



Annual Information Form

For the year ended December 31, 2023

Dated August 27, 2024

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ITEM 1. ABOUT THE ANNUAL INFORMATION FORM

In this annual information form (“AIF” or “Annual Information Form”), unless the context otherwise requires, the “Company”, “NurExone”, “we”, “us” and “our” refers to NurExone Biologic Inc. together with its wholly-owned subsidiary, NurExone Biologic Ltd.

All financial information in this Annual Information Form is prepared in Canadian dollars, except where otherwise indicated, and using IFRS as issued by the International Accounting Standards Board.

In this AIF, all references to “C\$” refer to Canadian dollars, all references to “US\$” refer to U.S. dollars.

This AIF applies to the business activities and operations of the Company for the fiscal year ended December 31, 2023, with certain information updated to reflect changes occurring subsequent to December 31, 2023, up to the date of this AIF. Unless otherwise indicated, the information in this AIF is given as of August 27, 2024.

This Annual Information Form contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

The information contained in this AIF, including news releases and other disclosure items of the Company, is available under the Company’s profile on SEDAR+ at www.sedarplus.com. The Common Shares are traded on the TSXV under the symbol “NRX” and on the Frankfurt Stock Exchange under the symbol “NRX.V”.

ITEM 2. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains “forward-looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this AIF, forward-looking statements can be identified by the use of words such as “may”, or by such words as “will”, “intend”, “believe”, “estimate”, “consider”, “expect”, “anticipate”, and “objective” and similar expressions or variations of such words. Forward-looking statements are, by their nature, not guarantees of the Company’s future operational or financial performance and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects, or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended with respect to anticipated future results, or that estimates, or projections will be sustained.

Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions, and expected future developments, as well as the factors we believe, are appropriate. Forward-looking statements in this AIF include, but are not limited to, statements relating to: our ability to obtain funding for our operations, including funding for research and commercial activities; our business model and strategic plans; the success of research and development operations; our ability to develop and commercialize product candidates; our commercialization, marketing and manufacturing capabilities and strategy; our ability to leverage internal capabilities and know-how; our expectations regarding federal, provincial, and foreign regulatory requirements; whether we will receive, and the timing and costs of obtaining, regulatory approvals in the United States, Canada, Israel, and other jurisdictions; the therapeutic benefits, effectiveness, and safety of our product candidates; estimates of our expenses, future revenue, capital requirements and our needs for additional financing; and our expectations regarding market risk, including interest rate changes and foreign currency fluctuations.

In developing the forward-looking statements in the MD&A, the Company has applied several material assumptions, including the availability of financing on reasonable terms; our ability to secure available funding and to continue as a going concern; the general business and economic conditions of the industries and countries in which we operate; our ability to retain and supplement its Board and management and skilled employees, or otherwise engage consultants and advisors, having knowledge of the industries in which we participate; our ability to engage and retain the employees or consultants required to grow our business; and our ability to execute on our business strategy.

Many risks, uncertainties, and other factors could cause the actual results of the Company to differ materially from the results, performance, achievements, or developments expressed or implied by such forward-looking statements. These risks, uncertainties, and other factors include, but are not limited to the following: the risk factors set forth under “*Item 7 – Description of The Business: Risk Factors*”; overall economic conditions; rapid technological changes; demand for our product; the introduction of competing technologies; competitive pressures; network restrictions; fluctuations in foreign currency exchange rates; and other similar factors that may cause the actual results, performance or achievements to differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the AIF or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this AIF, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required pursuant to applicable securities law. All forward-looking statements contained in the AIF are expressly qualified in their entirety by this cautionary statement.

ITEM 3. MARKET AND INDUSTRY DATA

This AIF may contain market and industry data and forecasts obtained from third-party sources, industry publications and publicly available information. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. 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, the Company has not independently verified any of the data from third-party sources referred to in this AIF, or analyzed or verified the underlying information relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

ITEM 4. GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Annual Information Form. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

“**ABCA**” means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder, as amended from time to time.

“**Affiliate**” means a corporation that is affiliated with another corporation as follows: (A) a corporation is an “Affiliate” of another corporation if: (i) one of them is the subsidiary of the other; or (ii) each of them is controlled by the same Person; (B) a corporation is “controlled” by a Person if: (i) voting securities of the corporation are held, other than by way of security only, by or for the benefit of that Person; and (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the corporation; or

(C) a Person beneficially owns securities that are beneficially owned by: (i) a corporation controlled by that Person; or (ii) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person.

“**AIF**” or “**Annual Information Form**” has the meaning ascribed to it in Item 1 – About this Annual Information Form.

“**ANDA**” has the meaning ascribed to it in Item 7 – Description of the Business.

“**Arrangement**” has the meaning ascribed to it in Item 6 – General Development of the Business.

“**Arrangement Agreement**”, means the arrangement agreement dated March 10, 2022, between the Company and 1222150 B.C. Ltd. in respect of the spinout transaction.

“**Audit Committee**” means the audit committee of the Board.

“**Auditor**” has the meaning ascribed to it in Item 18.1 – Interests of Experts.

“**Awards**” has the meaning ascribed to it in Item 9 – Description of the Capital Structure.

“**BBB**” means blood-brain barrier.

“**Board**” means the board of directors of the Company.

“**cGCP**” has the meaning ascribed to it in Item 7 – Description of the Business.

“**cGMP**” has the meaning ascribed to it in Item 7 – Description of the Business.

“**Common Shares**” means common shares in the authorized capital of the Company.

“**Compensation Committee**” means the compensation committee of the Board.

“**Consolidation**” means the consolidation of the issued and outstanding Common Shares on the basis of ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share;

“**ENER Private Placement**” has the meaning ascribed to it in Item 6 – General Development of the Business.

“**ENER Subscription Receipts**” has the meaning ascribed to it in Item 6 – General Development of the Business.

“**Exchange Ratio**” has the meaning ascribed to it in Item 7 – General Development of the Business.

“**Equity Incentive Plan**” has the meaning ascribed to it in Item 9 – Description of the Capital Structure.

“**FDA**” means the Food and Drug Administration in the United States.

“**Globex**” has the meaning ascribed to it in Item 6 – General Development of the Business.

“**Hatch-Waxman Act**” has the meaning ascribed to it in Item 7 – Description of the Business.

“**IFRS**” means International Financial Reporting Standards, as issued by the International Accounting Standards Board.

“**IIA**” means the Israeli Innovation Authority.

“**IND**” means an investigational new drug application in the United States.

“**Inteligex**” has the meaning ascribed to it in Item 6 – General Development of the Business.

“**IRB**” has the meaning ascribed to it in *Item 7 – Description of the Business*.

“**Law**” or “**Laws**” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any governmental entity or self-regulatory authority (including the Exchange).

“**Letter of Intent**” means the letter of intent between the Company and NurExone Ltd. dated April 22, 2021 as amended August 23, 2021 with respect to the RTO.

“**MSCs**” has the meaning ascribed to it in *Item 7 – Description of the Business*.

“**NCEs**” has the meaning ascribed to it in *Item 7 – Description of the Business*.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**NTBI**” has the meaning ascribed to it in *Item 7 – Description of the Business*.

“**NurExone**” or the “**Company**” means NurExone Biologic Inc. (Formerly EnerSpar Corp.), a company incorporated under the Laws of Alberta.

“**NurExone Ltd.**” means NurExone Biologic Ltd., a private Company incorporated under the laws of Israel.

“**ODD**” means orphan-drug designation.

“**Option Plan**” has the meaning ascribed to it in *Item 9 – Description of the Capital Structure*.

“**Options**” has the meaning ascribed to it in *Item 9 – Description of the Capital Structure*.

“**Participant**” has the meaning ascribed to it in *Item 9 – Description of the Capital Structure*.

“**Person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

“**Polyrizon**” has the meaning ascribed to it in *Item 6 – General Development of the Business*.

“**Pre-IND**” means Pre-Investigational New Drug Application.

“**Promoter**” means (A) a Person or company that, acting alone or in conjunction with one or more other persons, companies or a combination of them, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer; or (B) a Person or company that, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property or both services and property, 10% or more of the issued securities of a class of securities of the issuer or 10% or more of the proceeds from the sale of a class of securities of a particular issue, but a Person or company who receives the securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be considered a Promoter within the meaning of this definition where that Person or company does not otherwise take part in founding, organizing or substantially reorganizing the business.

“**R&D**” means research and development.

“**R&D Milestones**” has the meaning ascribed to it in *Item 7 – Description of the Business*.

“**Ramot**” has the meaning ascribed to it in *Item 7 – Description of the Business*.

“REMS” has the meaning ascribed to it in Item 7 – Description of the Business.

“Restricted Shares” has the meaning ascribed to it in Item 9 – Description of the Capital Structure.

“RSUs” has the meaning ascribed to it in Item 9 – Description of the Capital Structure.

“RTO” has the meaning ascribed to it under Item 5.1 – Name, Address and Incorporation.

“SCI” has the meaning ascribed to it in Item 7 – Description of the Business.

“SEDAR+” means the System for Electronic Document Analysis and Retrieval.

“Shareholders” means the holders of the Common Shares.

“Subsidiary” has the meaning ascribed to it in Item 6 – General Development of the Business.

“Surplus Escrow Agreement” has the meaning ascribed to it in Item 11 – Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer.

“TBI” has the meaning ascribed to it in Item 7 – Description of the Business.

“Technion” has the meaning ascribed to it in Item 6 – General Development of the Business.

“TRDF” has the meaning ascribed to it in Item 7 – Description of the Business.

“Total Share Authorization” has the meaning ascribed to it in Item 9 – Description of the Capital Structure.

“Transaction Agreement” means the securities exchange agreement made as amended on January 3, 2022 by and among NurExone Ltd., the NurExone Ltd. shareholders and the Company in respect of the RTO; and amending agreement made on April 12, 2022.

“TSXV” or the “Exchange” means the TSX Venture Exchange.

“United States” or “U.S.” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“USPTO” means the United States Patent and Trademark Office.

“Warrants” means Common Share purchase warrants of the Company, with each Warrant entitling the holder thereof to acquire one Common Share at the applicable exercise price.

“Yissum” has the meaning ascribed to it in Item 6 – General Development of the Business.

ITEM 5. CORPORATE STRUCTURE

Name, Address and Incorporation

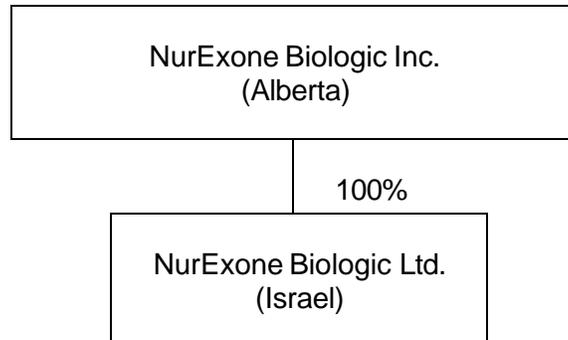
NurExone Biologic Inc., was incorporated on June 27, 2011, under the ABCA and is extra-provincially registered in Ontario. The Company is a reporting issuer in British Columbia, Alberta, and Ontario.

The Company was incorporated under the laws of Alberta and has a registered office located at 100-4838 Richard Road SW, Calgary, Alberta, T3E 6L1, Canada, and its head office is located at Minus 1 entry, the ground floor of Building B, Gutwirth Industrial Park, Technion City, Haifa, 3200003, Israel.

On June 15, 2022, the Company completed a reverse takeover transaction with NurExone Ltd., pursuant to which the business of NurExone Ltd. became the business of the Company, and the former shareholders of NurExone Ltd. became the majority shareholders of the Company (the “RTO”). In connection with the RTO, the Company changed its name to “NurExone Biologic Inc.”.

Intercorporate Relationships

The Company has one subsidiary. The below diagram sets out the intercorporate structure of the Company, including jurisdictions of incorporation and the percentage of voting securities of the subsidiary beneficially owned, directly or indirectly, by the Company as of the date of this AIF.



The Company, through its wholly-owned subsidiary, NurExone Ltd., is a pioneering biopharmaceutical company, that is developing a platform for biologically-guided exosome-based therapies to be delivered, non-invasively, to patients who have suffered Central Nervous System injuries.

The Company’s operations and research and development activities are based in Israel. The Company’s subsidiary NurExone Ltd., focuses on the first product, ExoPTEN for acute spinal cord injury, which was proven to recover motor function in 75% of laboratory rats when administered intranasally. ExoPTEN has been granted Orphan Drug Designation by the FDA.

ITEM 6. GENERAL DEVELOPMENT OF THE BUSINESS

History of the Company

The Company was founded in Alberta in 2011 as a Capital Pool Corporation, named Walmer Capital Corp., pursuant to the policies of the TSXV. The Company changed its name to EnerSpar Corp. simultaneously with completing its qualifying transaction on March 30, 2017, under Policy 2.4 of the TSXV policies.

In connection with its qualifying transaction, the Company entered into an agreement with Globex Mining Enterprises Inc. (“Globex”) to acquire a 100% legal and beneficial interest in the Johan Beetz Feldspar Property, which is represented by four mineral claims in the Province of Quebec. In addition, the Company staked four additional claims adjoining the original claims acquired from Globex. Upon completion of the its qualifying transaction pursuant to the policies of the TSXV, the Company’s business was the acquisition, exploration and development of resource property especially in the field of industrial minerals.

In 2017, the industrial minerals sector was depressed, resulting in the Company seeking other business opportunities to enhance shareholder value.

