A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction in the United States, and may not be offered, sold or delivered in the United States (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S) ("U.S. Persons"), except in transactions exempt from the registration requirements of the U.S. Securities Act and the securities laws of any applicable U.S. state or other jurisdiction. This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby to, or for the account or benefit of, persons in the United States or U.S. Persons. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Spectral Medical Inc., 135 The West Mall, Unit 2, Toronto, Ontario, M9C 1C2, telephone 1.888.426.4264 and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

NEW ISSUE October 5, 2022

SPECTRAL MEDICAL INC.

Up to $[●]
Up to [●] Units

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of up to [●] Units (the "**Offered Units**") of Spectral Medical Inc. (the "**Company**") at a price of $[●] per Offered Unit (the "**Offering Price**"). Each Offered Unit will consist of one common share (each a "**Common Share**" and, as a constituent of an Offered Unit, a "**Unit Share**") of the Company and one-half of one Common Share purchase warrant of the Company (each **[whole Common Share purchase warrant]**, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture (as defined herein), one Common Share (each, a "**Warrant Share**") at an exercise price of $[●] per Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date (as defined herein). The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into on or before the Closing Date between the Company and Computershare Trust Company of Canada (the "**Warrant Agent**"). See "Description of the Securities Being Distributed". The Offered Units will be offered for sale on a "best efforts" agency basis without underwriter liability pursuant to the terms and conditions of an agency agreement dated [●], 2022 (the "**Agency Agreement**") between the Company and Paradigm Capital Inc. (the "**Agent**").

The Common Shares are traded on the Toronto Stock Exchange (the "**TSX**") under the symbol "EDT" and in the United States on the OTC Pink Open Market operated by OTPC Markets Group (the "**Pink Markets**") under the symbol "EDTXF". On October 4, 2022, the last trading day before the date of this Prospectus, the closing price of the Common Shares as reported by the TSX was $0.46 per Common Share. The Company will apply to have the Unit

Shares, including the Over-Allotment Shares (as defined herein), the Warrant Shares, including the Over-Allotment Warrant Shares (as defined herein) and the Broker Shares (as defined herein) listed on the TSX. Listing will be subject to the approval of the TSX in accordance with applicable listing requirements. **There is currently no market through which the Warrants including the Over-Allotment Warrants, if any, may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation**. See "Risk Factors".

Price: $[●] per Offered Unit

	Price to the Public[(1)]	Agent's Fee[(2)]	Net Proceeds to the Company[(3)]
Per Offered Unit	$[●]	$[●]	$[●]
Total[(4)]	$[●]	$[●]	$[●]

(1) The Offering Price was determined by arm's length negotiation between the Company and the Agent with reference to the prevailing market price of the Common Shares.

(2) The Company has agreed to pay the Agent a cash fee equal to: (i) $510,000 on gross proceeds of $8,500,000; and (ii) 6.0% of the gross proceeds on amounts raised in excess of $8,500,000 pursuant to the Offering and the Concurrent Private Placement (as defined herein), including any gross proceeds raised on exercise of the Over-Allotment Option (the "**Agent's Fee**"). The Agent will also receive, on the Closing Date (as defined herein), Common Share purchase warrants (the "**Broker Warrants**"), exercisable for a period of 36 months following the Closing Date, to acquire, in the aggregate, that number of Common Shares (the "**Broker Shares**") equal to: (i) 637,500 pursuant to the sale of $8,500,000 of Offered Units and Notes (as defined herein); and (ii) 6% of the number of Offered Units and Notes sold in excess of $8,500,000 of pursuant to the Offering and the Concurrent Private Placement, including any Over-Allotment Units issued pursuant to the exercise of the Over-Allotment Option. This Prospectus qualifies the distribution of the Broker Warrants. See "Plan of Distribution".

(3) After deducting the Agent's Fee, but before deducting the expenses of the Offering estimated to be $300,000, which will be paid from the proceeds of the Offering.

(4) The Agent has been granted an over-allotment option (the "**Over-Allotment Option**"), exercisable, in whole or in part, at the sole discretion of the Agent, at any time, and from time to time, for a period of 30 days from and including the Closing Date, to purchase from the Company (i) up to an aggregate of [●] additional Units (each, an "**Over-Allotment Unit**") at the Offering Price; (ii) up to an aggregate of [●] additional Unit Shares (each, an "**Over-Allotment Share**") at a price of $[●] per Over-Allotment Share; (iii) up to an aggregate of [●] additional Warrants (each, an "**Over-Allotment Warrant**", and each Common Share issuable upon exercise of an Over-Allotment Warrant, an "**Over-Allotment Warrant Share**") at a price of $[●] per Over-Allotment Warrant; or (iv) any combination of (i), (ii) and (iii) provided that, in each case, the aggregate number of Over-Allotment Shares and the aggregate number of Over-Allotment Warrants that may be issued under the Over-Allotment Option (in each case either as underlying components of the Over-Allotment Units or otherwise) does not exceed [●] Over-Allotment Shares and [●] Over-Allotment Warrants, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Units and Over-Allotment Warrants have the same terms as the Offered Units and the Warrants as set out above. The Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants are collectively referred to as the "**Over-Allotment Securities**". The grant of the Over-Allotment Option is qualified by this Prospectus. A person who acquires securities forming part of the Agent's over-allocation position acquires those securities under this Prospectus regardless of whether the Agent's over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The following table sets out the options to acquire securities of the Company that have been issued or that may be issued to the Agent in connection with the Offering:

Agent's Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option[(1)]	[●] Over-Allotment Units	For a period of 30 days from and including the Closing Date	$[●] per Over-Allotment Unit
	[●] Over-Allotment Shares	For a period of 30 days from and including the Closing Date	$[●] per Over-Allotment Share
	[●] Over-Allotment Warrants	For a period of 30 days from and including the Closing Date	$[●] per Over-Allotment Warrant
Broker Warrants	[●] Broker Shares	36 months from the Closing Date	$[●] per Broker Share

(1) The Over-Allotment Option may be exercised by the Agent to acquire either (i) Over-Allotment Units, (ii) Over-Allotment Shares, (iii) Over-Allotment Warrants, or (iv) any combination of (i), (ii) and (iii) provided that, in each case, the aggregate number of Over-Allotment Shares and aggregate number of Over-Allotment Warrants that may be issued under the Over-Allotment Option (in each case either as underlying components of the Over-Allotment Units or otherwise) does not exceed [●] Over-Allotment Shares and [●] Over-Allotment Warrants.

Unless the context otherwise requires all references herein to the "Offering", "Offered Units", "Unit Shares", "Warrants", "Warrant Shares", "Broker Warrants" and "Broker Shares", includes all securities issuable assuming the exercise of the Over-Allotment Option.

On October 5, 2022, the Company announced that it intends to complete a private placement (the "**Concurrent Private Placement**"), concurrently with the completion of the Offering, of an aggregate of approximately US$5 million in aggregate principal amount of 7.0% convertible senior notes (the "**Notes**") due in 2026 (the "**Maturity Date**") with a subscriber with whom the Company has an existing commercial relationship ("**Primary Note Subscriber**") and potentially Pinnacle Island L.P. ("**Pinnacle**"), pursuant to which the Primary Note Subscriber has agreed to purchase US$2.5 million in Notes. Holders of the Notes may convert all or any portion of the Notes in integral multiples of US$1,000 principal amount at any time prior to the Maturity Date. The conversion price for the Notes will initially be equal to a 30% premium to the price allocated to the Common Shares underlying the Offered Units, subject to customary anti-dilution adjustments. Closing of the Concurrent Private Placement is subject to the satisfaction or waiver of the following conditions: (i) the Company raising gross proceeds of at least C$8,500,000 pursuant to the Offering and the Concurrent Private Placement; (ii) receipt of all regulatory, board and internal corporate approvals; and (iii) the conditional approval of the TSX to the listing of the Common Shares, Warrant Shares and Common Shares underlying the Notes; and (iv) other customary conditions of closing for a transaction of this nature. See "Plan of Distribution – Concurrent Private Placement" and "Relationship between the Company and the Agent".

Pinnacle is a potential investor of the Notes. Paradigm Capital Partners Limited, an influential securityholder of Agent, will be a limited partner of Pinnacle. 1000318530 Ontario Inc. ("**Ontario Inc.**"), a wholly owned subsidiary of Paradigm Capital Partners Limited, is the general partner of Pinnacle. **If Pinnacle purchases Notes, on completion of the Concurrent Private Placement and the Offering Pinnacle will be an unsecured creditor of the Company, and consequently may be considered a "connected issuer" (as such term is defined in National Instrument 33-105 – *Underwriting Conflicts* ("NI 33-105")) to the Agent**. See "Plan of Distribution – Concurrent Private Placement" and "Relationship between the Company and the Agent".

There is no minimum amount of funds that must be raised under this Offering. This means that the Company could complete this Offering after raising only a small proportion of the Offering amount set out above.

