

# NEWS RELEASE

August 31, 2016

Trading Symbol: TSX-V: NLH.P

---

## NOVA LEAP HEALTH CORP. ENTERS INTO DEFINITIVE AGREEMENT FOR QUALIFYING TRANSACTION

---

HALIFAX, NOVA SCOTIA -- (CNW – August 31, 2016) – NOVA LEAP HEALTH CORP. ("Nova Leap" or the "Company"), a capital pool company previously announced on June 3, 2016 that it had entered into an arm's length term sheet dated June 3, 2016 to purchase all of the outstanding shares of Northern Family Home Care Inc., a corporation incorporated under the laws of the State of New Hampshire ("Northern Family HC") and that it intended the transaction to constitute its Qualifying Transaction under the policies of the TSX Venture Exchange (the "Exchange"). Nova Leap's shares were halted from trading as a result of the announcement of the transaction on June 3, 2016 and will remain halted pending closing of the Qualifying Transaction. Nova Leap today announces that it now has an Agreement in Principle and has entered into a definitive asset purchase agreement with Northern Family HC dated August 26, 2016 (the "Definitive Agreement") to purchase the home care assets of Northern Family HC located in New Hampshire, USA (the "Purchased Assets").

### Qualifying Transaction

Pursuant to the terms of the Definitive Agreement, Nova Leap's U.S. subsidiary, Nova Leap Health NH, LLC (the "Nova Leap Subsidiary"), will acquire the Purchased Assets from Northern Family HC. The Purchased Assets are intended to be Nova Leap's Significant Assets as such term is defined under Exchange Policy 2.4. The Nova Leap Subsidiary will acquire the Purchased Assets of Northern Family HC for a total purchase price of US\$240,000. Subject to the terms and conditions of the Definitive Agreement and the satisfaction of certain conditions precedent, including due diligence and receipt of all necessary regulatory approvals, including Exchange approval, this Agreement in Principle to acquire the Significant Assets will fulfil the requirements for Nova Leap's Qualifying Transaction. The acquisition does not constitute a Non-Arms Length Qualifying Transaction. The Resulting Issuer will operate in the Industrial Sector.

### Sponsorship and Shareholder Approval

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless exempt in accordance with Exchange policies or waived by the Exchange. The Qualifying Transaction may require sponsorship and Nova Leap plans to provide a news release update should a sponsor be retained.

The acquisition will not require shareholder approval by the shareholders of Nova Leap. Nova Leap intends to file a Filing Statement for the Qualifying Transaction.

### Description of Significant Assets

The Significant Assets are the Purchased Assets that allow Northern Family HC to operate as a non-medical personal care agency for families in New Hampshire and Vermont. Northern Family HC offers personal care services in the areas of personal and oral hygiene, bathing and grooming, incontinence care, assistance with restroom use, assistance with daily eating, and live-in/24 hour care. Northern Family HC also provides companion care services in the areas of medication reminders, light housework, laundry and linens, transportation and errands, meal planning and preparation, and grocery shopping. Northern Family HC's business is headquartered in Littleton, New Hampshire.

## **History of Business**

The term "home health care" can often be interpreted in many ways because it includes a variety of different services and payment types depending on patient needs. A quick way to breakdown and summarize the home health care industry is to identify it into the two basic ways clients can pay. The first is known as medical, which consists of payment through either Medicare or Medicaid plans. The second is known as non-medical, also referred to as "private duty", where payment is made for home care services related to assisted daily living activities. Such services are normally paid out-of-pocket or through private insurance plans. Northern Family HC is a non cyclical home care service provider agency that currently employees between 12-15 caregivers.

Northern Family HC is headquartered at 103 Farr Hill Road, Littleton, New Hampshire. It will be relocated to a new address, subject to the closing of the acquisition, of 41 Cottage Street, Unit 1, Littleton, New Hampshire. It operates as a non-medical personal care agency for families in the New Hampshire and Vermont. The personal caregivers offer services in the areas of personal and oral hygiene, bathing and grooming, incontinence care, assistance with restroom use, assistance with daily eating, and live-in/24 hour care. Northern Family HC also provides companion care services in the areas of medication reminders, light housework, laundry and linens, transportation and errands, meal planning and preparation, and grocery shopping.