On March 10, 2022, the Company and 1222150 B.C. Ltd, (the “**Subsidiary**”), a wholly-owned subsidiary of the Company, entered into the Arrangement Agreement with respect to a plan of arrangement (the “**Arrangement**”) pursuant to the *Business Corporations Act* (British Columbia). The Subsidiary was incorporated on September 5, 2019. On March 17, 2022, the Company acquired 100% of the Subsidiary’s outstanding shares for total consideration of C\$0.01. The Subsidiary was acquired for purposes of facilitating the Arrangement and the Company’s mining properties became assets of the Subsidiary. Pursuant to the Arrangement the Company spun out the Subsidiary, by way of distributing the securities of the Subsidiary held by the Company to the shareholders of the Company on a pro rata basis. The Arrangement was to divest the Company of its mineral assets prior to the RTO. No other assets of the Company were transferred to the Subsidiary. Following the completion of the Arrangement, the Subsidiary continued as a separate unlisted reporting issuer in the provinces of British Columbia, Alberta, and Ontario and the Subsidiary owns 100% of the Johan Beetz Feldspar property.

On April 22, 2021, as amended August 23, 2021, the Company entered into the Letter of Intent with NurExone Ltd. and on January 3, 2022, the Company and NurExone Ltd. entered into the Transaction Agreement in respect of the RTO.

RTO

On January 3, 2022, the Company, NurExone Ltd. and the NurExone Ltd. shareholders entered into the Transaction Agreement. A copy of the Transaction Agreement is available on SEDAR+ at www.sedarplus.com. The Transaction Agreement governed the reverse takeover transaction of NurExone Ltd. by the Company, pursuant to which the shareholders of NurExone Ltd. exchanged their NurExone Ltd. shares for Common Shares of the Company. The former shareholders of NurExone Ltd. became the majority shareholders of the Company and NurExone Ltd. became a wholly owned subsidiary of the Company. Following the completion of the RTO on June 15, 2022, the business of NurExone Ltd. became the business of the Company and the Company’s Common Shares were listed and posted for trading on the TSXV as of June 22, 2022. In connection with the RTO, the company was renamed “NurExone Biologic Inc.”.

Prior to the completion of the RTO, the Company completed a private placement (“**ENER Private Placement**”) of 4,551,814 subscription receipts (“**ENER Subscription Receipts**”) at an issue price of C\$0.80 per ENER Subscription Receipt for aggregate gross proceeds of C\$3,641,451. Each ENER Subscription Receipt was automatically exercised in connection with the RTO, for no additional consideration, into one (1) Common Share and one (1) Warrant. Each Warrant is exercisable for one

(1) Common Share at a price of C\$1.20 for a period of twenty four (24) months from the date of issuance. The ENER Private Placement closed on May 5, 2022.

Pursuant to the terms of Transaction Agreement:

- the Company completed the Consolidation.
- holders of issued and outstanding NurExone Ltd. shares received 17 Common Shares (post-Consolidation) for each NurExone Ltd. share held (the “**Exchange Ratio**”); and
- options, warrants and other securities convertible into NurExone Ltd. shares were exchanged, based on the Exchange Ratio, for equivalent securities to purchase post- Consolidation Common Shares on substantially similar terms and conditions.

In connection with the RTO:

- 35,296,149 Common Shares were issued to the former shareholders of NurExone Ltd. in exchange for all of the issued and outstanding shares of NurExone Ltd;
- 4,551,814 Common Shares were issued to holders of ENER Subscription Receipts; and
- 2,536,000 Common Shares were issued to the existing shareholders of Company upon the 10:1 Consolidation of the existing 25,360,000 pre-Consolidation Common Shares.

Following completion of the RTO and conversion of the Subscription Receipts, there were 42,383,963 Common Shares issued and outstanding and, assuming that all of the outstanding options and warrants were exercised into Common Shares, 61,759,764 Common Shares were issued and outstanding on a fully diluted basis.

For a history's of the Company and NurExone Ltd. prior to the completion of the RTO, see the Listing Statement of the Company dated May 12, 2022, available on the Company's SEDAR+ profile at www.sedarplus.com.

References to the Listing Statement are for information purposes and are not considered incorporated by reference herein.

Updates following the RTO and Year Ended December 31, 2022

On July 11, 2022, the Company signed a collaboration agreement with Polyrizon Ltd. ("**Polyrizon**") for intranasal administration of exosome therapy. The Company agreed to pay EUR €215,000 in three equal installments, subject to certain milestones. The Company has paid the first 1st installment. In addition, the Company agreed to pay US\$3,350,000 upon completion of development milestones. Moreover, NurExone shall pay royalties to Polyrizon from revenue as follows: (i) for an income of US\$50,000- US\$2,500,000, the Company shall make a royalty payment of 2.25% from net income; (ii) for an income of US\$2,500,000- US\$10,000,000, the Company shall make a royalty payment of 2.75% from net income; (iii) for an income of US\$10,000,000 and above, the Company shall make a royalty payment of 3.25% from net income; and (iv) for an income through a sublicense, the Company shall make a royalty payment equal to 35% from net income relating to such sublicense.

On July 18, 2022, NurExone signed a material transfer agreement with Yissum Research Development Company of the Hebrew University of Jerusalem Ltd ("**Yissum**"). The company will make biological, chemical, and other tangible materials, at no charge, available for the use of Yissum for research purposes. NurExone has the option to receive an exclusive license to the jointly owned results and related intellectual property that may arise from the research, in the field of neurodegenerative diseases and central nervous system indications upon commercialization, subject to terms and conditions.

Year Ended December 31, 2023

On May 8, 2023, the Company granted incentive awards under the Company's equity incentive plan to certain officers, employees, and directors of the Company, as follows: (i) 1,578,020 options, with each option exercisable for one Common Share at a price of C\$0.28 per Common Share. 827,120 of the options were fully vested as of the grant date and will expire on May 8, 2032. 750,900 of the options will be vested over a two-year period in various increments, with an expiration period of ten years following the vesting commencement date. Each option will vest for one Common Share on the date that is up to 24 months following the date of the grant. (ii) 1,275,000 RSUs. Each RSU will vest for one Common Share on the date that is 12 months following the date of the grant.

On June 28, 2023, the Company held its annual and special meeting of shareholders, pursuant to which the shareholders approved an amendment to the exercise price of 3,706,595 previously issued Common Share purchase options from an exercise price of C\$0.80 per Common Share to C\$0.33 per Common Share.

On September 6, 2023, the Company completed a non-brokered private placement of units of the Company (each, a “Unit”) in two tranches. In the aggregate, the Company issued and sold 5,394,548 Units at a price of C\$0.275 per Unit for aggregate proceeds of \$1,483,500.7 under the private placement. Additionally, the private placement incurred approximately C\$27,000 in transaction costs. Each Unit consisted of (i) one Common Share; (ii) one-half of one class A Common Share purchase warrant (each whole class A Common Share purchase warrant, a “Class A Warrant”); and (iii) one-half of one class B Common Share purchase warrant (each whole class B Common Share purchase warrant, a “Class B Warrant” and collectively each whole Class A Warrant and each whole Class B Warrant, a “Class A and B Warrants”). Each Class A Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.34 per Common Share for a period of 24 months following issuance and each whole Class B Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.48 per Common Share for a period of 36 months following issuance. The Class A and B Warrants are subject to accelerated expiration whereby if the daily volume weighted average trading price of the Common Shares on the TSXV for any period of 20 consecutive trading days equals or exceeds C\$0.69 in respect of the Class A Warrants or C\$0.83 in respect of the Class B Warrants, the Company may, upon providing written notice to the holders of the Class A Warrants or Class B Warrants, as applicable (the “Acceleration Notice”), accelerate the expiry date of the respective Class A Warrants or Class B Warrants to the date that is 30 days following the date of the Acceleration Notice. If the Class A and B Warrants are not exercised by the applicable accelerated expiry dates, the Class A and B Warrants will expire and be of no further force or effect. All securities issued under the 2023 Private Placement were subject to a statutory hold period of four months and one-day following issuance.

On September 21, 2023, the Company was granted US\$271,000 (NIS 980,000) by the Israeli Innovation Authority (“IIA”) under the Israel-Canada bilateral Eureka program. This grant is designated for a collaborative initiative with Canada-based company, Inteligex Inc. (“Inteligex”), signed on November 30, 2023, aimed at developing an innovative hybrid therapy specifically designed for the complex chronic spinal cord injury market. The awarded grant, totaling US\$678,000 (NIS 2,450,000), will cover the expenses of the first year, spanning from January to December 2024. The collaborative partnership with Inteligex is set for two years with an overall budget of US\$1,830,000 (EUR 1,690,000). However, the budget for the second year will be requested at a later stage, after the completion of the initial year. In December 2023, the Company received an advance income from the IIA at US\$95,000 (NIS 343,000). The Company is obligated to pay royalties to the Government of Israel through the IIA at the rate of 3% on sales proceeds from products developed through the grants received from the IIA. The total grant amount accrues annual interest, calculated at a rate based on 12-month SOFR, or at an alternative rate published by the Bank of Israel plus 0.71513%. The obligation to pay these royalties is contingent on actual sales of the products and in the absence of such sales, no payment is required.

On October 7, 2023, an attack was launched against Israel, which thrust Israel into a state of war. As of the issuance date of the Company's MD&A, the state of war had no substantial impact on its operations or business results.

On October 19, 2023, the Company appointed Professor Teo Forcht Dagi, a renowned neurosurgeon, life science venture capitalist, and professor at the Mayo Clinic Alix School of Medicine as well as at Queen's University Belfast, to its esteemed Scientific Advisory Board and Advisory Committee, for 24-months period, at a monthly fee of C\$1,000 and a total of 130,000 Common Share purchase options at an exercise price of C\$0.32. The options will vest over a period of two years, with 50% vesting on the first anniversary of their issuance, and the balance of 50% vesting in 4 equal amounts each three months

thereafter until the second anniversary of the commencement date, provided Dr. Dagi continues to provide services to the Company to that date.

On October 26, 2023, the Company received a response from the Food and Drug Administration (“**FDA**”), advising that pursuant to section 526 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bb), the orphan-drug designation (“**ODD**”) request of mesenchymal stem cell (“**MSC**”) derived small extracellular vesicles (“**EVs**”) loaded with short and modified interfering RNA (“**siRNA**”) against the phosphatase and tensin homolog (“**PTEN**”) protein is granted for treatment of acute Spinal Cord Injury (“**SCI**”). This achievement is expected to profoundly shape the Company’s regulatory and go-to-market strategies for ExoPTEN. ODD offers substantial benefits, including market exclusivity and protection upon drug approval (in addition to existing IP protection), financial incentives, regulatory assistance, and developmental support. Overall, this designation serves to incentivize and facilitate the development of treatments for rare diseases, thereby enhancing patient access to therapies.

On October 30, 2023, the Company granted incentive awards under the Company's equity incentive plan to certain employees, service providers, and directors of the Company, of 1,144,109 options, with each option exercisable for one Common Share at a price of C\$0.32 per Common Share. 679,909 of the options shall vest 25% each quarter over one year and will expire on October 30, 2033. 464,200 of the options will be vested over two years in various increments, with an expiration period of ten years following the vesting commencement date.

In December 2023, the collaboration agreement for the intranasal administration of exosome therapy with Polyrizon was agreed by the Company and Polyrizon to be halted until further notice. If the Company decides to proceed with the collaboration and complete the product's development milestones, both parties will mutually agree on further steps.

Recent Developments

On January 4, 2024, the Company has closed a non-brokered private placement (the “**Private Placement**”). An aggregate of 7,091,993 units of the Company (each a “**Unit**”) were issued and sold under the Private Placement at a price of C\$0.28 per Unit for aggregate proceeds of C\$1,985,758.04. Each Unit consisted of (i) one Common Share, and (ii) one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.35 per Common Share for a period of 36 months from the closing of the Private Placement. The Warrants are subject to accelerated expiration whereby if the daily volume weighted average trading price of the Common Shares on the TSXV for any period of 20 consecutive trading days equals or exceeds C\$0.80, the Company may, upon providing written notice to the holders of the Warrants (the “**Acceleration Notice**”), accelerate the expiry date of the Warrants to a date not less than 30 days following the date of the Acceleration Notice. If the Warrants are not exercised by the applicable accelerated expiry date, the Warrants will expire and be of no further force or effect. All securities issued under the Private Placement are subject to a statutory hold period of four months and one day from the closing of the Private Placement.

On January 7, 2024, NurExone Ltd entered into a construction agreement with Biopharmax Group Ltd (“**Biopharmax**”) for building a laboratory and offices on premises located at the Technion City, Haifa, Israel (the “**Project**”), following entering to a laboratories and offices lease agreement with the Israel Institute of Technology. NurExone Ltd shall pay Biopharmax a total amount of NIS 1,200,000 plus VAT (the “**Budget**”), which shall include all Biopharmax’s expenses including salaries, wages and social benefits, tools, the supply of materials or equipment, storage, or any other expenses incurred in conducting the project, all as detailed in the project scope. Payments will be made following the payment schedule outlined in the construction agreement upon the completion of each phase of the project. The project commenced on March 1, 2024. The expected completion date has been revised from July 1,

2024, to August 31, 2024. Additionally, NurExone will compensate Biopharmax up to NIS 350,000 for additional expenses, including equipment and infrastructure.

On January 17, 2024, the Company announced its entry into an Advertising Agreement with BullVestor Medien GmbH ("**BullVestor**") and its general manager Helmut Pollinger, both arm's-length parties to the Company, to provide digital marketing services to the company commencing on January 15, 2024, and until May 15, 2024. The services will include the creation of content, strategic planning, digital advertisement placement, and overseeing the progress and results of digital campaigns. The advertising and communications will occur in German speaking countries (Germany, Austria and Switzerland). In consideration of providing the services, the Company has budgeted a total of C\$300,000 and advanced the payment in full.