The Agent conditionally offers the Offered Units on a "best efforts" agency basis, without underwriter liability, subject to prior sale, if, as and when issued by the Company and delivered to and accepted by the Agent in accordance with the terms and conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP and on behalf of the Agent by Cassels Brock & Blackwell LLP.

In connection with the Offering, and subject to applicable laws, the Agent may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Subscriptions for the Offered Units will be received subject to rejection or allotment, in whole or in part, and the Agent reserves the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about October 25, 2022, or such other date as may be agreed upon by the Company and the Agent (the "**Closing Date**"). Pending closing of the Offering, all subscription funds will be deposited and held by the Agent in trust pursuant to the terms and conditions of the Agency Agreement. If the Closing Date does not occur within 90 days from the date a receipt is issued for the (final) short form prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the

Agent, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction. See "Plan of Distribution".

The Offering will be conducted under the book-based system. A purchaser of Offered Units will receive only a customer confirmation from the registered dealer from or through which the Offered Units are purchased and who is a CDS Clearing and Depository Services Inc. ("**CDS**") depository service participant. CDS will record the CDS participants who hold Offered Units on behalf of owners who have purchased Offered Units in accordance with the book-based system. Notwithstanding the foregoing, all Unit Shares and Warrants offered and sold, and all Warrant Shares, if applicable, issued, in the United States or to, or for the account or benefit of, U.S. Persons pursuant to available exemptions from the registration requirements of the U.S. Securities Act and applicable securities laws of U.S. states and other jurisdictions to investors who do not qualify as "qualified institutional buyers" within the meaning of Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**") will be represented by definitive physical certificates. See "Plan of Distribution – United States Matters".

Each of Anthony Bihl (Director), John Nosenzo (Director), Jan D'Alvise (Director) and Jun Hayakawa (Director), who reside outside of Canada, have appointed the Company, at its registered address at 135 The West Mall, Unit 2, Toronto, Ontario, M9C 1C2, as his agent for service of process in Canada. Prospective purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process, see "Risk Factors".

Investing in the Offered Units is speculative and involves significant risks. You should carefully review and evaluate certain risk factors contained in the "Risk Factors" section of this Prospectus and in the "Risk Factors" section of the AIF (as defined herein) and other documents incorporated by reference herein before purchasing the Offered Units. See "Risk Factors" and "Forward-Looking Information".

The Company's head and registered office is located at 135 The West Mall, Unit 2, Toronto, Ontario, M9C 1C2.

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GENERAL MATTERS

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Agent have not authorized any person to provide prospective purchasers with additional or different information. If anyone provides prospective purchasers with additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers should not rely on it. The Company and the Agent are not making an offer to sell or seeking offers to buy the Offered Units in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at its date, regardless of its time of delivery or of any sale of the Offered Units. The Company's business, financial condition, results of operations and prospects may have changed since that date.

All currency amounts in this Prospectus are stated in Canadian dollars.

Unless otherwise noted or the context indicates otherwise, all references to the "Company", "we", "us" and "our" refer to Spectral Medical Inc., its wholly-owned subsidiaries Spectral Diagnostics (US) Inc., Spectral Medical (US) Inc., and Dialco Medical Inc. ("**Dialco**"), and its indirectly-owned subsidiary Dialco Medical (US) Inc.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management believes it to be reliable, neither the Company nor the Agent have independently verified any of the data from third-party sources referred to in this Prospectus or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

FORWARD-LOOKING INFORMATION

This Prospectus, and the documents incorporated herein by reference, include forward-looking statements and information (collectively, "Forward-Looking Statements") within the meaning of securities laws. Forward-Looking Statements may relate to our future outlook and anticipated events or results and may include statements regarding our future financial position, business, strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives. In some cases, Forward-Looking Statements can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. These statements are based on certain factors and assumptions regarding, among other things, expected growth, results of operations, receipt of regulatory approvals, performance and business prospects and opportunities. While we consider these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

Forward-Looking Statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such Forward-Looking Statements. Forward-Looking Statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to: the completion of the Offering and the Concurrent Private Placement, on the terms set out herein or at all, and the receipt of all regulatory and stock exchange approvals in connection therewith; the listing of the Unit Shares, the Warrant Shares (if issued) and the Broker Shares (if issued) on the TSX in connection with the Offering; the proposed use of the net proceeds of the Offering and the Concurrent Private Placement; the future business strategies, competitive strengths, goals, expectations and growth of the Company's business, operations and plans; the successful and timely completion of the Company's pre-clinical studies and clinical trials; the estimated costs associated with the Company's clinical trials, potential side effects and product failure that could delay or prevent regulatory approval or commercialization; the granting of necessary approvals by regulatory authorities; the expected pricing of the Company's products upon achieving commercialization; the availability and sufficiency of funds and resources to pursue development projects; the Company's need for additional financing; the volatile market price of the Common Shares; the Company's ability to take advantage of business opportunities in the

biomedical industry; the Company's ability to retain and attract key management and other experienced personnel; market acceptance of current and new products; competition from new or existing diagnostics or medical devices; patent infringement by the Company and the Company's protection of its intellectual property in foreign jurisdictions; uncertainties in health care reimbursement and reform; manufacturing and marketing capability; reliance on key distributors and various contractors; reliance on third party manufacturing; as well as general economic, market and business conditions, including the ongoing impact of COVID-19.

Prospective purchasers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Forward-Looking Statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, prospective purchasers should not place undue reliance on Forward-Looking Statements, including the documents incorporated herein by reference, as statements containing Forward-Looking Statements involve significant risks and uncertainties and should not be read as guarantees of future results, performance, achievements, prospects and opportunities. The Forward-Looking Statements contained herein are presented for the purposes of assisting prospective purchasers in understanding the Company's expected financial and operating performance and the Company's plans and objectives and may not be appropriate for other purposes.

The Forward-Looking Statements contained in this Prospectus, including the documents incorporated herein by reference, represent the Company's views and expectations as of the date of this Prospectus and Forward-Looking Statements contained herein represent the Company's views as of the date of hereof. The Company anticipates that subsequent events and developments may cause its views to change. However, while the Company may elect to update such Forward-Looking Statements at a future time, it has no current intention of doing so except to the extent required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed with the securities commissions or similar authorities in Canada, are specifically incorporated by reference and form an integral part of this Prospectus:

(a) the annual information form of the Company dated March 23, 2022 for the year ended December 31, 2021 (the "**AIF**");

(b) the Company's audited consolidated financial statements as at and for the years ended December 31, 2021 and 2020 and related notes together with the independent auditor's report thereon;

(c) the Company's management's discussion and analysis for the years ended December 31, 2021 and 2020;

(d) the Company's unaudited condensed interim consolidated financial statements as at June 30, 2022 and for the six months ended June 30, 2022 and 2021 and related notes;

(e) the Company's management's discussion and analysis for the six months ended June 30, 2022;

(f) the management information circular of the Company dated May 6, 2022 relating to the annual and special meeting of the shareholders of the Company held on June 20, 2022; and

(g) the template version of the indicative term sheets dated October 5, 2022 in connection with the Offering (the "**Marketing Materials**").

Any documents of the type referred to in paragraphs (a)-(g) above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management's discussion and analysis relating thereto, or

information circular or amendments thereto that the Company files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of this Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or replaces such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

References to the Company's website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on such website into this Prospectus, and we disclaim any such incorporation by reference.

MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any "template version" of "marketing materials" (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed on SEDAR after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) will be deemed to be incorporated into this Prospectus.

THE COMPANY

The Company was incorporated as Spectral Diagnostics Inc. pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**") on July 29, 1991. Pursuant to Articles of Amendment, effective March 16, 1992, the Company (i) re-designated, reclassified and changed its authorized capital to provide that the authorized capital consists of an unlimited number of one class of shares designated as "Common Shares"; and (ii) deleted the private company provisions from its articles.

On April 1, 2005, the Company amalgamated with its wholly owned subsidiary, Sepsis Inc., under the OBCA and continued as Spectral Diagnostics Inc. The Company's year-end was changed to December 31, effective as at the end of the 2006 calendar year. Effective December 31, 2014, the Company changed its name to "Spectral Medical Inc.".

The Company has two wholly owned U.S. subsidiaries: i) Spectral Diagnostics (US) Inc., incorporated on September 14, 2009 under Section 102 of the General Law of the State of Delaware; and ii) Spectral Medical (US) Inc., incorporated on February 4, 2021 under Section 102 of the General Law of the State of Delaware. The Company has one wholly owned Canadian subsidiary, Dialco, which was incorporated on March 15, 2019 pursuant to the OBCA, and Dialco has one wholly-owned U.S. subsidiary, Dialco Medical (US) Inc., incorporated on September 1, 2021 under the laws of the state of Delaware.

The head and registered office of the Company is located at 135 The West Mall, Unit 2, Toronto, Ontario M9C 1C2.

