244	97,208
Equity portion of convertible debt	3,232	...
Share capital	2,950,930	101,200
Retained earnings (accumulated deficit)	(3,250,223)	(123,006)
Other equity instruments	...	59,100
Total shareholder's equity (deficiency)	(296,061)	37,294
Total liabilities & shareholder's equity	207,183	134,502

<sup>□</sup> Reclassified to conform with 2016 presentation; <sup>□</sup> As reported by the Company

### Auditor's Report:

The following is an excerpt from the Report of the Independent Auditors, Buckley Dodds Parker LLP, as it appeared in Co.'s Dec. 31, 2016 Annual Report:

#### "Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates that at December 31, 2016, the Company has an accumulated deficit of C\$3,250,223, a working capital deficit of C\$398, 231 and incurred a net loss of C\$3,127,217. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cause significant doubt upon the Company's ability to continue as a going concern.

<sup>□</sup> For 2 months; <sup>□</sup> Reclassified to conform with 2016 presentation; <sup>□</sup> As reported by the Company; <sup>□</sup> Adjusted for 1-for-3 stock split, July 14, 2017; <sup>□</sup> Shares increased due to issuance of shares in exchange for the exclusive right and license of Cornerstone

Other Matter			<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>			Current Assets	
Without qualifying our opinion, we draw your attention to Note 23 of the restated and amended financial statements, which indicates the Company amended the issue price of common shares that were issued on October 10, 2015."			Current Liabilities			Cash .....	1,451,711
<b>NOTE:</b> Above results are those of PreveCeutical Medical, Inc. before the merger with Carrara Exploration Corp., effective June 21, 2017.			Accounts payable & accrued liabilities ..	10,439	-	Accounts receivable .....	897
<b>NOTE:</b> Effective June 21, 2017, Carrara Exploration Corp. merged with PreveCeutical Medical, Inc. with PreveCeutical being the surviving entity in the reverse acquisition.			Share capital .....	189,900	900	GST receivable .....	40,700
<b>NOTE:</b> The following results are those of Carrara Exploration Corp. for the year ended Dec. 31, 2016.			Shares subscriptions	-	90,000	Inventory .....	59,861
<b>NOTE:</b> Pro forma results for Carrara Exploration Corp. in concurrence with its merger with PreveCeutical Medical, Inc. follow the results of PreveCeutical.			Contributed surplus	62,700	51,300	Prepays & deposits .....	16,652
<b>Carrara Exploration Corp.</b>			Deficit .....	(140,085)	(62,451)	Total current assets .....	1,569,821
<b>Income Statement, years ended July 31 (C\$):</b>			Total shareholders' equity .....	112,515	79,749	Capital assets .....	2,670
	2016	2015	Total liabilities & shareholders' equity	122,954	79,749	Total assets .....	1,572,491
						<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	
			<b>Pro-Forma Income Statement, year ended Dec. 31, 2016 (C\$):</b>			Current Liabilities	
Consulting .....	1,250	2,400	Revenue .....	31,054	2016	Accounts payable & accrued liabilities .....	287,243
Management fees ..	40,000	-	Cost of goods .....	33,122		Callable debt .....	73,227
Office & miscellaneous .....	12,314	1,439	Gross profit .....	(2,068)		Convertible debt .....	11,293
Professional fees ...	4,670	7,312	Advertising & promotion .....	79,215		Government remittances payable .....	182,123
Rent .....	8,000	-	Professional & management fees .....	342,152		Total current liabilities .....	553,886
Share-based payments .....	11,400	51,300	Consulting .....	475,590		Equity portion of convertible debt .....	3,232
Net loss .....	(77,634)	(62,451)	General & administrative expenses .....	371,124		Share capital .....	6,424,881
Loss per share - basic & diluted .....	(0.02)	(0.02)	Rent & utilities .....	43,762		Deficit .....	(5,409,508)
Weighted average number of common shares outstanding - basic & diluted .....	3,453,288	2,700,000	Salaries & wages .....	401,651		Total shareholders' equity .....	1,018,605
Year-end number of common shares outstanding .....	8,700,000	2,700,000	Stock-based compensation ...	1,233,891		Total liabilities & shareholders' equity .....	1,572,491
			Amortization .....	481		<b>Debt:</b> Dec. 31, 2016, C\$84,520 (classified as current) comprised of:	
<b>Balance Sheet, as of July 31 (C\$):</b>			Loss from operations .....	(2,949,934)		(1) C\$73,227 unsecured license agreement loan, bearing interest at 5.0%, due Feb. 1, 2017.	
	2016	2015	Exchange loss .....	2,187		(2) C\$11,293 unsecured convertible debt, bearing interest at 5.0%, Mar. 27, 2017.	
<b>ASSETS</b>			Costs related to proposed transaction - listing cost .....	2,159,285		<b>Line of Credit:</b> On Dec. 9, 2016, Co. entered into a Credit Facility Agreement (the "Facility") with Stephen and Kimberly Van Deventer (the "Creditors"). The facility is available for a maximum of C\$1,000,000 at an interest rate of 5.0% simple interest per annum calculated on a daily basis. Amounts drawn by Dec. 31, 2016 were nil and no interest amounts were paid.	
Current Assets			Impairment of intangible assets .....	400,000		<b>Subsequent Financing:</b> Subsequent to year-end, the callable debt arrangements with Cornerstone Global Partners Inc. were extended to Feb. 1, 2018 and the convertible debt arrangement was renegotiated, extending the arrangement to Mar. 27, 2018.	
Cash .....	54,941	27,138	Exploration & evaluation assets discontinued .....	132,691		On Mar. 31, 2017, the credit facility was amended to include an additional C\$1,000,000 to make the line of credit available for use by Co. to C\$2,000,000 and is subject to the same terms as the original agreement.	
Accounts receivable	2,622	2,220	Net loss .....	(5,644,097)		<b>Capital Stock:</b> 1. PreveCeutical Medical Inc class A shares; no par.	
Total current assets .	57,563	29,358	Basic & diluted loss per common share .....	(0.1027)		OUTSTANDING—Dec. 31, 2016, 43,986,408 shs; no par.	
Exploration & evaluation asset .....	65,391	50,391	Weighted average number of common shares outstanding - basic & diluted .....	54,966,308		STOCK SPLITS—No par shares split 1-for-3 on July 14, 2017.	
Total assets .....	122,954	79,749	<b>Pro-Forma Balance Sheet, as of Dec. 31, 2016 (C\$):</b>			PRIMARY EXCHANGE—Canadian Trading & Quotation System (CNQ): PREV.	
			<b>ASSETS</b>		2016		

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