Billing will be on a weekly or a bi-weekly basis and fees for services rendered are payable upon receipt of invoice. Payments may be made by check, money order, cash or credit card. An account is considered overdue if not paid within 10 days of the billing date. Short-term services are billed in advance of service rendered. Non-payment for service will result in cancellation/termination of client services. The agency may request a week's deposit. Additionally, the pricing policy is based on hourly services and may be subject to a three (3) hour minimum charge. A monthly administration fee may be charged if medication management, basic care, or hourly services are provided.

Home care providers have expanded their role in the healthcare sector as the population has aged and people have increasingly preferred home care over institutional care. Over the last five years, IBIS World research studies estimates that the number of people aged 65 and older living in the United States has expanded at an annualized rate of 3.6% to 49.5 million individuals. Additionally, the 2016 IBIS World Industry Report 62161, "*Home Care Providers in the U.S.*", states that these individuals appreciate the independence of home care versus hospital care, and baby boomers, a growing part of the clients serviced by this industry, have greater disposable income than previous generations, which has benefited the industry significantly over the past five years. This change is beginning to influence the current and future senior population preferences and desired type and choice of care. Additionally, medical advancements through technology, superior nutrition education, and improved safety measurements have all helped people live longer which in turn increases the size of the baby-boomer demographic.

Although there has been growth in the number of home health agencies in the United States, many rural areas are struggling to attract home care providers. For example, according to the IBIS Report, there are about 37 home health agencies located throughout Montana, although home care is still not available in 13 of Montana's 56 counties. Thus the demand for such home healthcare services in rural areas across the nation continues to grow, but due to insufficient financial resources many organizations choose to remain in urban areas and do not choose to visit many rural counties to meet the needs of their residents. Many of the rural home health agencies are smaller in terms of total number of patients and therefore make economies of scale harder to achieve. Additionally, many employees of rural agencies generally must travel farther per visit to deliver such home services, and much of this rural commute can be subjected to dirt and gravel roads, which adds to mileage costs and general vehicle wear and tear. Inclement weather only increases the difficulties of service delivery. Northern Family HC operates in rural areas.

Despite these drawbacks, the rural home health care industry has many compelling market dynamics in the United States and at present for investment in the specific private duty (non-medical) section of home health care industry for a variety of reasons, which include:

- ownership of the existing home health care industry and agencies is highly fragmented;
- a large ageing demographic requiring assistance with daily living activities;
- a shift of elderly preference from hospitalization to maintaining in-home comfort and independence; and
- a decrease in cost for consumer of home health care compared to hospitalization or retirement homes.

### **Significant Financial Information Respecting Significant Assets**

In 2014, Northern Family HC generated unaudited revenues of US\$ 410,815 and a comprehensive loss of US\$ 40,499. Included in the comprehensive loss was income taxes of US\$ 3,654, depreciation of US\$ 7,567 and salaries and bonuses to the two sole shareholders in the amount of US\$ 185,500. Total assets and liabilities were US\$ 95,283 and US\$ 76,175 respectively. Shareholders' equity was US\$ 19,108.

In 2015, Northern Family HC generated audited revenues of US\$ 446,415 and a comprehensive loss of US\$ 263. Included in the comprehensive loss was income taxes of US\$ 1,522, depreciation of US\$ 21,896 and salaries and bonuses to the two shareholders in the amount of US\$ 137,900. Total assets and liabilities were US\$ 113,411 and US\$ 92,452. Shareholders' equity was US\$ 20,959.

In 2014 Northern Family HC had revenue of US\$ 410,815 with an adjusted EBITDA of US\$ 86,272. In 2015 Northern Family HC had revenue of US\$ 446,415 with an adjusted EBITDA of US\$ 91,055. Adjusted EBITDA margins for 2014 and 2015 were 21% and 20.4% respectively.

### **Directors and Management of Resulting Issuer**

The following are summaries of those individuals deemed to be Insiders of the Resulting Issuer, including their respective positions with the Resulting Issuer and relevant work and educational background.

**Christopher Dobbin, CPA, CA – Director, President and Chief Executive Officer** – Chris Dobbin founded Precipice Capital Advisory Services Inc., a company that provides strategic advice on private company transactions in Atlantic Canada, and he leads financing and transaction activities for clients in various industries. Mr. Dobbin has over 18 years of experience, has been named one of Atlantic Canada's Emerging Leaders, and has received national recognition as the recipient of the 2013 Exempt Market Dealers Association (EMDA) Private Debt Deal of the Year and 2012 EMDA Private Equity Deal of the Year awards.