On February 6, 2024, the Company executed several ad-hoc service agreements pertaining to its anticipated Over-The-Counter ("**OTC**") Markets listing, outlined as follows: (i) Engagement with Nauth LPC for U.S. Corporate and Securities law advice related to the Company's OTC Markets listing and DTC common shares eligibility, incurring a total fee of C\$13,000 plus HST of 13%; (ii) Engagement with Globex Transfer LLC for DTC Advisory services, incurring a total fee of US\$13,500; and (iii) Engagement with Glenridge Partners LLC to assist in providing the necessary information for Form 15c-211, incurring a total fee of US\$7,500.

On March 1, 2024, NurExone Ltd entered into a laboratories and offices lease agreement ("**Lease Agreement**") with the Technion – Israel Institute of Technology (the "**Technion**"). TRDF, a subsidiary of Technion, serves as a unique gateway to access the cutting-edge scientific and technological knowledge and capabilities of Technion. The lease agreement pertains to premises spanning 195 square meters located at minus 1 entry, 0 floor of Building B, Gutwirth Industrial Park, Technion City, Haifa, Israel. Pursuant to the Lease Agreement, the lease period extends for a term of four years and ten months, until December 31, 2028, with an option to extend the term period by an additional period of five years. The consideration for the lease agreement includes the following: (i) monthly payment of NIS 300 plus VAT for the initial 42-month period. (ii) NIS 8,775 plus VAT, linked to the monthly Israeli Consumer Price Index, starting from the 43rd month and continuing until the end of the lease period. Furthermore, the Company has paid to the Technion an initial deposit payment of NIS 50,000, which will be refunded upon the successful completion of the lease period.

On March 22, 2024, the Company completed the acceleration of 12,682,340 Warrants issued on conversion of the ENER Subscription Receipts. Following the Acceleration Event, 9,684,993 Warrants were exercised at the cash exercise price of C\$0.38, for gross proceeds of C\$3,680,297.34, while the remaining 2,997,347 Warrants were expired unexercised. Furthermore, following the private placement of units that concluded on September 6, 2023, a total of 556,818 Class A Warrant were exercised at the cash exercise prices of C\$0.34 for gross proceeds of C\$189,318.12, and a total of 181,818 Class B Warrant were exercised at the cash exercise prices of C\$0.48 for gross proceeds of C\$87,272.64 following the delivery of the Acceleration Notice to the holders of those Class A and B Warrants.

On April 1, 2024, the Company announced a strategic service agreement with Vivox Ltd. ("**Vivox**"), a leading provider of animal testing and services in Israel to biotech and pharmaceutical companies. Vivox will provide Contract Research Organization ("**CRO**") services to NurExone, as a prerequisite to commencing Human Trials under the planned Investigational New Drug. The scope of the services to be provided includes the carrying out of experiments by Vivox on a total of 100 rats, divided into 5 different experiments, over a period of up to fifteen months. The total amount for these services is NIS 481,000 plus VAT, with a 50% upfront payment required. The remaining amount shall be paid in four installments over the service period.

On April 25, 2024, the Company commenced trading on the OTC Pink market under the symbol "NRXBF" and subsequently graduated to the higher-tier OTCQB market on May 8, 2024.

On June 3, 2024, at the annual and special meeting of shareholders, the shareholders approved the following matters: (i) the election of each of the five (5) nominees proposed by the management as directors of the Company (ii) reappointed Ziv Haft, CPA (Isr.), a BDO member firm, as the Company's auditor for the ensuing year and authorized the board of directors to fix their compensation; (iii) approved an amendment to the Company's omnibus equity incentive plan to increase the number of Common Shares reserved for issuance to participants to 13,166,085, which represented 20% of the issued and outstanding Common Shares as of the record date; and (iv) authorized a continuance of the Company from the Province of Alberta to the Province of Ontario.

On June 11, 2024, the Company entered into an amending agreement (the "**Amending Agreement**") with BullVestor Medien GmbH ("**BullVestor**"), amending the agreement dated January 9, 2024. Under this Amending Agreement, BullVestor will continue to provide investor relations services to the Company from June 15, 2024, until May 15, 2025, at a monthly rate of C\$59,000.

On June 28, 2024, the Company announced a pre-clinical study to explore the potential of NurExone's exosome-based therapies in regenerating damaged optic nerves. The study, initiated by renowned ophthalmologist and serial entrepreneur Prof. Michael Belkin from Tel Aviv University's Goldschleger Eye Research Institute, and led by the principal investigators Prof. Ygal Rotenstreich and Dr. Ifat Sher from the Sheba Medical Center Eye Institute is the latest step in expanding potential clinical indications for Nurexone Biologic's exosome-loaded drugs.

ITEM 7. DESCRIPTION OF THE BUSINESS

The Business of NurExone

NurExone is a pharmaceutical Company that is developing a platform for biologically-guided exosome-based therapies to be delivered, non-invasively, to patients who have suffered Central Nervous System injuries. The Company's first product, ExoPTEN for acute spinal cord injury, was proven to recover motor function in 75% of laboratory rats when administered intranasally. ExoPTEN has been granted Orphan Drug Designation by the FDA. The NurExone platform technology is expected to offer novel solutions to drug companies interested in noninvasive targeted drug delivery for other indications.

The breakthrough treatment is based on licensed technologies from two of Israel's leading universities proven in preclinical studies. In a study conducted on rats by TRDF, Israel's Institute of Technology, the treatment showed spinal cord nerve regeneration following complete lesion of the spinal cord; allowing the rats to walk again. It is expected that this technology, after being approved in clinical trials, can be used in various conditions such as SCI, brain trauma injury and potentially other brain and neurological indications. Exosomes are natural membrane vesicles, secreted by various cells. They carry proteins, lipids, and genetic materials, facilitating intercellular communication. When intra-nasally administered, exosomes can pass the blood brain barrier ("**BBB**") and are better retained in injury sites than when delivered intravenously. Moreover, they can be loadable with an array of therapeutic cargos for specific diseases.

The research by TRDF and Tel-Aviv University was conducted between January 2017 and May 2020, including testing the use of intranasal administration of exosomes driven from mesenchymal stem cells ("**MSCs**") loaded with siRNA-PTEN targeting complete spinal cord lesion in rats and enabled significant functional recovery. The technology is successfully proven in a preclinical study, demonstrating that intranasal administration of ExoPTEN led to significant motor improvement, sensory recovery, and faster urinary reflex restoration.

Exclusive Worldwide License Agreement

Pursuant to agreements with TRDF and Ramot at Tel Aviv University Ltd (“**Ramot**”), the licensors of the technology, the Company has an exclusive worldwide license regarding the treatment for the reversal or reduction of paralysis following SCI using exosomes (membrane-bound extracellular vesicles).

Pursuant to the license, the Company is responsible for the patent application, development, clinical studies, and commercialization of the technology as a licensor and/or sub-licensor. The technology comprises provisional patents owned by TRDF and Ramot for use of certain intellectual property relating to the Exosomes initiative. The license term is on a product-by-product and a country-by-country basis until the later of 15 years following a first commercial sale of a product in such country or the date of expiry of the last of the licensed patents in such country.

In consideration for the exclusive worldwide license agreement:

- NurExone Ltd. shares were issued to Ramot (which, following the completion of the RTO were equivalent to 1,683,000 Common Shares) and NurExone Ltd. warrants to purchase NurExone Ltd. shares were issued to TRDF. The warrants were exercised prior to the completion of the RTO in February 2021 for an aggregate amount of US\$16,000 (the shares of NurExone Ltd. issued pursuant to the exercise of the warrants were equivalent to 3,927,000 Common Shares following the completion of the RTO).
- The Company paid a one-time license fee of US\$40,000 to TRDF.
- The Company shall pay TRDF the following payments:
 - 4.25% on net sales of products sold by the Company or its affiliates; and
 - 50% of the amounts received by the Company or its affiliates on account of sales of products by sublicensees, but in any case, not less than 2% and not more than 4.25% of the net sales of the sublicensee.
 - A minimum royalty payment of US\$20,000 payable as of the 3rd anniversary, which shall increase by 30% every year, to a limit of US\$50,000.
 - The Company shall also pay sublicense fees at the rate of 16%.

Harnessing the Properties of Exosomes for Therapeutic Applications

Over the past two decades, exosomes—small, extracellular vesicles that are naturally released by many cell types and can carry a variety of molecular cargoes—have become the subject of increasingly intense scientific investigation. Studies suggest that exosomes are important messengers for cells and organs, with as-yet unexplored diagnostic and therapeutic potential.

Today, NurExone is at the forefront of developing exosomes into next-generation nanocarriers for drug delivery. Drawing on deep expertise in exosome biology, NurExone has created the ExoTherapy technology platform, which comprises proprietary methods for the production, isolation, and loading of molecules into exosomes for therapeutic purposes. NurExone is applying the ExoTherapy platform to create the company’s lead product, ExoPTEN, an intra-nasally administered exosome-based ExoTherapy to promote neuro-regeneration for the treatment of acute spinal cord injuries.

Many cells produce EVs, which are organized into subtypes with different sizes and biological functions. EVs generally fall into two categories: ectosomes, which pinch off from the cell membrane by outward

budding; and much smaller exosomes, which have an endosomal origin and are created when endocytotic multivesicular bodies fuse with the plasma membrane, releasing the vesicles they contain as exosomes.

Scientific understanding of the origins and functions of exosomes is advancing, but there is widespread recognition that, far from being cellular waste products as once thought, exosomes play an important biological role in intercellular communication and transmission of macromolecules between cells. Further, through their cargo-carrying capacity, exosomes facilitate the spread of proteins, lipids, mRNA, miRNA, and DNA, which can contribute to their general therapeutic effects.

Beyond their normal biological roles, exosomes have increasingly gained attention as vehicles for the delivery of active pharmaceutical ingredients (APIs), from small molecules and peptides to proteins and nucleic acids, as an alternative not only to other kinds of nanocarriers such as lipid vesicles, but also cell-based gene therapies.

Exosomes offer a number of advantages as drug-delivery vehicles. As naturally occurring biological entities harvested from cells, exosomes have completely natural membranes that are better tolerated than many other types of drug-delivery vesicles synthesized from scratch in the laboratory.

At the same time, exosomes do not seem to elicit the strong immune responses that often hamper allogeneic cell-based therapies used to deliver therapeutic molecules and genes to patients.

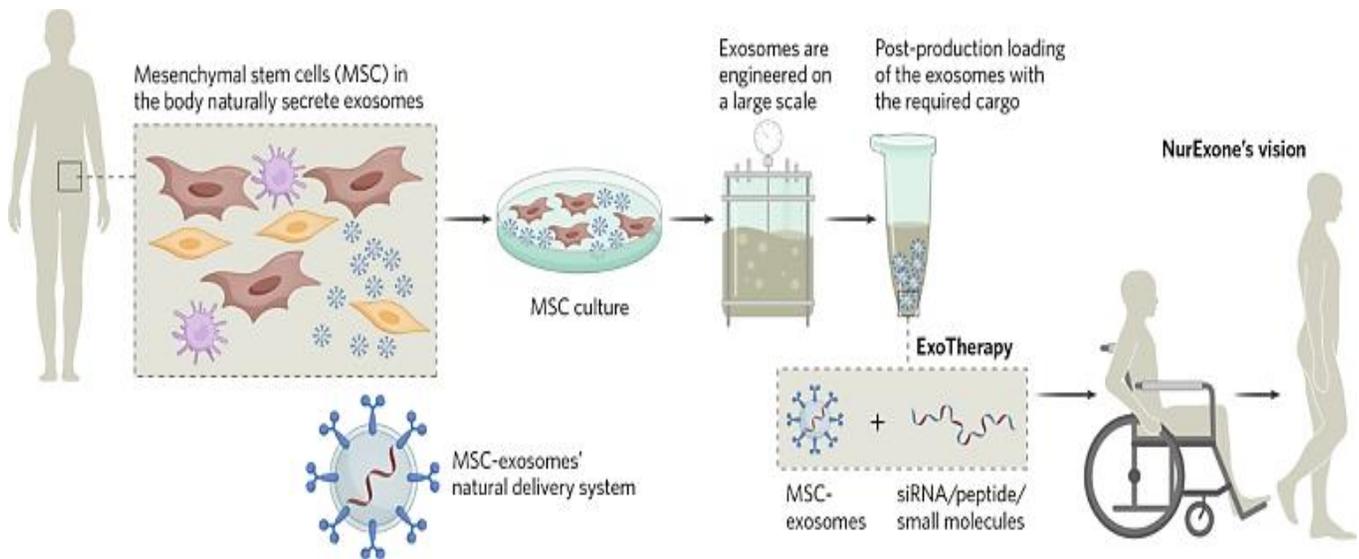
In contrast to alternative therapeutic approaches, exosome therapies do not require expensive and time-consuming personalization but can be used as 'off-the-shelf' therapies suitable for all patients.

Exosomes have additional benefits as EV-based delivery vehicles for therapeutic agents.

First, exosomes, including those produced by the ExoTherapy platform, can cross the blood-brain barrier (BBB), while other nanoparticles, such as most liposomes, cannot. ExoTherapy opens up the possibility of targeting different cell types—and, by extension, therapeutic indications—that are beyond the reach of non-BBB-crossing EVs^{1,2}.

Second, unmodified exosomes, even those carrying no molecular payload, have intrinsic properties that can be therapeutically beneficial, such as anti-inflammatory effects. Finally, exosomes can be administered intra-nasally.

Exosomes originate from many sources. NurExone's ExoTherapy platform employs exosomes derived from mesenchymal stem cells, which are effective in targeting neuronal cells. The ExoTherapy platform overcomes the many technical challenges involved in producing, purifying, and loading exosomes with APIs of almost any type. Through its ability to carry a wide variety of therapeutic modalities, ExoTherapy stands as a true platform technology for creating 'off-the-shelf' therapies that can be administered non-invasively.



