



H-Source Closes Second and Final Tranche of Unsecured Convertible Debenture Financing

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VANCOUVER, July 24, 2019 /CNW/ - H-Source Holdings Ltd. (TSX-V: HIS; OTCQB: HSCHF) (the "**Company**" or "**H-Source**") announces, further to its news release of May 10, 2019, that the Company closed the second tranche of the non-brokered financing of unsecured convertible debentures ("**Debentures**") in the principal amount for the second and final tranche of US\$2,432,073.73 (before OID as defined below) (the "**2nd Tranche Offering**" and, together with the first tranche of the Offering completed and announced by the Company on June 10, 2019, the "**Offering**"). The Company raised an aggregate US\$2,188,866.35 (after OID as defined below) under the Offering.

The Debentures issued under the Tranche 2 Offering will mature on July 23, 2020 (the "**Maturity Date**") that is twelve months from the date of issuance on July 23, 2019 (the "**Issue Date**") and bear interest at a rate of 12% per annum, calculated and payable on the earlier of (i) the Maturity Date or (ii) at the election of the holder and will have an original issuer discount equal to 10% of the Principal Amount (the "**OID**").

The principal amount and any accrued and unpaid interest on the Debentures are convertible into common shares in the capital of the Company (the "**Shares**"), in whole or in part, at any time following the Issue Date but on or before the Maturity Date at a conversion price of US\$0.06 per Share.

The Company has also issued warrants to purchase an aggregate 1,702,500 Shares (the "**Finder Warrants**") and paid a cash fee of US\$91,935 representing 7.5% of the Shares sold by certain finders under the Offering. Each Finder Warrant is exercisable to purchase one Share at US\$0.06 expiring 5 years from the Warrant issuance date.

All securities issued in connection with the 2nd Tranche Offering will be subject to a statutory hold period expiring on November 24, 2019. The net proceeds from the Offering will be used by the Company for general corporate purposes.

Subscriptions by two insiders of the Company accounted for US\$63,706 in principal amount (after OID) of the gross proceeds of the Offering. Such participation constituted a "related party transaction" within Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The issuance to the insiders is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the Debentures issued and the Shares issuable upon

conversion of the Debentures to, or the consideration paid by such persons, did not exceed 25% of the Company's market capitalization.

"The additional capital allows us to implement our plan supporting increased sales on the platform and enhance client engagement with several new product and service opportunities through our technology in Q3 and Q4 of 2019, commented Mr. John Kupice, CEO and Director of H-Source. "We will release new features on our software platform enabling new health care opportunities."

This Offering is subject to the receipt of all necessary approvals, including the final approval of the TSX Venture Exchange.

About H-Source Holdings Ltd.

H-Source Holdings Ltd. is a technology company operating within the healthcare industry through its wholly owned subsidiary, H-Source, Inc. The Company has developed a transaction platform that provides a private, secure and trusted marketplace for member hospitals to buy, sell and transfer excess inventory supplies and capital equipment with each other. Member hospitals can conduct secure transactions within Integrated Delivery Networks, complete H-Source network or customize their own group hospitals using H-Source's built-in filters. This marketplace network is specifically designed to reduce health care costs and medical product waste. For more information, please visit <http://h-source.com/>

On behalf of the board of directors of H-Source Holdings Ltd.

"John Kupice"

John Kupice

CEO and Director

CAUTIONARY DISCLAIMER STATEMENT:

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

Information set forth in this news release contains forward-looking information and statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. The terms and phrases "goal", "commitment", "guidance", "expects", "would", "will", "continuing", "drive", "believes", "indicate", "look forward", "grow", "outlook", "forecasts", "intend", and similar terms and phrases are intended to identify these forward-looking statements, including but not limited to statements regarding the Offering, receipt of all regulatory approvals related to the Offering and the use of proceeds thereof. The Company cautions that all forward looking information and statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors

include, among other things: risks and uncertainties relating to the Company's ability to receive all necessary regulatory approvals for the Offering. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.

This news release does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Debentures and the Shares which may be issued on exercise thereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

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