Business of the Company

The Company's primary strategic focus is on the regulatory development and commercialization of its products in the areas of septic shock and kidney disease. The Company's products for the treatment of septic shock include its Endotoxin Activity Assay™ diagnostic ("**EAA**") and the Toraymyxin™ ("**PMX**") therapeutic device. This unique approach first identifies patients with high endotoxin levels that could benefit from a targeted therapy and then applies a treatment, PMX that removes endotoxin from the blood stream. PMX has been approved for therapeutic use in Japan and Europe, and has been used on more than 340,000 patients to date with a less than 0.1% rate of a serious adverse event ("**SAE**"). If approved, this will be the first targeted therapy guided by a specific diagnostic in the area of sepsis and only therapy approved in the U.S. for treatment of sepsis. In the area of kidney disease, the Company has developed a platform to perform renal replacement therapy ("**RRT**") including hemodialysis initially targeting the acute kidney injury segment of the market and continuing to the chronic dialysis-dependent population including those on home hemodialysis. Furthermore, the Company is continuing its legacy business of manufacturing and selling certain proprietary reagents.

The EAA™ is a rapid in-vitro diagnostic test that measures the activity of the bacterial cell wall component lipopolysaccharide, also known as endotoxin, in a whole blood sample. Increased blood levels of endotoxin are indicative of a severe bacterial infection or leakage of endotoxin from the gut. Endotoxin initiates a systemic inflammatory response which can rapidly lead to organ dysfunction, septic shock and ultimately death. According to the Centers for Disease Control and Prevention (the "**CDC**"), the incidence of sepsis is approximately 1.7 million cases annually in the United States (with 270,000 sepsis related deaths), of which 340,000 patients are expected to develop septic shock. Accordingly, septic shock is considered a leading cause of death in U.S. intensive care units. The Company believes that out of the number of patients expected to develop septic shock annually, approximately 120,000-150,000 would meet the criteria for the Company's Tigris confirmatory clinical trial for PMX (NCT03901807) ("**Tigris**"). These patient population estimates were established based on experience from the Company's EUPHRATES trial and data available from the National Inpatient Sample database. This targeted patient group faces a short term (i.e. 28 days) mortality of greater than 40% with limited treatment options. The Company received Health Canada approval for the EAA™ in December 2002 and clearance from the Food and Drug Administration ("**FDA**") in June 2003. Currently, the EAA™ is the first FDA cleared test for risk stratification of patients for developing severe sepsis and one of two products, the other being a procalcitonin test, on the market. The EAA™ is the only assay available to determine the endotoxin burden in patients with sepsis and hence identify patients for PMX therapy.

PMX is manufactured in Japan by Toray Industries Inc. ("**Toray**"). The Company has exclusive rights for commercialization and marketing of PMX. These include an exclusive license in the United States and Puerto Rico to Toray's intellectual property rights to PMX and exclusive distribution rights in Canada. The PMX device has demonstrated in clinical trials as well as through many years of commercial use that it safely and effectively removes endotoxin and reduces mortality in patients with septic shock. PMX has been on the market in many countries outside the U.S. and has been used in more than 340,000 patients to date.

Recruiting for the Tigris trial is currently underway in the U.S. Tigris is designed to confirm a minimum 10% difference in mortality rates for those treated with PMX versus those receiving standard of care. The trial's enrolment completion date is expected to occur by the end of the third quarter of 2023 and complete all analysis and submit the final pre-market approval ("**PMA**") module to the FDA during the fourth quarter of 2023. Tigris is a follow-on study that builds upon knowledge gained from EUPHRATES, a large prospective randomized blinded trial performed in North America and completed in 2016. Data from EUPHRATES was submitted as part of a modular PMA with the FDA having reviewed and accepted the first three modules which are based mainly on manufacturing. The clinical study report for EUPHRATES demonstrated a 28-day mortality benefit for a subset of randomized subjects included in the trial as well as benefits across secondary endpoints. The results also showed that patients with an EAA greater than 0.9, a very large load of endotoxin, received no benefit from 2 doses of PMX intervention. When those patients were removed, a 10% improvement in mortality was observed for those treated with PMX. This formed the basis for the FDA submission and subsequently for the design of the Tigris trial. The importance of removing endotoxin was further studied by examining the amount of endotoxin that was removed compared with the outcome of mortality. The amount of endotoxin removed was measured by different methods but for all of them, patients with a greater reduction in endotoxin had improved organ function as well as an overall better survival. The findings of a study done on the results from EUPHRATES suggest that reducing EAA levels with PMX as measured by comparison to a median

reduction or when a treatment target is established, may result in improvements in mortality and organ function. The main results from EUPHRATES have been published in the Journal of American Medical Association and two other publications appear in Intensive Care Medicine, and Critical Care Explorations. Published evidence on the use of PMX in other studies occurring outside North America are numerous. There have been over 400 published papers and approximately 11,000 patients entered into PMX studies worldwide.

Tigris is a prospective randomized, open labelled trial of 150 patients with a 2:1 randomization favoring the treatment arm. This confirmatory trial is focused specifically on the population of patients that showed a benefit in EUPHRATES. Using a Bayesian statistical approach, 179 patients from EUPHRATES U.S. sites will be included in the final analysis with a proposed target weight of 75% (whereas the 150 new patients will be weighted at 100%). The new patients under Tigris will be subject to the same inclusion and exclusion criteria used in EUPHRATES but will target the treatable range of EAA of 0.6-0.9. The costs of Tigris are estimated to be up to approximately $11 million. To date, the Company has spent approximately $6.4 million on Tigris. Trial enrolment began with 9 study sites just prior to the March 2020 COVID-19 pandemic. Currently the trial is enrolling with 14 study sites with three additional sites expected to go live by the fourth quarter of 2022. The Company anticipates that a potential PMA from the FDA following the completion of Tigris could be granted in late 2023. An approved PMA provides 7-10 years of market exclusivity in the United States for PMX due to the fact that any competitor would have to repeat a similar trial and show efficacy.

The Company believes that PMX will be a premium priced product in the United States with gross margins anticipated at over 70%. The Company believes that pricing of a PMX column could be approximately US$7,500 in the United States, based on current European pricing of approximately US$6,000 per PMX column and information provided by an independent consultant to the Company. Based on the experience of the Company's management team with respect to medical device distribution agreements, the Company anticipates a range from 40-60% revenue sharing on PMX with potential for excess of 40% U.S. market penetration through strategic distribution partnerships.

To date, the Company has randomized 44 patients out of the total 150 patients required and the Company has 14 active trial sites enrolling patients. The Company obtained approval from the FDA to increase its Tigris trial sites from 15 to 25. The Company believes this will support more rapid patient enrollment.

Dialco, a wholly owned subsidiary of the Company, is currently seeking regulatory approval of DIMI, a renal replacement instrument aimed at the home hemodialysis ("**HHD**") market, for use at home in the U.S. Dialco obtained the exclusive license for commercializing DIMI in the US and Canada from Infomed SA, a Swiss based medical device company which developed, and is manufacturing, DIMI. The DIMI device has FDA 510(k) clearance, issued following a premarket submission made to the FDA to demonstrate that the device to be marketed is safe and effective, to treat patients with acute and/or chronic renal failure using hemodialysis, hemodiafiltration, hemofiltration and/or ultrafiltration in hospital or clinical settings; and is Health Canada licensed for hemodialysis, hemodiafiltration and ultrafiltration for patients weighing 20 kgs or more, in all settings – including at home use. Dialco is required to conduct a usability trial to demonstrate the safety and efficacy of DIMI for performing hemodialysis in the home environment to obtain its FDA 510(k) clearance for use at home. Dialco is evaluating the timing of the DIMI usability trial as industry staffing shortages have negatively impacted trial site commitment, trial budget costs and timing. Dialco has extended its DIMI license agreement with Infomed SA until November 30, 2022 as the parties evaluate strategic options for advancing DIMI through its trial and to commercialization.

SAMI, Dialco's proprietary continuous renal replacement therapy ("**CRRT**") instrument, utilizes an open platform design, specifically intended to assist health care providers to deliver therapy safely and efficiently. SAMI's built-in intelligence is intended to reduce complexity while increasing efficiency and reducing consumable cost while delivering customized therapy. In addition, SAMI complements the PMX/EAA development as it can be used to deliver the Company's therapy in the ICU and reduces reliance on third party instrumentation. If commercialization is achieved, the equipment is expected to enable the Company to provide a fully integrated and user-friendly septic shock treatment system in ICU settings. SAMI, which is Health Canada licensed and FDA cleared, continues successful clinical evaluation in key hemodialysis centres in North America, as the Company continues to advance towards short term commercialization. SAMI has a strong commercialization pipeline through the Company's participation in certain RFPs and clinical evaluation activity.