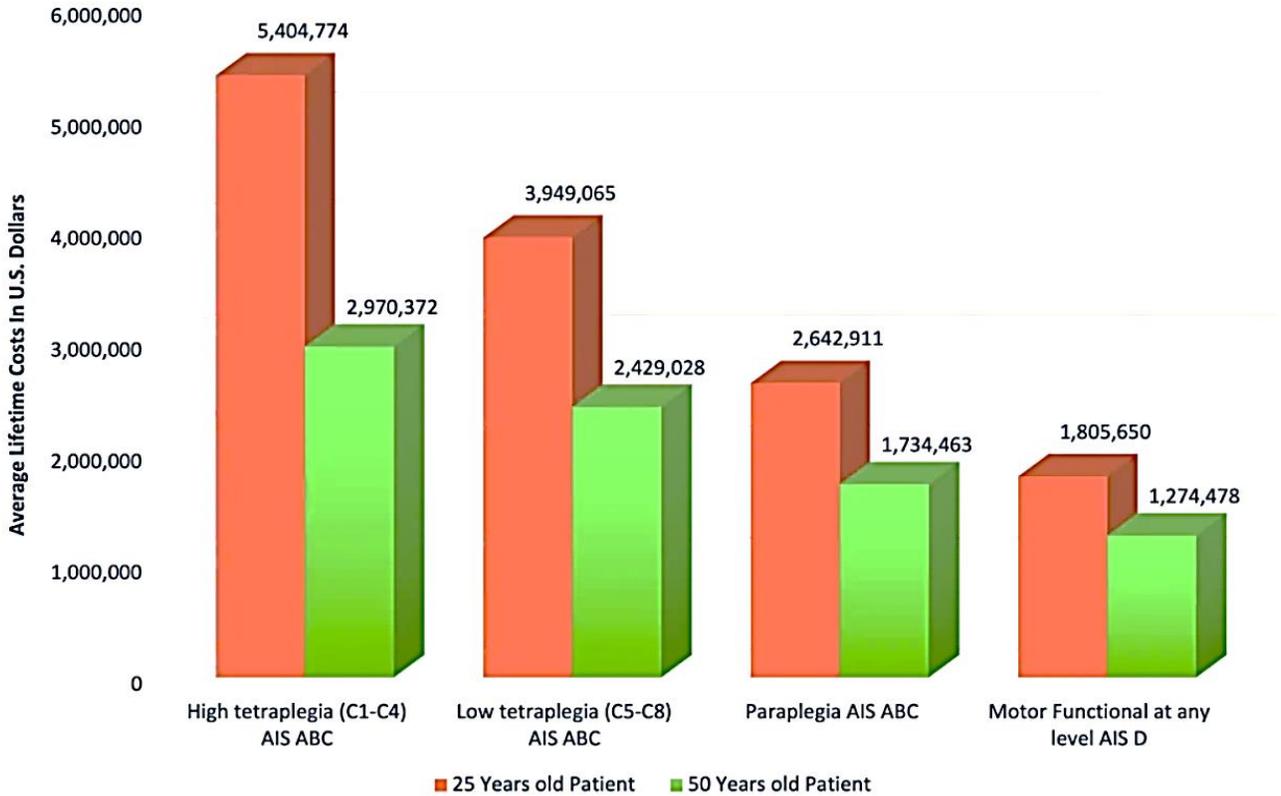
From exosome to ExoTherapy: NurExone’s technology platform. NurExone is developing a platform for large-scale production of exosomes and loading of molecular cargo to create biologically guided ExoTherapy. The company’s vision is to restore motor function in patients after a spinal cord injury. siRNA, small interfering RNA.

Development of a non-invasive therapy for functional recovery after SCI

The ExoTherapy platform sits at the heart of NurExone’s long-term business plan, providing a tool for creating a rich pipeline of novel therapeutic assets.

In the near term, NurExone’s ambitious goal is to bring to market a novel treatment for acute SCIs derived from the ExoTherapy platform, ExoPTEN.

Globally, an estimated 250,000–500,000 people experience an SCI annually, with roughly 17,000 new cases in the United States and 10,000 in Europe each year, bringing the potential market to ~50,000 new cases per year. Vehicular accidents and falls account for the majority of SCIs; sports and recreational accidents are another relatively common cause of SCI. Although the incidence of SCI is low compared with major diseases like cancer or heart disease, the effects are often devastating for patients, irreversible, and expensive to manage.



Depending on the location of the SCI, the consequences can be loss of sensory or motor control of both lower limbs (paraplegia), lower limbs and trunk, or both lower and upper limbs (tetraplegia). SCIs can also affect autonomic regulation of the body, affecting breathing, heart rate, blood pressure, temperature, and bowel and bladder function.

Patients with an SCI typically spend almost two weeks in an intensive care unit, followed by a month in a rehabilitation unit. Fewer than 1% of people with an SCI experience full neurological recovery by the time of discharge and have reduced quality of life and overall life expectancy. SCI patients are also often frequently re-hospitalized, on average for almost three weeks, principally due to diseases of the genitourinary system, but also resulting from respiratory, circulatory, and musculoskeletal problems. In addition to the enormous physical toll SCIs exert on patients, they are also costly for health service providers.

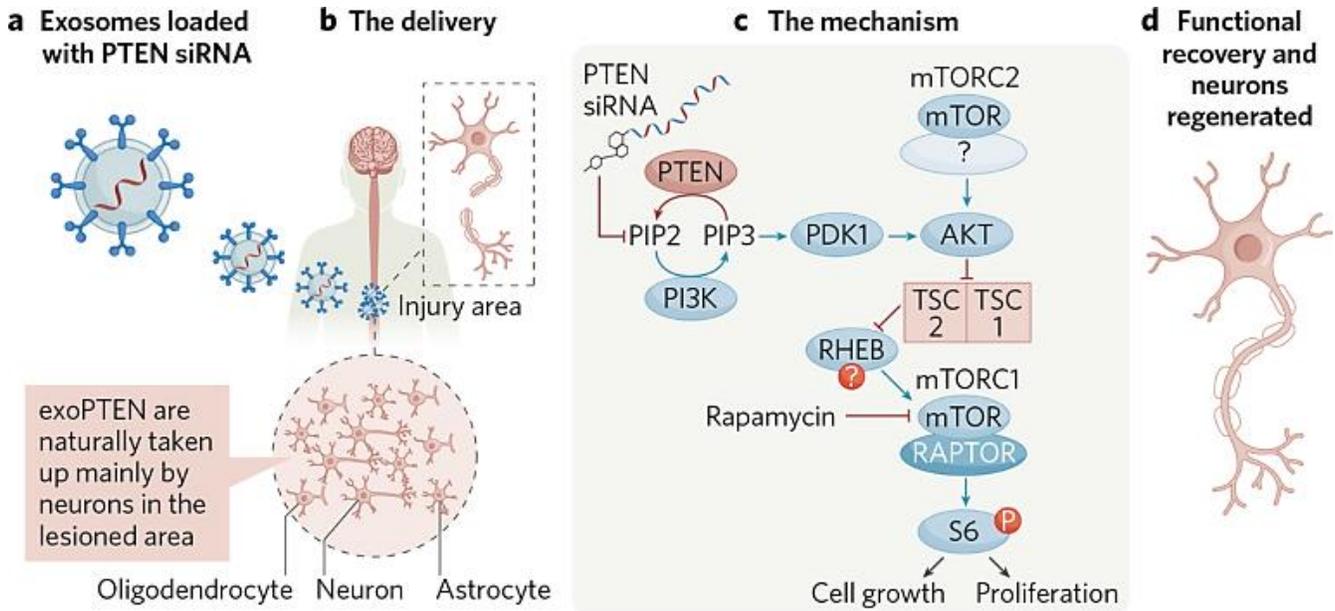
Depending on the location of the SCI, estimates place the cost of managing patients recovering from SCI at between US\$300,000 and >\$1 million, representing a huge burden on health services and the families of new SCI patients.

There are two major obstacles to recovery from SCI.

- First is the poor innate regenerative capacity of the central nervous system. A major impediment to axonal growth is phosphatase and tensin homolog (PTEN), which downregulates the mammalian target of rapamycin (mTOR) activity and as a result restricts the synthesis of protein required for axonal growth.

- Second, SCI healing is hampered by inflammation, myelin-associated inhibitors, glial scar components and compromised blood supply that typically surround SCIs and create a hostile environment for recovery.

ExoPTEN, which comprises exosomes loaded with small interfering RNA (siRNA) that inhibits the production of the PTEN protein, addresses both of these obstacles. The exosome component of ExoPTEN possesses intrinsic anti-inflammatory properties, which helps create a more hospitable recovery environment at the SCI site. Meanwhile, the anti-PTEN siRNA counters the suppressive effects of PTEN, activating downstream pathways necessary for the protein synthesis underlying axonal growth and regeneration.



ExoPTEN for the treatment of acute spinal cord injury. a, ExoPTEN: MSC-derived exosomes are loaded with PTEN siRNA (left). b, Non-invasive delivery. c, Mechanism of action: PTEN siRNA inhibits PTEN, downregulating PTEN-related pathways and promoting cell growth and proliferation. d, NurExone’s ambitious goal for ExoPTEN is to induce at least partial functional recovery in patients with acute spinal cord injuries. MSC, mesenchymal stem cell; PTEN, phosphatase and tensin homolog; siRNA, small interfering RNA.

ExoPTEN has been tested as an intra-nasally administered formulation in an extreme rat model of acute SCI: complete transection of the spinal cord resulting in paraplegia. In an internal preclinical study carried out by NurExone, untreated rats remained almost totally paralyzed eight weeks after surgical transection, whereas rats receiving ExoPTEN for a maximum of two weeks showed significant partial functional recovery.

No ExoPTEN human trials have yet taken place but NurExone believes the therapy could translate to improvements in quality of life. (Unloaded exosomes also demonstrated a mild effect on post-operation recovery, highlighting the dual-effect nature of ExoPTEN.) ExoPTEN also partially restored healthy electrophysiological traces, indicative of axonal rewiring and regeneration, and improved sensory recovery and urinary reflex restoration.

ExoTherapy's Applications Beyond Spinal Cord Injury

The regenerative effects observed with ExoPTEN in the severe spinal cord transection model suggest that it may also have therapeutic applications in situations in which cell regeneration is a limiting factor for recovery. One major potential application of ExoPTEN identified by NurExone is traumatic brain injury, which affects more people than SCI and for which there are no effective pharmacological treatments that reduce mortality or improve functional recovery. Other potential therapeutic areas in which ExoPTEN may have a powerful impact include cardiac ischemia/reperfusion injury and associated disease, wound repair, and infertility.

While ExoPTEN employs exosomes to deliver siRNA, the ExoTherapy platform can just as easily be used to deliver other drug modalities. Moving forward, NurExone is planning to continue the development of in-house candidates such as ExoPTEN, and will also explore licensing possibilities for pharma companies looking for an enhanced delivery system for their drug(s) of various modalities, as well as opportunities to form partnerships and collaborations to jointly develop novel ExoTherapy-based medicines.

Sources:

- A next-generation therapeutic approach for patients after spinal cord injuries (2024).
Available from: <https://www.nature.com/articles/d43747-023-00101-4#author-0>
- Spinal Cord Repair: From Cells and Tissue Engineering to Extracellular Vesicles (2021).
Available from: <https://www.mdpi.com/2073-4409/10/8/1872>
- Intranasal Delivery of Mesenchymal Stem Cell Derived Exosomes Loaded with Phosphatase and Tensin Homolog siRNA Repairs Complete Spinal Cord Injury (2019).
Available from: <https://pubs.acs.org/doi/10.1021/acsnano.9b01892>
- World Health Organization. Factsheet: Spinal cord injury (2024).
Available from: <https://www.who.int/news-room/fact-sheets/detail/spinal-cord-injury>
- Spinal Cord Injuries (2024).
Available from: <https://www.ncbi.nlm.nih.gov/books/NBK560721/>
- National Spinal Cord Injury Statistical Center - Traumatic Spinal Cord Injury Facts and Figures at a Glance (2021).
Available from: <https://mskctc.org/sites/default/files/SCI-Facts-Figs-2022-Eng-508.pdf>

Industry Overview

Spinal Cord Injury (“SCI”)

Traumatic SCI is a sudden and unexpected catastrophic event that can be devastating and costly in human and social terms. It affects nearly one out of every 1,000 people each year and represents one of the leading causes of disability worldwide. Usually, it leads to permanent functional impairments, with various complications and limited spontaneous recovery or efficient treatments. A recent estimate showed that the annual incidence of SCI is approximately 54 cases per one million people in the United States, or about 18,000 new SCI cases each year. New SCI cases do not include those who die at the location of the incident that caused the SCI.

Most SCI are caused by car accidents (38%), followed by falls (30%), violence (14%), sports and other recreational activities (9%), medical errors (5%), and miscellaneous other factors (4%).

The estimated number of people with SCI living in the US is approximately 305,000 persons.

The average age at injury has recently increased from 29 years during the 1970s to 43 years.

According to the US Dana and Christopher Reeve Foundation, the average expenses of SCI are as follows:

- First Year – people with high tetraplegia can expect to pay about US\$1,369,755 annually, compared to US\$989,768 for people with low tetraplegia. Paraplegia costs about US\$667,569 each year, while incomplete motor function costs are about US\$447,037.
- Second and Subsequent Years – those with high tetraplegia incur costs of about US\$237,862 annually, compared to US\$145,918 for people with low tetraplegia. Paraplegia costs about US\$88,433 each year, while incomplete motor function costs about US\$54,298.
- Rehabilitation therapies must be coordinated comprehensively and effectively to treat the medical, physiological, and psychological consequences of the injury. SCI rehabilitation is complex and resource-demanding with costs that may vary from US\$53,000 - US\$88,000 or more (including the first admission and readmissions within the first two years after the lesion), depending on the country and the severity of the lesion. In the last two decades, research in the field of SCI has included more than 900 clinical trials.

