

Helius Medical Technologies Announces Russian Distribution Agreement for PoNSTM Device

Newtown, PA – November 21, 2014 — Helius Medical Technologies (CSE: HSM) ("HMT", "Helius" or the "Company") a medical technology company focused on the treatment of neurological symptoms caused by disease or trauma, has signed a distribution agreement with Altair LLC, a Russian medical distribution company. Helius is working on the development of the PoNSTM, an investigational medical device that induces neuromodulation by stimulating the cranial nerves found in the tongue. It is initially being studied for the treatment of balance disorder symptoms caused by Traumatic Brain Injury ("TBI") and Multiple Sclerosis. Neurologist Evgeny Bugorskiy, owner of Altair LLC, has been working alongside PoNSTM inventor, Yuri Danilov, for the past ten years and has been evaluating the device for the treatment of a number of neurological indications including cerebral palsy, stroke and TBI.

The distribution agreement provides that Altair LLC shall be responsible for taking all necessary steps and incurring all incidental costs required to register the PoNSTM device for patient use within the territories, including performing any clinical studies and any other actions required to obtain government and regulatory approvals in order to distribute and sell the PoNSTM device in such territories. The territories include the following countries: Russia, Armenia, Georgia, Kyrgyzstan, Moldova, Azerbaijan, Belarus, Kazakhstan, Tajikistan, Turkmenistan, Uzbekistan, Estonia, Lithuania, and Latvia.

Upon Altair LLC receiving the necessary government and regulatory approvals, it shall purchase the PoNSTM device from Neurohabilitation Corporation ("NHC"), a wholly-owned subsidiary of Helius, according to a volume-adjusted price schedule. A mid-single digit royalty will also be payable and applied to net product sales. To maintain the agreement, certain minimum annual order thresholds, based on approved treatment indications, must be achieved.

"Dr. Bugorskiy's Moscow clinic has been instrumental in pioneering PoNSTM clinical research for numerous neurological conditions. We are excited that Dr. Bugorskiy's commitment and conviction as to the merits of the PoNSTM device have been formalized with this distribution agreement," adds Helius' CEO, Philippe Deschamps.

About Helius Medical Technologies (HMT)

Helius Medical Technologies is a medical technology holding company focused on neurological wellness. HMT's mission is to develop, license and acquire non-invasive treatments designed to help patients affected by neurological symptoms caused by disease or trauma. HMT intends to

file for U.S. Food and Drug Administration clearance for the PoNSTM device. For more information, please visit www.heliusmedical.com.

The Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

Safe Harbor Statement

All statements in this news release, other than statements of historical facts, are forward-looking statements. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include risks detailed from time to time in the filings made by the Company with securities regulators.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forwardlooking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company assumes no obligation to update the forward-looking statements except as required by applicable law.

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