The Company believes that the growing niches of acute care and home care within the U.S. dialysis market that would be served by the DIMI and SAMI could be a market in excess of US$1 billion dollars. This estimate is based on a 2016 report which showed estimates of a then current market for CRRT estimated at US$200 million with a growth rate of 10% per year and a then current market for HHD estimated at US$500 million with a growth rate of 14% per year. The Company is an early market entrant in the U.S. for HHD and in Canada for both CRRT and HHD. At the current time, there is limited competition in the CRRT market with only Baxter International Inc. ("**Baxter**") (Canada and U.S. for CRRT) and NxStage Medical, Inc. (US only CRRT). The U.S. HHD device market is becoming more competitive, While currently there are a limited number of competitors with FDA approved HHD devices (including Outset Medical, Inc. and NxStage Medical, Inc.), there are a number of potential competitors who are at various regulatory and development stages targeting U.S. HHD market, including CVS-Deka, Quanta Dialysis Technologies, Inc., and Diality, Inc.

The following chart outlines the current development stages of the Company's products:

Product	**Device Development**	**Clinical Studies**	**Regulatory**	**Manufacturing**	**Commercialization**
EAA	Completed	Completed	FDA, HC, CE marked	On site at the Company's facility in Toronto	Globally through a non-exclusive agreement with Baxter and through select non-exclusive distributors for Europe/Asia
PMX	Completed	Ongoing phase III clinical study in US (Tigris)	HC, CE marked. Regulatory trial underway in US.	Toray	Baxter to commercialize in North America (Canada has been approved, US approval outstanding)
SAMI	Completed	Completed	FDA, HC	Manufacturing Partner in Switzerland	Combination of direct Dialco sales force and distribution partners in North America
DIMI	Completed	510k human factor trials required	HC licensed for in-centre and at home use, FDA 510k cleared for in-centre use including in hospital and clinical settings.	Manufacturing Partner in Switzerland	Commercialization path to be determined. The Company is reviewing alternatives

The Company also develops, produces and markets recombinant cardiac proteins, antibodies and calibrators. These are sold for use in research and development as well as in products manufactured by other diagnostic companies.

Additional information with respect to the Company's business is provided in the AIF, which is incorporated by reference in this Prospectus.

Recent Developments

On October 4, 2022, the Company provided a clinical trial update on Tigris, noting that 44 patients out of the 150 total patients have been enrolled in the trial. In addition, three new clinical trial sites are expected to be onboarded throughout October, bringing the number of total sites to 17, with the Company anticipating a total of 20 clinical trial sites by the first quarter of 2023.

On August 18, 2022, following a review of the Company's supplemental information to its Investigational Device Exemption (IDE) application, the FDA approved the addition of up to ten new clinical trial sites for Tigris. This approval brings the total potential trial sites to 25 U.S. institutions. The FDA determined that the Company

provided sufficient data to support expansion of its human clinical study and that there are no subject protection concerns that preclude expansion of the investigation.

On August 8, 2022, Dialco, along with its distribution partner, Marathon Medical Corporation, were awarded a five-year Indefinite Delivery/Indefinite Quantity (IDIQ) contract to provide SAMI CRRT dialysis devices and associated maintenance services to the United States Department of Veterans Affairs' ("**VA**") national healthcare system. The United States Department of Veterans Affairs is a government agency responsible for providing healthcare and other services to veterans. The VA initiated the solicitation of bids to streamline the purchasing and contract process, as well as provide enhanced product choices for VA healthcare professionals. Upon review, SAMI was selected and added to the approved product list for VA healthcare facilities nationwide.

On July 11, 2022, the FDA granted Breakthrough Device designation for the Company's PMX device, a therapeutic hemoperfusion device that removes endotoxin, which can cause septic shock. The goal of the Breakthrough Devices Program is to provide patients and health care providers with timely access to medical devices by speeding up their development, assessment, and review, while preserving the statutory standards for premarket approval, 510(k) clearance, and De Novo marketing authorization, consistent with the FDA's mission to protect and promote public health.

On May 16, 2022, the Company appointed Samuel Amory as President of Dialco. Mr. Amory is responsible for the operations of Dialco, including the commercialization of its SAMI and DIMI devices. Mr. Amory brings decades of experience in the medical device and dialysis fields. Since 2005, he served as Vice President of the US Renal Therapies division at B. Braun Medical, a leader in fluid therapy and pain management.

On March 21, 2022, the Company appointed Blair McInnis as CFO, who assumed the role from Chris Seto who continues in his current role as CEO of the Company. He is responsible for overseeing the financial management of the Company, including finance, accounting, treasury, business planning, and investor relations. Mr. McInnis has over fifteen years of corporate finance and public company reporting experience, most recently as Vice President of Finance at SMTC Corporation, a Nasdaq-listed issuer prior to being taken private by HIG in 2021.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capitalization of the Company since June 30, 2022. As at October 4, 2022, the Company had 268,439,277 Common Shares issued and outstanding, as well as stock options to acquire 10,994,721 Common Shares (with a weighted average exercise price of $0.42 per stock option), common share purchase warrants exercisable for 13,294,450 Common Shares (with a weighted exercise price of $0.50 per warrant and expiring on July 27, 2021) and 1,934,091 restricted share units, 617,911 deferred share units and 6,000,000 performance share units, each, when vested, and settleable for one Common Share pursuant to the terms of the Company's long-term incentive plan ("**LTIP**"). Upon completion of the Offering and the Concurrent Private Placement, there will be an aggregate of [●] Common Shares issued and outstanding, or [●] Common Shares issued and outstanding assuming the Over-Allotment Option is exercised in full, and approximately US$5 million in aggregate Notes.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Offering consists of Offered Units which are being offered at the Offering Price of $[●] per Offered Unit. This Prospectus qualifies the distribution of the Offered Units, Unit Shares, the Warrants and the grant of the Broker Warrants.

Offered Units

Each Offered Unit is comprised of one Unit Share (being a Common Share forming a part of each Offered Unit) and **[one-half of one]** Warrant, subject to adjustment in certain circumstances in accordance with the Warrant Indenture. The Offered Units will separate into Unit Shares and Warrants immediately upon issue.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares. Holders of Common Shares are entitled to one vote per Common Share at all meetings of the Company's shareholders, are entitled to dividends if, as and when declared by the board of directors of the Company, and are entitled to participate rateably with respect to the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets for the purpose of winding up the Company's affairs. There are no restrictions on the issue, transfer or ownership of the Common Shares.

Warrants

The Warrants will be governed by the terms of the Warrant Indenture to be entered into on or before the Closing Date between the Company and Computershare Trust Company of Canada, as Warrant Agent. Under the Warrant Indenture, each Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture, one Warrant Share at an exercise price of $[●] per Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date, after which time the Warrants shall be void and of no value or effect.

The following is a summary of certain anticipated provisions of the Warrant Indenture and does not purport to be complete and is subject in its entirety to the detailed provisions of the executed Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which, following the closing of the Offering (i) will be filed on SEDAR under the issuer profile of the Company at www.sedar.com, or (ii) may be obtained on request without charge from the Company at 135 The West Mall, Unit 2, Toronto, Ontario, M9C 1C2, telephone 1.888.426.4264.

The Warrant Indenture is expected to provide customary adjustment provisions designed to protect the holders of Warrants against dilution including provisions for the appropriate adjustment of the class, number and price of the securities issuable under the Warrant Indenture upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the shares, payment of dividends outside of the ordinary course, or amalgamation/merger of the Company.

No fractional Warrant Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrant Shares except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or preemptive rights or any other rights of a holder of Common Shares.

The Company will also covenant in the Warrant Indenture, during the period in which the Warrants are exercisable, to give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least fourteen (14) days prior to the record date or effective date, as the case may be, of such event.

The Warrant Indenture will provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group.

The Warrant Indenture will also contain provisions making binding upon all resolutions of holders of Warrants passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, will be subject to approval by an "Extraordinary Resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy

representing at least 20% of the aggregate number of Warrant Shares which may be acquired pursuant to all the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 ⅔% of the aggregate number of Warrant Shares that may be acquired on exercise of all of the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 ⅔% of the aggregate number of Warrants Shares that may be acquired on exercise of all of the then outstanding Warrants.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable securities laws of U.S. states or other jurisdictions, and the Warrants will not be exercisable by or on behalf of a person in the United States (as defined in Regulation S) or a "U.S. Person" (as defined in Regulation S), nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable securities laws of U.S. states or other jurisdictions is available and the Company and Warrant Agent have received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company and Warrant Agent; provided, however, that a holder who is an institutional "accredited investor" within the meaning of Rule 501(a), (1), (2), (3) or (7) of Regulation D under the U.S. Securities Act ("**Institutional Accredited Investors**")at the time of exercise of the Warrants who purchased Offered Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Offered Units.

The principal transfer office of the Warrant Agent in Toronto, Ontario is the location at which Warrants may be surrendered for exercise or transfer.

Broker Warrants

As partial consideration for their services in connection with the Offering, the Agent will receive Broker Warrants to purchase an aggregate of 637,500 Broker Shares (or [●] Broker Shares if the Over-Allotment Option is exercised in full) at a price of $[●] per Broker Share. The Broker Warrants shall have a term of 36 months from the Closing Date. The terms to be set out in the certificates representing the Broker Warrants will include, among other things, customary provisions for the appropriate adjustment of the number of Broker Shares issuable pursuant to any exercise of the Broker Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company, or any merger, consolidation or amalgamation of the Company with another corporation or entity. The Agent, as holder of the Broker Warrants, will not as such have any voting right or other right attached to Common Shares until and unless the Broker Warrants are duly exercised as provided for in the certificates representing the Broker Warrants. The Broker Warrants will be issued on a stand-alone certificated basis and will not be issued pursuant to the Warrant Indenture.