Source:

- National Spinal Cord Injury Statistical Center - Facts & Figures at a Glance (2024).

Available from: <https://www.nscisc.uab.edu/>

Brain Injury

Brain Injury has been identified as a second application of the company’s technology. There are two types of acquired brain injury: traumatic and non-traumatic.

- Traumatic brain injury (“TBI”) is defined as an alteration in brain function, or other evidence of brain pathology, caused by an external force. Examples of TBI include falls, assaults, motor vehicle accidents and sports injuries.

- Non-Traumatic Brain Injury (“**NTBI**”) is often referred to as an acquired brain injury. Damage to the brain is caused by internal factors, such as a lack of oxygen, exposure to toxins, pressure from a tumor and so on. Examples of NTBI include stroke, near-drowning, aneurysm, tumor, infectious diseases that affect the brain (such as meningitis) or lack of oxygen supply to the brain (such as heart attack).

Traumatic Brain Injury (TBI)

TBI is one of the major causes of death and disability worldwide. An estimated 1.7 million people sustain TBI each year in the United States, and more than 5 million people are coping with disabilities from TBI at an annual cost of more than US\$76 billion.

As far as NurExone is aware, despite improved supportive and rehabilitative care of TBI patients, no effective pharmacological treatments are available for reducing TBI mortality and improving functional recovery because all phase II/III TBI clinical trials have failed.

Emerging preclinical data indicate that restorative therapies targeting multiple parenchymal cells including cerebral endothelial cells, neural stem/progenitor cells and oligodendrocyte progenitor cells enhance TBI-induced angiogenesis, neurogenesis, axonal sprouting, and oligodendrogenesis, respectively (Xiong et al., 2009). These interacting neuroplastic events in concert improve neurological function after TBI.

There is a compelling need to develop novel therapeutics specifically designed to stimulate neuroplasticity which subsequently promote neurological recovery after TBI

Non-Traumatic Brain Injury (NTBI)

The main NTBI is stroke which occurs when the blood supply to the brain is suddenly blocked or when a blood vessel in the brain bursts. Deprived of oxygen, nerve cells in the affected area of the brain are unable to function and die within minutes.

Although stroke is a disease of the brain, it can affect the entire body, leading to cognitive and memory deficits, speech problems, emotional difficulties, daily living problems, and pain.

Paralysis is a common outcome of stroke, often on one side of the body (hemiplegia). Paralysis may affect only the face, an arm or a leg, or it may affect one entire side of the body and face.

A person who suffers a stroke in the left hemisphere of the brain will show right-sided paralysis, or paresis. Likewise, a person with a stroke in the right hemisphere will show deficits on the left side of the body.

There are two main types of strokes: ischemic strokes and hemorrhagic strokes:

- Ischemic strokes occur as a result of an obstruction (clot) within a blood vessel supplying blood to the brain and account for 87% of all stroke episodes. Ischemic stroke is treated by removing the obstruction and restoring blood flow to the brain.
- Hemorrhagic strokes result from a weakened blood vessel that ruptures and bleeds into the surrounding brain. In hemorrhagic stroke, doctors attempt to prevent the rupture and bleeding of aneurysms and arteriovenous malformations.

When blood flow to the brain is interrupted, some brain cells die immediately, while others remain at risk. The damaged cells can often be saved by early intervention with a clot-dissolving drug called tissue plasminogen activator (t-PA) if administered within three hours of the onset of the stroke.

About 2 million brain cells die per minute, during a stroke emergency.

Only 3% to 5% percent of those who suffer a stroke reach the hospital in time to receive treatment.

The appropriate response to a stroke is emergency action. Every minute lost, from the onset of symptoms to the time of emergency room contact, cuts into the limited window of opportunity for intervention.

General recovery guidelines show:

- 10% of stroke survivors recover almost completely
- 25% recover with minor impairments
- 40% experience moderate to severe impairments requiring special care
- 10% require care in a nursing home or other long-term care
- 15% die shortly after the stroke

Neuroprotective drugs are being developed to prevent the wave of damage after the initial attack.

Sources:

- The Johns Hopkins University, Types of Stroke. Available from:
<https://www.hopkinsmedicine.org/health/conditions-and-diseases/stroke/types-of-stroke>
- Christopher & Dana Reeve Foundation, Stroke. Available from:
<https://www.christopherreeve.org/living-with-paralysis/health/causes-of-paralysis/stroke>

Spinal Cord Injury - Facts and Figures at a Glance

Incidence – Given the U.S. population size in 2023 was 335 million people, a recent estimate showed that the annual incidence of SCI is approximately 54 cases per one million people in the United States, or about 18,000 new SCI cases each year. New SCI cases do not include those who die at the location of the incident that caused the SCI.

Prevalence – The estimated number of people with SCI living in the United States is approximately 305,000 persons, with a range from 257,000 to 388,000 persons.

Age at Injury – The average age at injury has increased from 29 years during the 1970s to 43 since 2015.

Cause – Vehicle crashes are the most recent leading cause of injury, closely followed by falls. Acts of violence (primarily gunshot wounds) and sports/recreation activities are also relatively common causes.

Lengths of Stay – The lengths of stay in the hospital acute care unit have declined from 30 days in the 1970s to 19 days since 2015. Rehabilitation lengths of stay have also declined from 110 days in the 1970s to 37 days since 2015.

Neurological Level and Extent of Lesion – Recently, incomplete tetraplegia is the most frequent neurological category of SCI. The frequency of incomplete and complete paraplegia is virtually the same. Less than 1% of persons experienced complete neurological recovery by the time of hospital discharge:

Re-Hospitalization – Since 2015, about 30% of persons with SCI were re-hospitalized one or more times during any given year following injury. Among those re-hospitalized, the length of hospital stays averages about 18 days. Diseases of the genitourinary system are the leading cause of re-hospitalization, followed by disease of the skin. Respiratory, digestive, circulatory, and musculoskeletal diseases are also common causes of re-hospitalization.

Historical Lifetime Costs – The average yearly expenses (health care costs and living expenses) and the estimated lifetime costs that are directly attributable to SCI vary greatly based on education, neurological impairment, and pre-injury employment history. The below estimates do not include any indirect costs such as losses in wages, fringe benefits, and productivity (indirect costs averaged US\$92,578 per year in 2018 US dollars). All values in the table below are in USD.

Severity of Injury	Average Yearly Expenses (in 2023 dollars)		Estimated Lifetime Costs by Age at Injury (discounted at 2%)	
	First Year	Each Subsequent Year	25 years old	50 years old
High Tetraplegia (C1–C4) AIS ABC	\$1,369,755	\$237,862	\$6,077,646	\$3,340,171
Low Tetraplegia (C5–C8) AIS ABC	\$989,768	\$145,918	\$4,440,708	\$2,731,432
Paraplegia AIS ABC	\$667,569	\$88,433	\$2,971,942	\$1,950,396
Motor Functional at Any Level AIS D	\$447,037	\$54,298	\$2,030,446	\$1,433,145

Data Source: Economic Impact of SCI published in the journal Topics in Spinal Cord Injury Rehabilitation, Volume 16, Number 4, in 2011. American Spinal Injury Association Impairment Scale (AIS) is used to grade the severity of a person’s neurological impairment following tSCI.

Source:

- National Spinal Cord Injury Statistical Center - Facts & Figures at a Glance (2024).

Available from: <https://www.nscisc.uab.edu/>

The Study

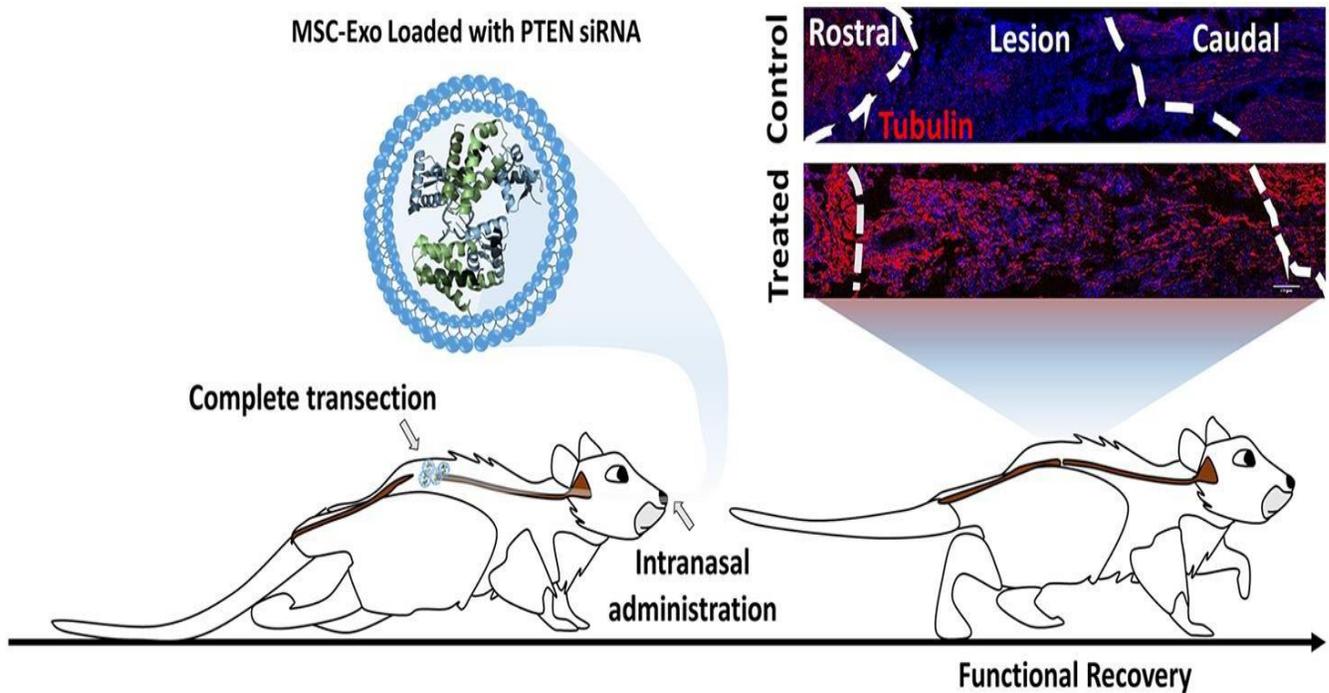
The study was conducted in 2018 and 2019, at Prof. Shulamit Levenberg’s lab from TRDF, in collaboration with Prof. Daniel Offen from Tel Aviv University for NurExone’s benefit under the license agreement (see “Item 5.1 General – The Business of NurExone”).

The study presented intranasal administrations of MSC derived exosomes loaded with siRNA-PTEN (ExoPTEN), to rats with complete spinal cord lesions and enabled significant functional recovery.

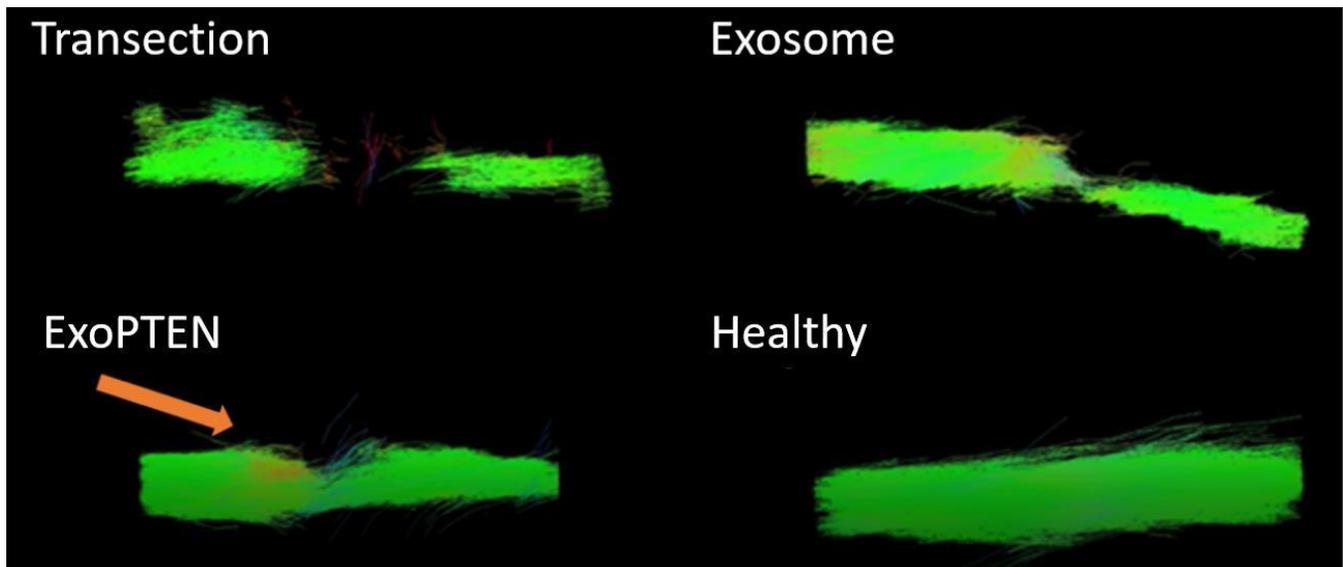
The resulting article “Intranasal Delivery of Mesenchymal Stem Cell Derived Exosomes Loaded with Phosphatase and Tensin Homolog siRNA Repairs Complete Spinal Cord Injury”, was published on August 27, 2019. Available from: <https://pubs.acs.org/doi/10.1021/acsnano.9b01892>

Abstract: Individuals with SCI usually suffer from permanent neurological deficits, and spontaneous recovery and therapeutic efficacy are limited. The study demonstrate that when given intranasally, exosomes derived from MSC-Exo could pass the BBB and migrate to the injured spinal cord area. Furthermore, MSC-Exo loaded with phosphatase and tensin homolog small interfering RNA (ExoPTEN)

could attenuate the expression of PTEN in the injured spinal cord region following intranasal administrations. In addition, the loaded MSC-Exo considerably enhanced axonal growth and neovascularization, while reducing microgliosis and astrogliosis. The intranasal ExoPTEN therapy could also partly improve structural and electrophysiological function and, most importantly, significantly elicited functional recovery in rats with complete SCI. The results imply that intranasal ExoPTEN may be used clinically to promote recovery in individuals that suffered SCI.