Often engaged to fulfil the role of Corporate Development for large private companies, Mr. Dobbin advises entrepreneurs, business owners, management teams and private company boards in the areas of debt and equity finance, mergers & acquisitions, divestitures, valuation and transaction negotiations. His advice has been sought after by growth technology firms, real estate companies, financial services firms, private equity firms, energy services companies, marine/offshore based services companies, oil and gas services companies and large commercial fishing operators. Mr. Dobbin has led negotiations with various private and public entities and has been involved in a number of complex transactions in Atlantic Canada.

Mr. Dobbin is a Chartered Professional Accountant, Chartered Accountant, a member of Entrepreneurs' Organization (EO), a graduate of Mount Allison University and a former Director of the Private Capital Markets Association of Canada (PCMA).

**Megan Spidle, CPA, CA – Chief Financial Officer**- Megan Spidle is a highly skilled CPA, CA with 15 plus years of progressively responsible experience providing comprehensive finance, administration and public accounting services. Most recently, Megan has served as a CFO and Corporate Secretary for a junior mining company as well as an independent consultant for two related public companies where she worked closely with senior executives completing business process improvements in the accounting, finance, reporting and budgeting functions. Megan also has extensive experience working in public accounting. In addition, Megan has provided strategic, hands-on management for the accounting and finance functions of mining exploration company listed on the TSX venture exchange. Responsibilities included treasury management; budgeting and cash flow; regulatory compliance; directing accounting policies, procedures and internal controls; working with external auditors, legal counsel and other professionals; corporate governance identification and management of business risks including insurance requirements; taxation; and oversight of statutory reporting.

**Dana Hatfield, CA – Director** – Dana Hatfield is the Chief Financial Officer and a director of GoGold Resources Inc., a Canadian company which produces silver and gold in Mexico, and he has over 15 years of financial leadership in increasingly senior roles. Prior to joining GoGold Resources Inc., Mr. Hatfield served as CFO for Brigus Gold Corp., Senior Vice President Finance for AuRico Gold Inc., and Director of Finance with the Eastern Canada division of Sysco Corporation where Mr. Hatfield oversaw financial reporting, internal controls, budgeting and planning, equity and debt financings, and all operational finance functions. Prior to this, he was a Senior Manager with an international accounting firm advising various public companies on Canadian and US stock exchange regulations, equity financings, and general financial management. Mr. Hatfield is a Chartered Professional Accountant and has a Bachelor of Commerce degree from Dalhousie University in Halifax, Nova Scotia.

**Michael O'Keefe – Director** – Michael O'Keefe has been the Director of Finance of Erdene Resource Development Corporation ("**Erdene**"), a base and precious metal exploration company which operates primary in Mongolia, Asia, since he joined the company in 2005. In 2016, Mr. O'Keefe was appointed Chief Financial Officer of Morien Resources Corp.

("Morien"). Morien operates in the mining industry and is focused on unique mineral industry opportunities to add to its portfolio of long-life royalty assets. Mr. O'Keefe was previously Director of Finance for Morien. Mr. O'Keefe has extensive experience in senior finance positions in both public and private companies and was part of the senior management team for one of the "50 Best Managed" private companies in Canada before joining Erdene's management team.

Mr. O'Keefe obtained his BBA (Accounting) from St Francis Xavier University in 1993, received his accounting designation (CMA) in 1997, and his MBA from Saint Mary's University in 2006.

**Glenn Jessome JD, MBA – Corporate Secretary** – Glenn Jessome is a lawyer practicing in Halifax, Nova Scotia. His area of practice is securities law. Mr. Jessome received his law degree from Dalhousie University in 1991, his MBA from Dalhousie University in 1991 and his Bachelor of Science from St. Frances Xavier University in 1986. Mr. Jessome has been a member of the Nova Scotia Bar since June, 1992. Mr. Jessome is a member of the National Advisory Committee for the TSX Venture Exchange and of the Quebec-Atlantic Canada Advisory Committee for the TSX Venture Exchange. Mr. Jessome is also a member of the Institute of Corporate Directors and the Canadian Society of Corporate Secretaries.

For further information: Christopher Dobbin, Director, President, CEO & CFO Nova Leap Health Corp., T: 902 401-9480 F: 902 482-5177.

**CAUTIONARY STATEMENT:**

*Completion of the Transaction is subject to a number of conditions including, but not limited to, Exchange acceptance, and, if applicable pursuant to Exchange requirements, shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*

*Certain information in this press release may contain forward-looking statements. 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. 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](http://www.sedar.com).*

*(Not for distribution to US wire services or for dissemination in the United States of America)*