DIVIDEND POLICY

The Company has not paid dividends since its incorporation and currently has no intention to change its dividend policy in the near future.

USE OF PROCEEDS

The net proceeds to the Company from the Offering and the Concurrent Private Placement will be $7,990,000 (assuming no exercise of the Over-Allotment Option), determined after deducting the payment of the Agent's Fee of $510,000, but before deducting the expenses of the Offering (estimated to be $300,000). If the Over-Allotment Option is exercised in full, the net proceeds to the Company will be $9,188,500. The Company intends to use the net proceeds from the Offering as follows:

- Approximately $4.0 million will be used for its Phase III registration trial (Tigris) for its PMX treatment for endotoxemic septic shock, including data analysis and submission of documentation to the FDA as follows:

- approximately $0.5 million will be used for Tigris program management and monitoring, including for the engagement of contract research organization, as required, distribution and data management,

- approximately $3.5 million will be used at the clinical sites, predominantly for patient enrollment into the Tigris trial, including clinician costs as well as supplies

- The balance (including any proceeds from the exercise of the Over-Allotment Option) will be used for working capital and general corporate purposes.

The Company expects to complete its Phase III registration trial for its Tigris treatment with interim enrolment (90 patients) by the end of 2022 or the first quarter of 2023 assuming expedited patient enrolment, and to complete patient enrolment by the end of the third quarter of 2023 and complete all analysis and submit the final PMA module to the FDA during the fourth quarter of 2023. The clinical trial is being managed internally by the Company, an independent contract research organization, and third-party logistics support. The Company expects to implement its post-approval marketing plans in order to target a product launch in the first half of 2023. See "Risk Factors – COVID-19 Outbreak".

The above-noted allocation represents the Company's intention with respect to its use of proceeds based on current knowledge and planning by management of the Company. There may be circumstances where, for business reasons, the Company reallocates the use of proceeds in a manner that management of the Company believes to be in the best interests of the Company. In such circumstances, the actual amount that the Company spends in connection with each of the intended use of proceeds may vary significantly from the amounts specified above and may depend on a number of factors. See "Risk Factors – Use of Proceeds".

During the fiscal year ended December 31, 2021 and for the six months ended June 30, 2022, the Company had negative cash flow from operating activities. The Company has a limited history of revenues from its operating activities and anticipates it will continue to have negative cash flow from operating activities in future periods. These circumstances cast substantial doubt as to the ability of the Company to meet its obligations as they come due. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the sale of the Offered Units may be used to fund such negative cash flow from operating activities. See "Risk Factors – Negative Cash Flow from Operations".

Until utilized, some or all of the net proceeds of the Offering may be held in cash balances in the Company's bank account or invested at the discretion of the board of directors of the Company, in short-term, high-quality, interest-bearing corporate, government-issued or government-guaranteed securities. Management will have discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditure. See "Risk Factors" in this Prospectus and the AIF.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period prior to the date hereof:

Date	Type of Security Issued	Number of Securities Issued	Issuance/Exercise Price per Security
26-Sept-22	Common Shares[(1)]	7,500	$0.395
21-Sept-22	Common Shares[(1)]	2,500	$0.395
7-Sept-22	Common Shares[(2)]	3,641	N/A
22-Aug-22	Common Shares[(2)]	197,766	N/A

Date	Type of Security Issued	Number of Securities Issued	Issuance/Exercise Price per Security
16-Aug-22	Common Shares[(1)]	3,500	$0.40
08-Aug-22	Common Shares[(1)]	25,000	$0.40
05-Aug-22	Common Shares[(2)]	33,627	N/A
01-Jul-22	Deferred Share Units	71,036	N/A
20-Jun-22	Common Shares[(1)]	8,211	$0.51
06-Jun-22	Restricted Stock Units	298,507	N/A
06-Jun-22	Options	575,838	$0.32
05-Apr-22	Restricted Stock Units	227,273	N/A
05-Apr-22	Options	437,124	$0.33
28-Mar-22	Common Shares[(2)]	2,350	$0.48
28-Mar-22	Common Shares[(2)]	2,740	$0.48
09-Mar-22	Common Shares[(2)]	43,948	$0.64
01-Mar-22	Common Shares[(1)]	53,000	$0.30
28-Feb-22	Performance Share Units	6,000,000	N/A
28-Feb-22	Options	3,073,973	$0.32
28-Feb-22	Restricted Stock Units	976,563	N/A
28-Feb-22	Deferred Share Units	546,875	N/A
25-Feb-22	Common Shares[(1)]	58,335	$0.30
22-Feb-22	Common Shares[(1)]	50,000	$0.30
18-Feb-22	Common Shares[(1)]	50,000	$0.30
12-Nov-21	Options	80,250	$0.275
12-Nov-21	Restricted Stock Units	15,000	N/A

[(1)] Common Shares issued pursuant to the exercise of stock options.
[(2)] Common Shares issued pursuant to vested and issued restricted stock units.

TRADING PRICE AND VOLUME

The outstanding Common Shares are traded on the TSX under the trading symbol “EDT” and on the Pink Markets in the United States under the symbol “EDTXF”. The following table sets forth the reported price range and total monthly trading volumes of the outstanding Common Shares as reported by the TSX for the periods indicated:

Date	Price Range[1]		Monthly Trading Volume[2]
	High ($)	Low ($)	
October 1 – 4, 2022	0.465	0.41	137,910
September 2022	0.51	0.375	896,943
August 2022	0.56	0.395	1,626,061
July 2022	0.58	0.315	2,731,286
June 2022	0.62	0.30	3,082,847
May 2022	0.335	0.265	1,046,813
April 2022	0.35	0.25	738,838
March 2022	0.39	0.29	943,585
February 2022	0.40	0.285	925,862
January 2022	0.375	0.225	1,690,909
December 2021	0.295	0.20	4,194,774
November 2021	0.30	0.15	3,523,090
October 2021	0.35	0.28	1,655,069

[1] Includes intra-day lows and highs.

[2] Total volume traded in the month.

PLAN OF DISTRIBUTION

The Company has engaged the Agent pursuant to the Agency Agreement to offer for sale to the public on a "best efforts" agency basis without underwriter liability, and the Company has agreed to issue and sell up to [●] Offered Units at the Offering Price, for aggregate gross consideration of up to $[●] payable in cash to the Company against delivery of the Offered Units subject to the terms and conditions of the Agency Agreement. The Offering Price was determined by arm's length negotiation between the Company and the Agent with reference to the prevailing market price of the Common Shares. The obligations of the Agent under the Agency Agreement are subject to certain closing conditions and may be terminated at their discretion on the basis of "material change out", "disaster out", "regulatory out", "market out", "due diligence out" and "breach out" provisions in the Agency Agreement and may also be terminated upon the occurrence of certain other stated events. The Agent is not obligated to purchase any Offered Units under the Agency Agreement.

The Company has granted to the Agent an Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Agent, at any time, and from time to time, for a period of 30 days from and including the Closing Date, to purchase: (i) up to an aggregate of [●] Over-Allotment Units at the Offering Price; (ii) up to an aggregate of [●] Over-Allotment Shares at a price of $[●] per Over-Allotment Share; (iii) up to an aggregate of [●] Over-Allotment Warrants at a price of $[●] per Over-Allotment Warrant; or (iv) any combination of (i), (ii) and (iii) provided that, in each case, the aggregate number of Over-Allotment Shares and the aggregate number of Over-Allotment Warrants that may be issued under the Over-Allotment Option (in each case either as underlying components of the Over-Allotment Units or otherwise) does not exceed [●] Over-Allotment Shares and [●] Over-Allotment Warrants, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Units and Over-Allotment Warrants have the same terms as the Offered Units and the Warrants. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities to be issued

upon exercise of the Over-Allotment Option. A person who acquires securities forming part of the Agent's over-allocation position acquires those securities under this Prospectus regardless of whether the Agent's over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Agent in connection with the Offering, and pursuant to the terms of the Agency Agreement, the Company has agreed to pay the Agent the Agent's Fee equal to: (i) $510,000 on gross proceeds of $8,500,000; and (ii) 6.0% of the gross proceeds on amounts raised in excess of $8,500,000 pursuant of the Offering and the Concurrent Private Placement, including any gross proceeds raised on exercise of the Over-Allotment Option. The Agent will also receive, on the Closing Date, Broker Warrants, exercisable for a period of 36 months following the Closing Date, to acquire, in the aggregate, that number of Broker Shares equal to: (i) [●] pursuant to the sale of $8,500,000 of Offered Units and Notes; and (ii) 6.0% of the number of Offered Units and Notes sold in excess of $8,500,000 of pursuant to the Offering and the Concurrent Private Placement, including any Over-Allotment Units issued pursuant to the exercise of the Over-Allotment Option. This Prospectus qualifies the distribution of the Broker Warrants.