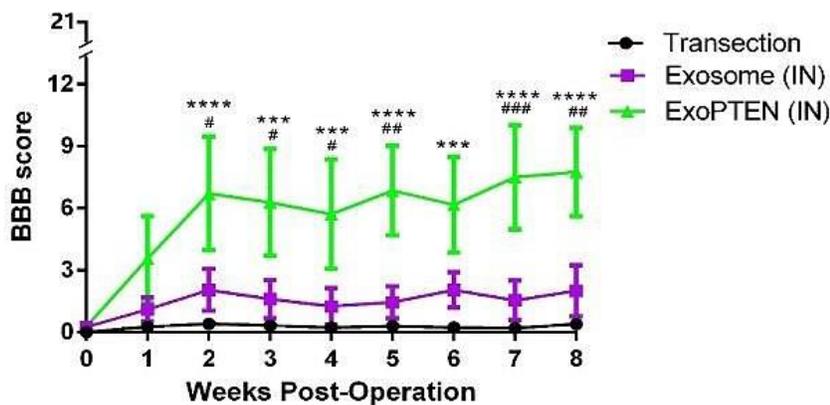


The study indicates the ability to make new connections, effectively repairing the break in the spinal cord, at least partially. In patients, success might result in partial recover, but even this is a better outcome than has be possible up to now.

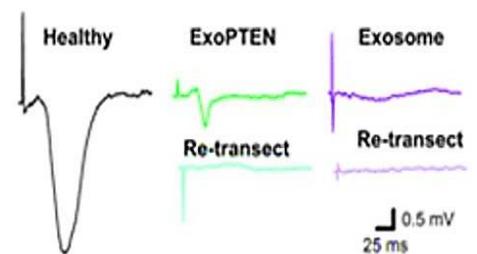


Intranasal ExoPTEN promotes axon growth and functional recovery:

Weekly BBB locomotor scores of SCI rats



Representative electrophysiological



Weekly BBB locomotor scores of SCI rats left untreated (Transection), or treated with Intranasal Exosome (Exosome IN), or intranasal Exosome with siRNA-PTEN (ExoPTEN in). BBB score: Ranges from 0 to 21. 0 means total paralysis while 21 means perfect walking.

Representative electrophysiological traces in healthy (black), ExoPTEN-treated (green, and re-transection below in cyanine), and exosome-treated rats (purple, retransection below in pink).

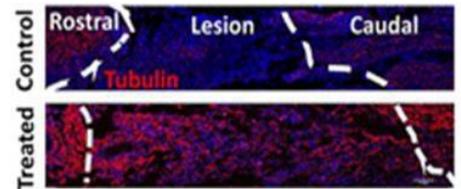
The patent application was developed by TRDF and Ramot, which was exclusively granted to NurExone's use to commercialize the technology.

The outcome of the research, as set out in the patent application, can be summarized as follows:

- Pharmaceutical composition comprising EVs loaded with a PTEN inhibitor.
- Pharmaceutical composition comprising EVs loaded with an exogenous PTEN inhibitor, for use in treating a neurological disease, disorder or condition.
- Method of treating a neurological disease, disorder or condition, comprising administering a therapeutically effective amount of membrane particles loaded with a PTEN inhibitor to the subject, thereby treating the neurological disease or condition. The membrane particles may be EVs derived from cells.
- Isolated EVs loaded with a PTEN inhibitor.
- The EVs selected from the group consisting of exosomes, microvesicles, membrane particles, membrane vesicles, ectosomes and exovesicles.
- EVs are a combination of exosomes and microvesicles. Exosomes may be derived from adherent cells expressing mesenchymal markers.
- The adherent cells expressing mesenchymal markers are selected from mesenchymal stem cells, oral mucosa stem cells or olfactory ensheathing cells.
- EVs such as exosomes, are derived from adherent cells expressing markers from neural crest cells.

Intranasal administration of ExoPTEN led to:

- Significant motor improvement
- Sensory recovery
- Faster urinary reflex restoration at in the SCI animal model

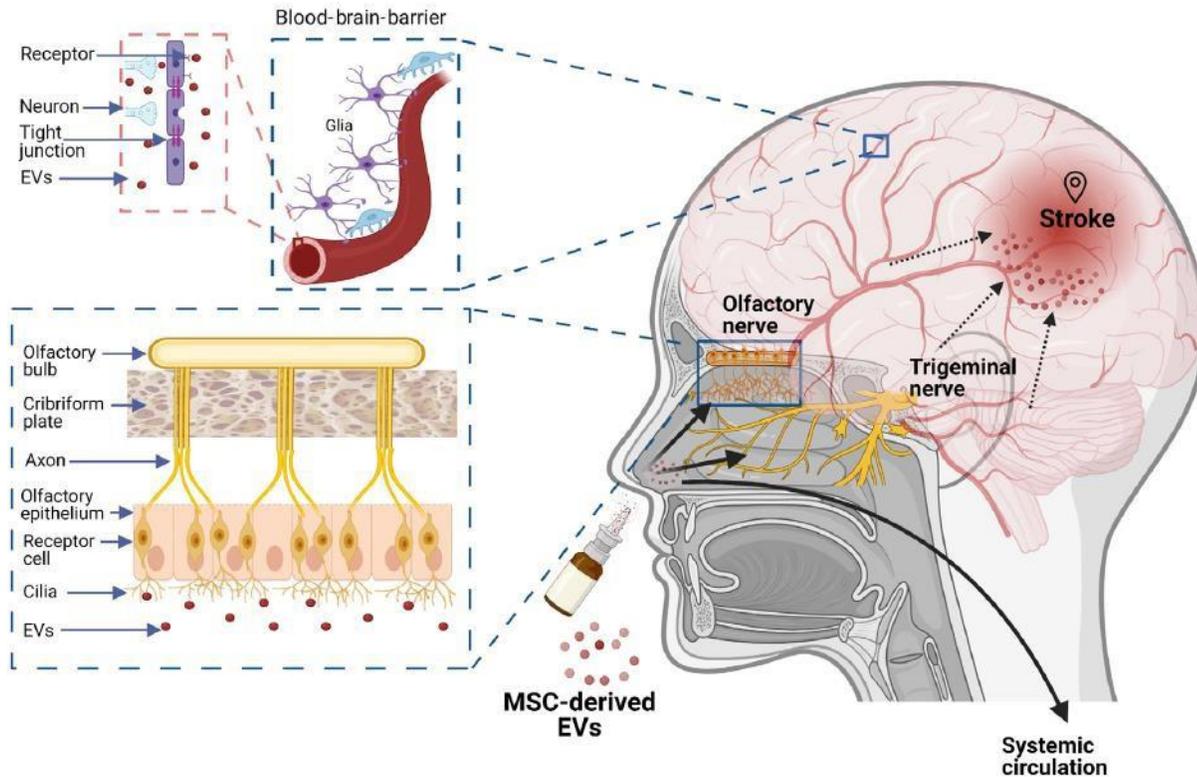


Products Under Development

The products are being developed by NurExone under the license agreements with TRDF and Ramot.

Initial indications are support that there is a potential for an off the shelf (not personalized) product, which could be developed to treat patients shortly after an accident with the aim of improving chances of recovery and, reducing the damage from SCI. The aim will be to have the ability to treat any SCI, including new injuries and long-term existing injuries. Activating any level of recovery, partial or otherwise may make a significant change for the patient, improving their quality of life.

The below schematic diagram of key aspects of EVs transport through the nose to the central nervous system. The olfactory and trigeminal nerves can serve as direct nose-to-brain routes that bypass the BBB. The top box depicts transport through the following route: EVs are absorbed by the cilia of olfactory receptor cells and pass through the axons to the olfactory bulb. Small amounts of EVs may enter via an indirect pathway by systemic circulation and need to pass the BBB through receptor-mediated transcellular transport or endocytosis (lower box). EVs will actively migrate to the area of injury or inflammation regardless of the mode of entry. Evs, extracellular vesicles.



Source:

- Intranasal delivery of mesenchymal stem cells-derived extracellular vesicles for the treatment of neurological diseases (2021), Stem Cells Journals.

Available from: <https://stemcellsjournals.onlinelibrary.wiley.com/doi/full/10.1002/stem.3456>

Business Model and Growth Strategy

The Global Spinal Cord Trauma Market

The Global Spinal Cord Trauma Market which was valued at US\$2.28 billion in 2017 is projected to reach US\$3.04 billion by 2025 with a CAGR of 3.7% according to a report by Persistent Market Research. The increasing incidences of spine related injuries owing to motor accident, workplace injuries, stroke, and cancer related motor disability along with hyperextension of the spine and vertebral dislocation will spur the growth in the market. An increasing regulatory support to reduce SCIs coupled with scientific advancements in the robotics operated exoskeleton market as well as stem cell research will help the market grow. However, the economic burden of the disease and lack of insurance coverage is a major challenge for paraplegics, making it difficult for them to seek and adapt technological advancements in the field. This is set to change as some companies are revolutionizing the treatment options for paraplegics by their path breaking innovations ranging from improved exoskeleton support systems to stem cell and small molecule-based treatment solutions.

Source:

- Avise Analytics, Robotic exoskeletons and stem cells offer hope to paraplegics. Available from: <http://www.aviseanalytics.com/robotic-exoskeletons-and-stem-cells-offer-hope-to-paraplegics/>

Marketing Plans and Strategies

NurExone is a pharmaceutical technology company that is developing an off the shelf, non-invasive unique and novel treatment for the reversal or reduction of paralysis following SCI using Exosome based patent pending technology. As the business is focused on research and development activities, the current marketing plans and strategies do not concentrate on a specific product but rather are aimed at general company awareness and scientific achievements.

Business Plan

Coincident with the completion of the RTO, the Company identified five scientific and development milestones (the “**R&D Milestones**”), which it committed to pursuing over the next 24 months period. The R&D Milestones are as follows:

<i>Research and development milestones^(*)</i>	<i>1Q24</i>	<i>2Q24</i>	<i>3Q24</i>	<i>4Q24</i>	<i>1Q25</i>	<i>2Q25</i>	<i>3Q25</i>	<i>4Q25</i>
Establish in-house laboratories and offices ⁽¹⁾	»»»»	»»»»	⊙					
In-vivo experiments for IND submission ⁽²⁾	»»»»	»»»»	»»»»	»»»»	»»»»	⊙		
IND submission to the FDA ⁽³⁾	»»»»	»»»»	»»»»	»»»»	»»»»	»»»»	»»»»	⊙
IND clearance, clinical trial design & manufacturing scale-up ⁽⁴⁾	»»»»	»»»»	»»»»	»»»»	»»»»	»»»»	»»»»	⊙
First-in-human clinical trial I/IIa ⁽⁵⁾	»»»»	»»»»	»»»»	»»»»	»»»»	»»»»	»»»»	⊙

⊙ for target of research and development milestones

- (1) On March 1, 2024, NurExone Ltd entered into a laboratories and offices Lease Agreement with Technion and commenced a construction project with Biopharmax to establish in-house laboratories and offices. (See “Recent Development” section).
- (2) On April 1, 2024, NurExone Ltd entered into a CRO services agreement with Vivox. Vivox will provide CRO services to NurExone, as a prerequisite to commencing Human Trials under the planned Investigational New Drug. (See “Recent Development” section).
- (3) Compile and submit the IND application, which includes manufacturing information and Chemistry, Manufacturing, and Controls (“**CMC**”) data, preclinical data, and clinical trial plans.

- (4) Preparation for the initiation of Phase I clinical trials, as follows:
1. IND Clearance: After regulatory review, obtain clearance from regulatory agencies to proceed with clinical trials.
 2. Clinical Trial Design: Develop the protocol for Phase I/IIA clinical trials, including dosing, patient eligibility criteria, and endpoints.
 3. Manufacturing Scale-Up: Optimize the manufacturing process to produce clinical-grade materials.
- (5) Preparation for the initiation of Phase I/IIa clinical trials, as follows:
1. Clinical Site Selection: Identify and prepare clinical trial sites and investigators.
 2. Patient Recruitment: Begin recruiting patients for Phase I/IIa clinical trials.
 3. Initiate Phase I clinical trials with a small group of patients to assess safety and dosing.

(*) The timeline may vary based on development outcomes, unforeseen circumstances, and the complexity of the process.

As an update on the R&D Milestones, on January 12, 2023, received a notice of allowance from the USPTO for U.S. Patent Application NO. 17/042,441. The Patent is now granted in the US since May 16, 2023 (US 11,648,260). The patent covers and protects NurExone Exo- PTEN technology, and its drug composition as well as methods for non-invasive intranasal administration of exosome-based treatment. The patent discloses and claims inventions and methods in exosome technology, such as the pharmaceutical compositions comprising extracellular vesicles including exosomes, loaded with an exogenous inhibitor of phosphatase and tensin homolog (PTEN) inhibitor as well as a method for treating neuronal injury or damage, including intranasal administration.