No minimum amount of funds must be raised under the Offering. This means that the Company could complete the Offering after raising only a small proportion of the Offering amount set out above.

The Offering is being made in each of the provinces of Canada, except for the province of Québec. The Offered Units will be offered in each of the relevant provinces of Canada through the Agent or its affiliates who are registered to offer the Offered Units for sale in such provinces and such other registered dealers as may be designated by the Agent. Subject to applicable law and the provisions of the Agency Agreement, the Agent may offer the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Agents, in each case in accordance with applicable laws provided that no prospectus, registration statement or similar document is required to be filed in any such jurisdiction.

The Company will apply to list the Unit Shares, the Warrant Shares, and the Broker Shares on the TSX. Listing will be subject to the approval of the TSX in accordance with applicable listing requirements. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation**. See "Risk Factors".

Pursuant to the terms of the Agency Agreement, the Company has agreed to use its reasonable commercial efforts to cause each of the executive officers and directors of the Company to execute, concurrently with the closing of the Offering, a lock-up agreement pursuant to which each such executive officer or director shall not, for a period commencing on the Closing Date and ending 90 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to do any of the foregoing whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire, shares, directly or indirectly, unless (i) they first obtain the prior consent of the Agent, such consent not to be unreasonably withheld or delayed, or (ii) there occurs a take-over bid, arrangement or similar transaction involving the acquisition of the Company.

Upon completion of the Offering, the Company has agreed that it will not, without the prior consent of the Agent, such consent not to be unreasonably withheld, create, issue or sell any Common Shares or any securities convertible into or exchangeable for Common Shares, or enter into an agreement to do any of the foregoing, for the period up to and including the date which is 120 days following the Closing Date other than (i) pursuant to the Offering (including the Over-Allotment Option) and the Concurrent Private Placement referred to in the Term Sheet, (ii) pursuant to the grant of securities pursuant to the LTIP, (iii) pursuant to the exercise or conversion, as applicable, of securities issued pursuant to the LTIP, or the exercise of warrants, each outstanding as at the date hereof, (iv) to Birch Hill Equity Partners IV, LP, Birch Hill Equity Partners (US) IV, LP and Birch Hill Equity Partners (Entrepreneurs) IV, LP or Toray Industries Inc. in connection with any exercise by them of their respective participation rights, or (v) in connection with the bona fide acquisition by the Company of the shares or assets of other corporations or entities.

Subscriptions for the Offered Units will be received subject to rejection or allotment, in whole or in part, and the Agent reserves the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about October 25, 2022, or such other date as may be agreed upon by the Company and the Agent. Pending closing of the Offering, all subscription funds will be deposited and held by the Agent in trust pursuant to the terms and conditions of the Agency Agreement. If the Closing Date does not occur within 90 days from the date a receipt is issued for the (final) short form prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the Agent, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction.

Pursuant to the terms of the Agency Agreement, the Company has agreed to reimburse the Agent for certain expenses incurred in connection with the Offering and to indemnify the Agent and their directors, officers, employees, and agents against certain liabilities and expenses and to contribute to payments the Agent may be required to make in respect thereof.

Pursuant to policy statements of certain securities regulators, the Agent may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Agent may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agent at any time. The Agent may carry out these transactions on the TSX, in the over-the-counter market or otherwise.

The Offering will be conducted under the book-based system. A purchaser of Offered Units will receive only a customer confirmation from the registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Units on behalf of owners who have purchased Offered Units in accordance with the book-based system. Notwithstanding the foregoing, all Unit Shares and Warrants offered and sold, and all Warrant Shares, if applicable, issued, in the United States or to, or for the account or benefit of, U.S. Persons pursuant to available exemptions from the registration requirements of the U.S. Securities Act and applicable securities laws of U.S. states or other jurisdictions to investors who do not qualify as Qualified Institutional Buyers will be represented by definitive physical certificates. See "Plan of Distribution – United States Matters".

United States Matters

The Unit Shares and the Warrants comprising the Offered Units and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any securities or "blue sky" laws of any of the states or other jurisdictions of the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except in accordance with an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of U.S. states and other jurisdictions. Except as permitted in the Agency Agreement, and as expressly permitted by applicable federal and state laws of the United States, the Agent will not offer or sell the Offered Units within the United States or to, or for the account or benefit of, U.S. Persons. The Agency Agreement will enable the Agent, by or through certain United States registered broker-dealers appointed by the Agents as sub-agents, to offer the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons to (i) Qualified Institutional Buyers, and (ii) Institutional Accredited Investors, in each case for sale directly by the Company in compliance with the exemption afforded by Section 4(a)(2) of the U.S. Securities Act and similar exemptions under applicable securities laws of U.S. states and other jurisdictions and/or pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable securities laws of U.S. states and other jurisdictions. Moreover, the Agency Agreement will provide that the Agent, by or through certain United States registered broker-dealers appointed by the Agent as sub-agents, will offer and sell

the Offered Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Offered Units, and the Unit Shares and Warrants comprising the Offered Units, that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and any Warrant Shares issued upon the exercise of such Warrants, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act or the securities laws of the applicable state or other jurisdiction of the United States and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and the securities laws of the applicable state or other jurisdiction of the United States.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable securities laws of U.S. states and other jurisdictions, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable securities laws of U.S. states and other jurisdictions is available and the Company and Warrant Agent have received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company and Warrant Agent; provided, however, that a holder who is an Institutional Accredited Investor at the time of exercise of the Warrants who purchased Offered Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Offered Units.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered Units within the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Units offered hereby within the United States or to, or for the account or benefit of, U.S. Persons by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer or sale is made pursuant to an exemption under the U.S. Securities Act.

The Offering will be conducted under the book-based system. A purchaser of Offered Units will receive only a customer confirmation from the registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Units on behalf of owners who have purchased Offered Units in accordance with the book-based system. Notwithstanding the foregoing, all Unit Shares and Warrants offered and sold, and all Warrant Shares, if applicable, issued, in the United States or to, or for the account or benefit of, U.S. Persons pursuant to available exemptions from the registration requirements of the U.S. Securities Act and applicable securities laws of U.S. states and other jurisdictions to investors who do not qualify as Qualified Institutional Buyers will be represented by definitive physical certificates.

Concurrent Private Placement

The Primary Note Subscriber has agreed to subscribe for US$2.5 million in aggregate Notes. Holders of the Notes may convert all or any portion of the Notes in integral multiples of US$1,000 principal amount at any time prior to the Maturity Date. The conversion price for the Notes will initially be equal to a 30% premium to the price allocated to the Common Shares underlying the Offered Units, subject to customary anti-dilution adjustments. Closing of the Concurrent Private Placement is subject to the satisfaction or waiver of the following conditions: (i) the Company raising gross proceeds of at least C$8,500,000 pursuant to the Offering and the Concurrent Private Placement; (ii) receipt of all regulatory, board and internal corporate approvals; and (iii) the conditional approval of the TSX to the listing of the Common Shares, Warrant Shares and Common Shares underlying the Notes; and (iv) other customary conditions of closing for a transaction of this nature. Listing of any Common Shares issuable upon the conversion of the Notes is subject to the approval of the TSX in accordance with its listing requirements. See "Relationship between the Company and the Agent".

PARTICIPATION RIGHTS

The Company entered into an agreement with Toray, dated March 7, 2013 (the "**Toray Private Placement Agreement**"), and an agreement with the Birch Hill Equity Partners Management Inc. ("**Birch Hill**"), as the general

partner of each of Birch Hill Equity Partners IV, LP, Birch Hill Equity Partners (US) IV, LP, and Birch Hill Equity Partners (Entrepreneurs) IV, LP (collectively, the "**Birch Hill LPs**"), dated June 10, 2014 (the **"Birch Hill Private Placement Agreement**"), in each case, pursuant to which, among other things, it has granted Toray and the Birch Hill LPs with a contractual right to participate in certain issuances by the Company of Common Shares to maintain their *pro rata* ownership percentage of the Company (the "**Participation Rights**"). Toray and the Birch Hill LPs are collectively referred to herein as the "**Strategic Investors**".

Pursuant to such Participation Rights, the Company has undertaken to provide written notice of the proposed issuance by the Company of any additional Common Shares from time to time (each a "**Common Share Issue Notice**"). Upon receipt of a Common Share Issue Notice, Toray and the Birch Hill LPs have the right, exercisable within 30 days (in the case of Toray) and 10 business days (in the case of the Birch Hill LPs) of receiving such notice, to subscribe for and purchase from the Company, such number of Common Shares that will allow the respective Strategic Investor to maintain an aggregate percentage ownership interest in the Company equal to the aggregate percentage ownership interest in the Company that the respective Strategic Investor held prior to any such new issuance of Common Shares (the "**New Issuance**"), at a price per Common Share equal to the issue price per Common Share under the New Issuance.

The Offering triggers the Participation Rights of the Strategic Investors, entitling them to purchase from the Company up to the number of Common Shares necessary to maintain their respective percentage equity ownership interests in the Company at the Offering Price. Toray currently owns 45,630,105 Common Shares, or approximately 17% of the issued and outstanding Common Shares, calculated on a non-diluted basis. The Birch Hill LPs currently own or control 36,017,718 Common Shares, or approximately 13.5% of the issued and outstanding Common Shares, calculated on a non-diluted basis. Each of Toray Birch Hill, on behalf of the Birch Hill LPs, will be provided with a Common Share Issue Notice in connection with the Offering and neither party has confirmed or waived its Participation Rights as of the date hereof. Should Toray or Birch Hill, on behalf of the Birch Hill LPs, exercise its Participation Rights, it is unknown at this time if the distribution of securities to Toray or Birch Hill pursuant to the exercise of its Participation Rights will form part of the Offering or if such securities are to be distributed on a private placement basis.

The Participation Rights granted to Toray in the Toray Private Placement Agreement terminate on the date that Toray sells, assigns or transfers any of the Common Shares purchased under the Toray Private Placement Agreement to any person other than to an affiliate of Toray. The Participation Rights granted to the Birch Hill LPs in the Birch Hill Private Placement Agreement terminate on the date that the Birch Hill LPs no longer own in the aggregate 5% or more of the Common Shares outstanding from time to time (calculated on a non-diluted basis).

RISK FACTORS

An investment in the Offered Units offered hereunder involves certain risks. When evaluating the Company and its business, prospective purchasers of the Offered Units should consider carefully the information set out in this Prospectus and the risks described in the documents incorporated by reference in this Prospectus. These risks include, without limitation, the following, as well as the risks identified and discussed under the heading "Risk Factors" in the AIF, which is incorporated by reference herein. Any of the risks described herein or therein, including currently unknown risks or risks currently deemed immaterial by the Company, could materially adversely affect the Company and its business.

Risks Relating to the Offering and the Offered Units

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Company to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Company may not be able to raise the

funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Discretion in the Use of Proceeds

Management of the Company will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if they believe it would be in the Company's best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

Negative Cash Flow from Operations

During the fiscal year ended December 31, 2021, and the six months ended June 30, 2022, the Company had negative cash flows from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, all or a portion of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities. The Company does not anticipate generating positive cash flows from operations until completion of the Tigris trial, obtaining FDA approval and commercialization of PMX.

Need for Additional Capital

The Company will require substantial additional funds to complete the commercialization of its products. While the Company currently expects to fund such commercialization activities from its ongoing operations, it is possible that such funds from operations will be insufficient, in which case the Company will need to seek additional external funding through public or private equity or debt financing, joint venture arrangements, and/or from other sources. There can be no assurance that additional funding will be available on acceptable terms or at all to enable us to continue and complete the successful commercialization of our products.

The continued development of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company expects to fund its business objectives by way of additional offerings of equity and/or debt financing. The failure to raise or procure such additional funds could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities or convertible debt, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company will require additional financing to fund its operations until positive cash flow is achieved. See "Risk Factors – Additional Issuance of Common Shares May Result in Dilution" and "Risk Factors – Negative Cash Flow from Operations".

Volatile Market Price of the Common Shares

The market price of the Common Shares cannot be predicted and has been and may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or competitive, regulatory or economic trends, adverse changes in the economic performance or market valuations of companies in the industry in which the Company operates, acquisitions, dispositions, strategic partnerships, joint ventures, capital commitments or other material public announcements by the Company or its competitors or government and regulatory authorities, operating and share price performance of the companies that investors deem comparable to the Company, addition or departure of the Company's executive

officers and other key personnel, the COVID-19 pandemic, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue or arise, the Company's operations may be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

No current market for Warrants

There is currently no market through which the Warrants may be sold and purchasers of Offered Units may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation.

The Warrants are speculative in nature and may not have any value

The Warrants do not confer any rights of common share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Common Shares and pay an exercise price of $[●] per Warrant Share, subject to certain adjustments, prior to 24 months following the Closing Date, after which date any unexercised Warrants will expire and have no further value. Moreover, following this Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

A large number of Common Shares may be issued and subsequently sold upon the exercise of the Warrants. The sale or availability for sale of these Warrants or other securities convertible in Common Shares may depress the price of the Common Shares

To the extent that purchasers of Warrants sell Common Shares issued upon the exercise of those Warrants, the market price of the Common Shares may decrease due to the additional selling pressure in the market. The risk of dilution from issuances of Common Shares underlying the Warrants that may be issued pursuant hereto may cause shareholders to sell their Common Shares, which could further contribute to any decline in the Common Share market price. Any downward pressure on the price of Common Shares caused by the sale of Common Shares issued upon the exercise of the Warrants could encourage short sales by third parties which could place downward pressure on the price of the Common Shares by increasing the number of Common Shares being sold, which could lead to a decline in the market price of the Common Shares.

Additional Issuance of Common Shares May Result in Dilution

The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and pursuant to the Toray Private Placement Agreement and the Birch Hill Private Placement Agreement, the Strategic Investors have Participation Rights, which provide each Strategic Investor with the right to maintain its then existing aggregate percentage ownership interest in the Company in the event that the Company issues additional Common Shares in certain circumstances. The board of directors of the Company has discretion to determine the price and the terms of further issuances. As part of the Offering, the Company expects to issue [●] Offered Units (or [●] Offered Units if the Over-Allotment Option is exercised in full). Except as described under the "Plan of Distribution", the Company

may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable or exercisable for Common Shares and pursuant to the exercise of Participation Rights by the Strategic Investors). Moreover, additional Common Shares will be issued by the Company on the exercise, conversion or redemption of certain outstanding securities of the Company, in accordance with their terms. The Company may also issue Common Shares to finance future acquisitions. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its revenue per share.

Strategic Investors Exercise Control over the Company

As at the date of this Prospectus, Toray holds approximately 17% of the issued and outstanding Common Shares and Birch Hill holds approximately 13.5% of the issued and outstanding shares. By virtue of their shareholdings, the Strategic Investors will be able to exert a significant degree of influence over the Company's management and affairs. Due to their aggregate shareholdings, to the extent that each of them similarly vote for or against matters that are submitted to shareholders for approval, such as significant corporate transactions or those involving a change of control, such votes may be determinative of the outcome, which may not be beneficial to the other shareholders of the Company. The concentration of ownership may facilitate, delay or prevent a change in control of the Company and may affect the market price of the Common Shares. In some cases, the interests of the Strategic Investors may not be the same as those of the Company's other shareholders or each other, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Company or its other shareholders.

No Dividend Payments

The Company does not currently intend to pay any cash dividends on its Common Shares in the foreseeable future. The Company has never paid any cash dividends on its Common Shares. The Company does not anticipate paying any cash dividends on its Common Shares in the foreseeable future because, among other reasons, the Company currently intends to retain any future earnings to finance its business. The future payment of cash dividends will be dependent on factors such as cash on hand and achieving profitability, the financial requirements to fund growth, the Company's general financial condition and other factors the board of directors of the Company may consider appropriate in the circumstances. See "Dividend Policy".

Connected Issuer to the Agent

On completion of the Offering and the Concurrent Private Placement, Pinnacle may be an unsecured creditor of the Company. A subsidiary of Paradigm Capital Partners Limited, an influential securityholder of the Agent, is the general partner of Pinnacle and will be a limited partner of Pinnacle. If Pinnacle does become an unsecured creditor of the Company, the Company may be considered a connected issuer (as such term is defined in NI 33-105) to the Agent. These relationships are potential sources of conflict before and after the completion of the Offering and the Concurrent Private Placement. Before completion of the Offering and the Concurrent Private Placement, conflicts could arise with respect to the determination of the terms of the Offering and the Concurrent Private Placement, and the due diligence to be completed as part of the Offering and the Concurrent Private Placement. After completion of the Offering and the Concurrent Private Placement, the potential ongoing creditor relationship (or shareholder relationship if the Notes are converted into Common Shares) could result in the Agent having an undue influence on the business and affairs of the Corporation. Pinnacle, as a creditor of the Company, may have interests that diverge from the interests of the Company and that divergence could become material including, without limitation, credit enforcement considerations. See "Relationship between the Company and the Agents".

Risks Relating to the Company

COVID-19 Outbreak

Catastrophic events in general can have a material impact on the potential continuity of the business. The continued spread of COVID-19 globally could adversely affect our business as healthcare providers may have heightened exposure to COVID-19 if an outbreak occurs in their geography. The Company's operations may also be negatively impacted if the pandemic results in a diversion of intensive care unit resources, a change in patient intake patterns and needs or reduced availability of physicians and/or support staff, which in turn could have a negative impact on enrollment in the Company's Tigris trial and timelines for completion of the Tigris trial. Further, the COVID-19 outbreak could result in adverse effects on our business and operations due to prioritization of clinic resources toward the outbreak or if quarantines and/or restrictions (such as travel restrictions) impede physician, staff or patient movement or interrupt healthcare services.