The Company intends to file additional patent applications with the USPTO as well as additional international patent applications (PCT) in order to further strengthen NurExone's intellectual property portfolio. The Patent of the ExoPTEN (PCT- WO 2019/186558) was submitted by TRDF and Ramot, a Tel Aviv University's technology transfer company and is part of NurExone's licensed intellectual property portfolio.

The Company submitted a formal request for a pre-IND meeting with the FDA in connection with ExoPTEN, the Company's first ExoTherapy product that is currently in development, and following detailed responses to the FDA by the Company, on August 30, 2023, the Company received the FDA's response, covering 3 main topics: the CMC (Chemistry, Manufacture and Control) of the product ExoPTEN, preclinical data including in-vivo (animal) testing and lastly the proposed clinical development (the structure of Phase 1/2a trial on humans). The response by the FDA gives the company full roadmap to the tasks need to be done in order to submit successfully the IND package. Pre-IND meetings offer applicants valuable information about preparing complete IND applications and planning clinical studies for their products, which reduces the risk of a clinical hold. The Company plans to formally submit this request in the first quarter of 2023. The Company has continued to advance various verticals of our technology portfolio and platform, which is based on 6 different patent families. The Company conducted scientific research and experiments on the effectiveness of our proprietary small interfering RNA (siRNA) in healing traumatic SCIs, and patent-pending processes for generating extensive exosome production and exosome loading technology, all of which have shown positive results. The Company's platform for exosome-based therapy production is planned to include: (i) large-scale exosome production, (ii) therapeutic cargo and (iii) unique technology to load the therapeutic cargo into exosomes to achieve therapeutic exosomes. The therapeutic exosomes will be guided biologically to a target damaged anatomical location to "dock" and unload their therapeutic cargo in the neuronal cells for healing.

The Company is still in the research, development, and growth stage, has not commercialized any products or become cash flow positive and will continue to be reliant on the ability to finance its activities

until profitability is achieved. In addition to potential expenditures not yet committed but required to fund development activities and meet the planned growth strategies of the Company, the Company is subject to certain capital expenditure commitments. It is expected that the source of funds to meet these commitments will include cash on hand and future financing, provided however, that there is no assurance that such future financings will be available on terms favourable to the Company, or at all. If the Company is not able to raise capital, the Company will have to reduce its cash requirements by eliminating or deferring spending on research, development and corporate activities. Commercial production requires that clinical test phases be completed, and as the full costs of completing clinical testing and scale of production following clinical testing is currently unknown, the Company cannot confirm total planned expenditures at this time.

In Preparation for Expected Human Clinical Trials – Large Scale Animal Testing with Vivox

In preparation for expected human clinical trials, the Company signed an agreement in April 2024 for large-scale preclinical testing of its spinal cord injury therapy, ExoPTEN.

The strategic service agreement was signed with Vivox, a leading provider of animal testing and services in Israel to biotech and pharmaceutical companies. This large-scale animal testing represents a significant step towards filing an IND application in the US for the Company's ExoPTEN therapy for SCI. Under the terms of the agreement, Vivox will provide Contract Research Organization services to the Company, as a prerequisite to commencing Human Trials under the planned IND. The scope of the services to be provided includes the carrying out of experiments by Vivox on a total of 100 rats, divided into 5 different experiments. Every experiment involves comprehensive care and monitoring of the rats. In the experiments, some of the test subjects will receive the ExoPTEN active ingredient and a second group will receive a placebo and/or naïve exosomes (without the PTEN active ingredient). The typical treatment period is approximately 2 months. The aim of this series of tests is to evaluate the optimal dosage of ExoPTEN in various pharmacologically relevant rodent models of spinal cord. The agreement underscores both companies' commitment to accelerating innovative therapies for SCI.

Pre-clinical Study on NurExone's Exosome-Based Therapies for Optic Nerve Regeneration

In June 2024, the Company engaged with Sheba to conduct a pre-clinical study to explore the potential of NurExone's exosome-based therapies in regenerating damaged optic nerves.

The study, initiated by renowned ophthalmologist and serial entrepreneur Prof. Michael Belkin from Tel Aviv University's Goldschleger Eye Research Institute, and led by the principal investigators Prof. Ygal Rotenstreich and Dr. Ifat Sher from the Sheba Medical Center Eye Institute¹, is the latest step in expanding potential clinical indications for Nurexone Biologic's exosome-loaded drugs.

The optic nerve, a critical component of the visual system, transmits visual information from the retina to the brain. Since the optic nerve, part of the central nervous system, does not regenerate spontaneously, and damage thereto, whether due to injury, glaucoma, or other conditions, can result in significant vision loss and blindness. According to experts, current treatments are limited and focus on preventing additional damage rather than regenerating or repairing damaged nerves. Based on NurExone's trials on the spinal cord, which is also part of the central nervous system, exosome-loaded drugs may be able to change this paradigm with their potentially regenerative properties with respect to damaged nerves.

The global optic nerve disorders treatment market size was valued at US\$3.4 billion in 2021, and is projected to reach US\$5.3 billion by 2031, growing at a Compound Annual Growth Rate of 4.5% from 2022 to 2031. Key players in the optic nerve disorder treatment market, include AbbVie Inc., Novartis AG, Santen Pharmaceutical Co., Ltd., and Teva Pharmaceutical Industries Ltd.

Sources:

- Optic Nerve Disorders Treatment Market Research 2021-2031 (2023). Available from: <https://www.alliedmarketresearch.com/optic-nerve-disorders-treatment-market-A14042>
- Optic Nerve Disorders Treatment Market 2024 Business Insights, Development Plans, And Growth Analysis Report To 2033 (2024). Available from: <https://medium.com/@bharadwajvanteru/optic-nerve-disorders-treatment-market-2024-business-insights-development-plans-and-growth-d3384e03ea94>

Specialized Skill and Knowledge

The Company believes that its success is largely dependent on the performance of its management and key employees, many of whom have specialized experience relating to our industry, services, regulatory environment, customers and business. The assembled management team and the Board has experience in the management and growth of successful emerging enterprises.

The Company also has a strategic advisory board to assist in assessing and rationalizing the many pipeline opportunities available to the Company. The advisory board helps the Company in determining whether a product can improve patient outcomes, integrate into a clinician’s workflow, and navigate the commercial landscape.

See also “*Item 7 – Description of The Business: Risk Factors*”.

Competitive Conditions

Exosomes play an important role in various cellular functions. They transfer DNA, RNA, and proteins to other cells, thereby altering the function of the targeted cells. Exosomes are commonly found in blood, urine, and saliva. Exosomes are also present in other body fluids, such as synovial fluid, amniotic fluid, semen, vaginal fluid, breast milk, and more.

It has been long known that stem cells have the potential to exert therapeutic effects, but it has only recently been recognized that exosomes play an important role in how stem cells exert their cellular functions.

In recent years, exosomes have been gaining momentum as a novel strategy for accessing the therapeutic effects of stem cells without the risks and difficulties of administering the cells to patients. For this reason, new market entrants have been popping up worldwide with accelerating frequency.

Over the past few years, an explosion of competitors has been developing exosome therapeutics and diagnostics. Leaders from across the exosome industry are profiled below.

Currently, there are no FDA-approved exosome products.



Companies Commercializing Exosomes

1. **AcouSort AB** is a Swedish company that is pioneering acoustofluidic technology, as well as working on exosome-based diagnostics. In August 2022, the European Innovation Council (EIC) awarded AcouSort and its project partners SEK \$26 million (approximately \$2.5 million USD) to develop an acoustofluidic thin-film actuated chip for exosome separation from blood.
2. **Aegle Therapeutics Corp.** is a Phase 1/2a ready, biotechnology company isolating EVs from allogeneic bone marrow derived mesenchymal stem cells (BM-MSCs) to treat severe dermatological conditions, including burns and epidermolysis bullosa, a rare pediatric connective tissue disorder, and to prevent scarring. Aegle’s isolation process allows for the production of therapeutic-grade extracellular vesicles from bone marrow derived MSCs. In April of 2018, the U.S. Food and Drug Administration (FDA) cleared the company’s first Investigational New Drug (IND) application to begin clinical trials in burn patients.
3. **Aethlon Medical** (NASDAQ: AEMD) is an American company focused on addressing unmet needs in global health and biodefense. It initiated its tumor-derived exosome research at a time when the medical community believed exosomes were cellular debris. Today, a therapeutic to address tumor-derived exosomes represents a significant unmet need in cancer care. Aethlon has demonstrated that the affinity mechanism of the Hemopurifier® can capture tumor-derived exosomes underlying several forms of cancer, including breast, ovarian and metastatic melanoma.
4. **AGC Biologics** entered a service agreement In April 2023 with Jikei University in Japan. Under the agreement, AGC Biologics will assume a technology transfer and feasibility study for a drug to treat idiopathic pulmonary fibrosis (IPF). Specifically, ACG scientists will focus on identifying the viability of developing a prototype for an exosome-based treatment of IPF derived from bronchial epithelial cells.
5. **AGS Therapeutics** is developing novel biomedicines utilizing extracellular vesicles from microalgae (MEV). This approach provides a safe, targeted, and highly versatile delivery system for therapeutic molecules and vaccines. MEVs can pass through the body’s natural barriers to carry biologics (such as mRNA, siRNA, DNA, peptides, and proteins) to specific tissues, while avoiding premature degradation or inactivation.
6. **Anjarium Biosciences AG** - Hybridosomes® are nanoparticle shells of about 100 nm. Anjarium Bioscience’s Hybridosome® platform excels in conjunction with such optimized RNA modalities, providing an avenue to employ the potential of exosomes in RNA-based applications such as RNAi, mRNA replacement and gene editing.
7. **Aruna Bio** is harnessing the natural abilities of neural exosomes to cross the blood brain barrier and enhance the body’s anti-inflammatory, self-repair and protective mechanisms to treat neurodegenerative disorders. Its proprietary neural exosomes inherently cross the blood-brain barrier and enable drugs and drug-combinations to naturally target cells and treat patients neurological disorders.
8. **Biological Dynamics** has developed an early diagnostic detection test utilizing AC Electrokinetics (ACE) to isolate exosomes from blood, which studies show can identify pancreatic cancer as early as Stage 1.

9. **Brexogen** is developing cell-free strategies to target incurable diseases using stem cell derived exosomes. In November 2022, the US FDA approved initiation of the company's Phase 1 clinical trial of 'BRE-AD01', its exosome-based therapy for atopic dermatitis. This is the first clinical trial of an exosome therapeutic for atopic dermatitis and the first exosome trial being conducted in the United States by a Korean company.
10. **Capricor Therapeutics** is a clinical-stage biotechnology company focused on the discovery, development, and commercialization of biological therapeutics for the treatment of rare disorders. Its CAP-2003 product is comprised of exosomes isolated from the company's proprietary cardiosphere-derived cells (CDCs). It is being developed as a next-generation therapeutic platform in regenerative medicine and as a vehicle to deliver therapies to cells in the human body.
11. **Cellese Regenerative Therapeutics** is an exosome-based skincare company, with a division called AnteAGE®. It is dedicated to creating innovative, safe, and effective products in its state of the art laboratory.
12. **Cells for Cells (C4C)** is a clinical-stage biotech company that is developing XO-101, the company's flagship exosome therapy derived from mesenchymal stem cells (MSC). In early 2022, C4C dosed the first-ever patient with an exosome-produced therapy for osteoarthritis. Due to this trial's promising early results, C4C is forming a spin-off company with its exosome asset in the US and opening a Series A funding round with global investors.
13. **Ciloa** is a French biotech company, spin-off from the CNRS and the University of Montpellier, a pioneer in the development of vaccines and exosome-based therapies. Based in Montpellier, it was created in 2011 by Robert MAMOUN and Bernadette TRENTIN.
14. **Clara Biotech** is focused on providing the tools researchers need to harness the full potential of exosomes, including therapeutic, diagnostic and clinical applications. The company is developing a high-throughput lab tool (ExoSS) that aims to automate exosome protocols, making its world-class exosome isolation service possible in your own lab at rates up to 100 samples/hour.
15. **Codiak BioSciences** is pioneering exosome research and development to create an entirely new class of medicines, exosome therapeutics. Its proprietary engEx™ technology platform for exosome engineering and manufacturing represents a transformative step in the treatment of disease, enabling the development of therapies for diseases that are currently considered intractable.
16. **ConvEyXO** is a Belgian company founded in 2019, aspiring to release therapeutic full potential of engineered exosomes. They are developing unique and scalable technology platforms to make engineered exosomes affordable and available for therapeutics, combining cost-effective manufacturing and precise loading for targeted cargo delivery vehicle.
17. **Creative Biostructure** has developed exosome/microvesicle products derived from several different sources. Its range of products include exosomes isolated from cancer cell lines, exosomes isolated from stem cell lines, exosomes isolated from immune-related cell lines, exosomes isolated from general cell lines, exosomes isolated from body fluids, fluorescent exosomes/microvesicles, and lyophilized microvesicles.
18. **Creative Medical Technology Holdings** is a commercial stage biotechnology company committed to improving patient lives in the areas of Urology, Neurology and Orthopedics. It has a patent application that covers the use of the company's AmnioStem product as a production tool for the generation of exosomes to regenerate damaged brain tissue after a stroke.
19. **Direct Biologics** is a biologics manufacturer of regenerative medical products including exosomes. Its ExoFlo exosomes are isolated from donated human mesenchymal stem cells (MSCs) and purified using proprietary processing.
20. **Dynacord** partners with local Medical Research Institutions to perform cutting edge research on the regenerative properties of stem cell derived exosomes and their contents. Together with researchers, it is laying a foundation for the development of FDA-approved clinical exosome products. The company's focus is on MSC-derived exosomes from the human umbilical cord.
21. **EriVan Bio** is a biotech company that is developing products and services that leverage exosome technology for molecular, cell biology research, and therapeutic applications. EriVan Bio was founded to commercialize Dr. Thomas Schmittgen's groundbreaking research on miRNA and exosomes, focusing on "noncoding RNAs, extracellular vesicles and cancer, with emphasis on the use of microRNAs as therapeutic or diagnostic agents."
22. **EriVan Bio** is located at the Sid Martin Biotechnology Incubator in Alachua, Florida, which is globally known for biotechnological innovation.
23. **EV Therapeutics** is an exosome-based therapeutics company focusing on developing a novel immune modulator based on its proprietary tumor-derived extracellular vesicles (mTEVs) that enhance immunotherapy efficacy in advanced stage colorectal cancers (CRC) and other solid tumor cancers.