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically and could result in volatility and disruption to global supply chains, mobility of people and the financial markets, which could affect the business, financial condition, results of operations and other factors relevant to the Company. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital.

The global outbreak of COVID-19 continues to evolve rapidly. The extent to which COVID-19 may impact the Company's business, operations and financial performance will depend on future developments, including but not limited to, matters such as (a) the duration and/or severity of the outbreak, (b) government policies, restrictions and requirements as they relate to social distancing, forced quarantines and other requirements, (c) non- governmental influences or challenges such as the failure of banks and/or (d) any kind of ripple effect caused by the substantial economic damage that can be inflicted on society by a pandemic like COVID-19 such as lawlessness. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

For further details concerning the risks relating to the Company, please see the risks described under the heading "Risk Factors" in the AIF, which is incorporated by reference herein.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Offered Units pursuant to this Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Common Shares and Warrants acquired pursuant to this Offering and who, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), and at all relevant times: (i) deals at arm's length with the Company and the Agent; (ii) is not affiliated with either the Company or the Agent; and (iii) holds the Common Shares and Warrants as capital property (a "**Holder**"). Common Shares and Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules), (ii) an interest in which would be a "tax shelter investment" (as defined in the Tax Act), (iii) that is a "specified financial institution" (as defined in the Tax Act), (iv) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency, (v) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition arrangement" (as defined in the Tax Act) with respect to the Common Shares or Warrants, (vi) that receives dividends on Common Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act), or (vii) that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or series of transactions or events that includes the acquisition of the Offered Units, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Any such Holder should consult its own tax advisor with respect to an investment in the Offered Units.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force as of the date hereof, all specific proposals including any draft legislation ("**Proposed**

Amendments") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

Holders will be required to allocate on a reasonable basis their cost of each Offered Unit between the Unit Share and the one-half Warrant comprising an Offered Unit in order to determine their respective costs for purposes of the Tax Act. For its purposes, the Company intends to allocate $[●] to each Common Share and $[●] to each one-half Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder.

The adjusted cost base to a Holder of each Unit Share comprising a part of an Offered Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act (a "**Resident Holder**"). A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such election is not available in respect of Warrants. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant immediately prior to such expiry. The tax treatment of capital gains and capital losses is discussed in greater detail below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares.

Such dividends received by a Resident Holder that is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends". There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances a taxable dividend received or deemed to be received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition. Such Resident Holders should consult their own tax advisors.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will generally be liable to pay a tax under Part IV of the Tax Act (which generally is refundable, subject to the detailed rules of the Tax Act) on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. A "subject corporation" is generally a corporation (other than a private corporation) controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Dispositions of Common Shares and Warrants

A disposition or a deemed disposition of a Common Share (other than a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or Warrant (other than a disposition arising on the exercise or expiry of a Warrant) by a Resident Holder will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share or Warrant, as the case may be, exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a tax (which generally is refundable, subject to the detailed rules of the Tax Act) on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains. Proposed Amendments released by the Minister of Finance (Canada) on August 9, 2022, are intended to extend this additional tax and refund mechanism in respect of aggregate investment income to "substantive CCPCs" (as proposed to be defined in the Tax Act). Resident Holders are advised to consult their own tax advisors regarding the possible implications of these Proposed Amendments in their particular circumstances.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold the Common Shares or Warrants in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-United States Tax Convention (1980)*, as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant (as applicable) is, or is deemed to be, "taxable Canadian property" of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition provided that at the time of disposition, the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX), unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non- Resident Holder, (b) persons with whom the Non- Resident Holder did not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Common Share or Warrant Share may also be deemed to be taxable Canadian property to a Non-Resident Holder under the provisions of the Tax Act. Non-Resident Holders should consult their own tax advisors as to whether their Common Shares or Warrants constitute "taxable Canadian property" in their own particular circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings "*Holders Resident in Canada - Dispositions of Common Shares and Warrants*" and "*Taxation of Capital Gains and Capital Losses*" will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Agent, based on the current provisions of the Tax Act and the Regulations, in force as of the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a "registered retirement savings plan", "registered retirement income fund", "registered education savings plan", "registered disability savings plan", "tax-free savings account" (collectively referred to as "Registered Plans", each a "**Registered Plan**") or a deferred profit sharing plan ("**DPSP**") (as defined in the Tax Act), provided that:

(i) in the case of Unit Shares and Warrant Shares, such Unit Shares or Warrant Shares, as the case may be, are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) or the Company qualifies as a "public corporation" (as defined in the Tax Act); and

(ii) in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) above, and neither the Company, nor any person with whom the Company does not deal at arm's length, is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder of, or annuitant or subscriber under, a Registered Plan (a "**Controlling Individual**") will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Company for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be prohibited investment if such securities are "excluded property" (as defined in the Tax Act) for the Registered Plans. **Persons who intend to hold the Offered Units in a Registered Plan or DPSP should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

Based on the Proposed Amendments released by the Minister of Finance (Canada) on August 9, 2022, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a first home savings account ("**FHSA**") provided that (i) the Unit Shares or the Warrant Shares, as the case may be, are listed on a designated stock exchange or the Company qualifies as a "public corporation" (as defined in the Tax Act), and (ii) in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) in this paragraph, and neither the Company, nor any person with whom the Company does not deal at arm's length, is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of a FHSA. The holders of FHSAs would also be subject to the prohibited investment rules described above. Such legislative proposals are proposed to come into force on January 1, 2023.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

On completion of the Offering and the Concurrent Private Placement, Pinnacle may be an unsecured creditor of the Company. A subsidiary of Paradigm Capital Partners Limited, an influential securityholder of the Agent, is the general partner of Pinnacle, and will be a limited partner of Pinnacle. If Pinnacle does become an unsecured creditor of the Company, the Company may be considered a connected issuer (as such term is defined in NI 33-105) to the Agent.

The Company approached the Agent with respect to the Offering and the Concurrent Private Placement as part of the Company's business plan to raise additional capital. The Agent was involved in the decision to distribute the Units and the determination of the terms of the Offering (and the Concurrent Private Placement). The terms of the

Offering were the subject of negotiation between the Company and the Agent, and the terms of the Concurrent Private Placement were the subject of negotiation between the Company and the Agent on the one hand, and the Company and the Primary Note Subscriber on the other hand. See "Plan of Distribution". The Agent will receive the Agent's Fee and Broker Warrants in connection with the Offering and the Concurrent Private Placement. The proceeds raised pursuant to the Offering and the Concurrent Private Placement will be used by the Company to fund its Phase III registration trial (Tigris) for its PMX treatment for endotoxemic septic shock and for general capital and working purposes, and none of the net proceeds from the Offering (or the Concurrent Private Placement) will be applied towards the repayment of any indebtedness owed by the Company to Pinnacle if any, or otherwise applied for the benefit of the Agent. See "Plan of Distribution" and "Use of Proceeds".

Due diligence with respect to the business, affairs and undertaking of the Company was performed by the Agent with the assistance of its legal counsel. The due diligence included the following:

- all matters relating to the Company and the adequacy of disclosure in this Prospectus including a review of the minute book, material contracts, the Company's website and general operating procedures, as well as general industry practices and conditions;
- the financial position and history, business plan, managerial expertise, any material transactions and all business affiliations and partnerships and the likelihood of future profitability;
- a review of any internal forecasts, projections, capital expenditure budgets, including the assumptions used in their development; and
- past conduct of officers, directors, and major shareholders of the Company with a view to ensuring that the business of the Company will be conducted with integrity, in the best interests of its security holders and the investing public, and in compliance with applicable securities laws as supported by various business and legal searches, and general inquiries.

See "Risk Factors".

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon on behalf of the Company by Stikeman Elliott LLP, and on behalf of the Agent by Cassels Brock & Blackwell LLP. As at the date hereof, the partners and associates of Stikeman Elliott LLP and Cassels Brock & Blackwell LLP, each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent of the Common Shares.

AUDITOR AND REGISTRAR

The independent auditor of the Company is PricewaterhouseCoopers LLP, PwC Centre, 354 Davis Road, Suite 600, Oakville ON Canada L6J 0C5. PricewaterhouseCoopers LLP has confirmed that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

AGENT FOR SERVICE OF PROCESS

Anthony Bihl, John Nosenzo, Jan D'Alvise and Jun Hayakawa are each directors of the Company who reside outside of Canada and have each appointed the Company at its address at 135 The West Mall, Unit 2, Toronto, Ontario, M9C 1C2 as the agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

DATED: October 5, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

(Signed) Chris Seto

Chris Seto
Chief Executive Officer

(signed) Blair McInnis

Blair McInnis
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Anthony Bihl, III

Anthony Bihl, III
Director

(Signed) William Stevens

William Stevens
Director

CERTIFICATE OF THE AGENT

DATED: October 5, 2022

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

PARADIGM CAPITAL INC.

By: *(Signed) David Roland*

David Roland
Chief Executive Officer