24. **EverZom** Incorporated in September 2019, EverZom is a start-up based in France that is developing a GMP compliant extracellular vesicle manufacturing platform. As a CDMO for EVs, EverZom aims to overcome the challenge of producing EVs at commercial scale with a breakthrough patented production method.
25. **EXO Biologics** is a biotechnology company in Belgium focused on Extracellular Vesicles, Exosomes research, and drug development. Using EVs and exosomes derived from cultured human umbilical cord MSCs, ExoEpt is focused on the development of therapeutic EVs and exosomes for rare inflammatory diseases.
26. **ExoCan Healthcare Technologies Pvt Ltd.** is a Department of Scientific and Industrial Research (DSIR) oncology company that is developing exosome technologies to aid rapid in cancer diagnosis and drug discovery. It is developing a exosome workflow for liquid biopsy and drug delivery in cancer, as well as advancing exosome-based platforms to support the targeted delivery of drugs via engineered exosomes.
27. **Exocelbio** is revolutionizing regenerative aesthetic treatments through nanoparticle technology, dedicating years of research to developing innovative natural products. Its Exovex product is made of purified genuine exosomes that are fully active and intact, delivering the highest level of performance available.
28. **ExoCoBio** is focusing on stem cell-derived exosomes, to develop innovative therapeutic as well as cosmetic products. The company is exploring the use of stem cell derived-exosomes to regenerate or activate/de-activate various tissues or cells.
29. **Exogems** is an early-stage Swiss biotech company founded to exploit microfragmented adipose tissue (MFAT) and large amounts of exosomes arising from a revolutionary platform built around the only in-class medical device registered in regenerative medicine by the FDA, namely Lipogems®.
30. **Exopharm Pty Ltd** is an Australian regenerative medicine biopharmaceutical company that is seeking to develop and commercialize exosomes as therapeutic agents – initially a product called Plexaris™ and later a product called Exomeres™. Exopharm’s LEAP Technology also provides a key step in the downstream manufacturing process to isolate and purify exosomes from adult stem cells and other sources.
31. **ExoProTher** is a preclinical stage company developing a novel oncology therapy based on delivery of a complex of tumor suppressor factors, including tumor protein p53 (p53), using extracellular vesicles as the delivery vehicle.
32. **ExoQure** offers high potency and purity, with stringent GMP FDA quality testing at every step of the process of isolation, expansion, harvest, and cryostorage. Stem cells and exosomes are the gold standard of UC-MSCs.
33. **Exosis** is experienced in exploiting exosomes, virus-sized particles that bud off cells, in two platforms: creating anti-viral and anti-bacterial vaccines and creating novel therapeutic approaches to cancer.
34. **Exosome Diagnostics** is commercializing minimally invasive molecular diagnostics in blood and urine to enable doctors to select optimal therapies for cancer and other diseases.
35. **Exosome Plus** is pioneering regenerative biotechnology with its exosome-based pharmaceutical platform (ExoThera™). It is focused on providing an “innovative proprietary regenerative pharmaceutical platform, ExoThera™, for irreversible diseases.”
36. **Exosome Sciences** is working in collaboration with its majority shareholder, Aethlon Medical (Nasdaq:AEMD), to discover exosome-based biomarkers to diagnose and monitor Alzheimer’s disease (AD), Chronic Traumatic Encephalopathy (CTE) and other neurological disorders.
37. **Exosomics S.p.A.**, an Italian start-up company developing exosome-based early-stage cancer screening and molecular diagnostic tests. Exosomics has unique IP related to the isolation and selective enrichment of tumor-originated Evs / exosomes from complex biofluids. Its mission is to develop and commercialize a new generation of tests for cancer screening and liquid biopsy based on analysis of circulating extracellular vesicles and exosomes.
38. **Exostemtech** is a privately held, ventured-backed company that is developing exosome-based therapeutic systems. Specifically, the company is creating therapeutic systems for tissue repair and regeneration, with a focus on treating liver fibrosis and osteoarthritis (OA). EST-P-EXO1 is its experimental treatment based on exosomes extracted from human stem cells that is an osteoarthritis treatment candidate.
39. **ExoXpert** is specialized CDMO with GMP capacities and a turnkey manufacturing platform serving US, EU and beyond. ExoXpert is a subsidiary of EXO Biologics, a biotech company that develops affordable and accessible exosome therapies for patients with a focus on rare inflammatory diseases.

40. **ExSURE** is an R&D-based startup that is developing exosome-based cancer therapeutics, including an exosome-based chemotherapeutic drug-delivery platform that can facilitate precise and guided delivery of anti-cancer drugs into tumor cells and relapse-causing cells (cancer stem cells). Currently, it is working with a breast cancer model.
41. **Evolutionary Biologics** manufactures EXO Series, an allogeneic Wharton’s Jelly MSC-derived exosome product. EXO Series is manufactured using the company’s proprietary isolation and purification technologies. It is produced at the company’s cGMP compliant FDA Certified labs using clean rooms and ISO 3 and ISO 7 technology.
42. **EVOGEX** is Evora’s proprietary therapeutic discovery platform that leverages engineered exosomes. The purpose of EVOGEX is to enhance key properties of exosomes and to improve the efficacy of exosome-based therapeutic approaches.
43. **Evox Therapeutics** is a platform technology company spearheading the development of exosome therapeutics for the treatment of life-threatening diseases.
44. **FOx Biosystems** is a Belgian company developing an integrated purification and quantification tool based on affinity-based fiber optic SPR technology that can be used for the research and diagnostics of exosomes.
45. **GBI Bio** offers CDMO support for companies who are developing and commercializing exosome products. Headquartered near Fort Lauderdale, Florida, it is a fully integrated cGMP Contract Manufacturing Organization with experience across a diverse range of advanced therapies, including exosomes as well as monoclonal antibodies, recombinant proteins, vaccines, Antibody Drug Conjugates (ADCs), and other bioconjugates.
46. **Hilltop Bio** is an innovative veterinary biotech company that develops exosome therapies to help reduce inflammation, accelerate healing, and normalize damaged tissue function in horses and companion animals. The company is leveraging its IP portfolio into a strong pipeline of off-the-shelf, room temperature biologic products.
47. **ILIAS developed** a platform technology EXPLOR™ that aim to load specific proteins into exosomes in a controllable way. Unlike the conventional methods employing passive loading of cargoes, EXPLOR™ allows active and reversible loading of target proteins into exosomes with high efficiency.
48. **INOVIQ Ltd** (ASX:IIQ) is aggregating a set of diagnostic and exosome-based products for the earlier detection, diagnosis, prognosis and monitoring of cancer and other serious diseases. Specifically, INOVIQ’s EXO-NET® product allows for “fast, accurate, and efficient capture and isolation of exosomes from any liquid biopsy sample.”
49. **Invitrx’s** EX-MSC is an exosome allograft derived from Wharton’s Jelly MSCs and is sourced from a proprietary blend of cells developed for growth and repair. Exosomes and other EVs are isolated from their parent cells and concentrated to produce the Exosomal Product.
50. **Kimera Labs** is a regenerative medicine focused biotechnology company specializing in exosome manufacturing. Its XoGlo™ product is an isolated, xeno-free, chemically defined, cell-free placental MSC derived exosome re-suspended in 0.9% normal saline.
51. **Lonza** acquired HansaBioMed Life Sciences based in Tallinn, Estonia, a start-up company dedicated to the research and development, manufacturing, and distribution of products for the exosomes research market. Now under the Lonza brand, HansaBioMed Life Sciences Ltd (HBM-LS) develops products in the field of exosome sciences and offers an advanced portfolio of products and services for EV research.
52. **MDimune Inc.** is a cell-derived vesicle (CDVs)-based therapeutics company that has developed a BioDrone® platform technology, which is a novel technology that uses cell-derived vesicles to achieve highly target-specific drug delivery.
53. **Microgentas** focuses on integrated exosome isolation and miRNA extraction. The company provides solutions to sample preparation challenges with its core technologies, offering exosome isolation kits: ExoCAS™, ExoPAS™, ExoFilter™, and exosomal microRNA extraction kits, miRQuick™.
54. **NanoView Biosciences** was founded on a technology platform that uniquely identifies and characterizes exosomes. Its ExoView™ platform provides the ability to measure up to 4 markers on a single extracellular vesicle, with single binding event sensitivities.
55. **Novaxomx** is a joint venture of curasan AG and Xlife Sciences that is researching and developing exosome based therapies to support musculoskeletal recovery.

56. **Oasis Diagnostics**[®] Corporation provides tools for the simple and immediate isolation of exosomes, cell free DNA, cell free RNA [miRNA, mRNA] from saliva specimens. As part of its long term goals in this area the Company is involved in the characterization of salivary exosomes, particularly looking at the nature of salivary exosomes.
57. **OmniSpirant** has a patent pending platform technology based on inhaled bioengineered stem cell exosomes, which are capable of efficient intracellular delivery of a variety of therapeutic cargoes to effectively treat respiratory diseases. Its engineered stem cell exosomes will initially be used to develop a first-in-class regenerative gene therapy for Cystic Fibrosis.
58. **Organicell**[™] describes itself as a fully integrated Exosome Therapeutics Company. Its Zofin[™] product contains approximately 400 billion exosomes per milliliter quantified in every batch by Nanosight technology.
59. **Primoris Therapeutics** is an umbilical cord blood mesenchymal stem cell-released exosome (ExoPlus[™])-based biomedicine development company and headquartered in Republic of Korea. ExoPlus[™] is a functionally reinforced-exosome with both enhanced inflammation inhibition and tissue regeneration effects through its own proprietary technologies. ExoPlus[™] has been manufactured at GMP facilities of Kangstem Biotech for clinical and commercial use. Preclinical studies have been completed and Phase I/II clinical trials for burn treatment will be conducted in late 2023.
60. **Regenerell** is aggregating the world's largest supply of exosomes. Since coming to the market, the company has sold many trillions of Exosomes. It currently has 2,850 quintillion exosomes in cryo-storage at its NY State Licensed tissue bank and is producing in excess of 750 trillion exosomes derived from umbilical cord Wharton's jelly stem cells.
61. **Regen Suppliers** announced its exosome industry involvement with a January 16, 2020, announcement stating that the company offers ReBella and ReBellaXO, umbilical stem cell and exosome products used for regenerative aesthetic procedures involving hair, facial and sexual rejuvenation.
62. **ReNeuron** is a UK-based stem cell company developing therapies for unmet medical needs. ReNeuron has developed a technological process enabling it to produce exosomes from a cell line, such as its proprietary CTX neural stem cell line under different culture conditions, which can in turn be harvested at a commercially relevant scale.
63. **Rion** is an exosome company based out of Rochester, Minnesota. The company was incorporated in 2017 and is now advancing various R&D and clinical programs. Rion has created a Purified Exosome Product[™] (PEPTM), an biologic platform that leverages the therapeutic power of exosomes as a shelf-stable, allogeneic (donor-derived) product.
64. **RoosterBio Inc** and Exopharm Pty Ltd announce an agreement under which they will work together on a Stem Cell Exomere Program, aimed at bringing high-grade therapeutic extracellular vesicles/exosomes derived from adult stem cells into clinical practice.
65. **Shifbio Inc.**, based in Korea, is immunoregenerative Cell-Free Nanotherapy Platform Technologies using natural nanovesicles (exosomes) to create a new class of medicines. Their technologies empower nanovesicles by maximizing therapeutic protein expression, loading macromolecules, or enabling in vivo cell manipulation to tackle intractable and rare diseases.
66. **Stemcell Medicine Ltd**, announced January 2018, Stem Cell Medicine Ltd. (SCM) has licensed an innovative exosome-based technology for the treatment of neurodegenerative and neuropsychiatric indications, specifically, autism spectrum disorder (ASD). The treatment is based on vesicles, exosomes, derived from adult stem cells (MSC-exo) that are administered intranasally.
67. **TAVEC Pharmaceuticals** is developing the next-generation of potent anti-cancer gene therapies using the power of injectable, miRNA loaded exosomes. It has demonstrated an ability to deliver high levels of specific miRNA, including widely known cancer disruptive targets such as miR195, directly to cancer cells.
68. **The Cell-Factory BVBA (Esperite)** is a platform-based biotech company focused on innovative products development, clinical translation and commercialization. It is developing EVs and exosomes, in particular allogenic "off-the-shelf" MSC-derived EVs and exosomes to used as inhibitors of acute and chronic inflammation and immunosuppressants in the treatment of unmet medical needs.
69. **TheraXyte BioScience** is a biotech company focusing on extracellular vesicle (EV)-mediated drug delivery and EV-based novel therapeutics. The company has developed an EV-based drug delivery platform (TAXY[™]) which could enable the mass production of modifiable EVs at GMP manufacturing level.
70. **Unicyte AG** evolved from a fifteen year research collaboration with Prof Giovanni Camussi, a leading expert on extracellular vesicles and stem cells from the University of Turin and Fresenius Medical Care KGaA, the world's largest provider of products and services for individuals with renal diseases.

71. **Versatope** is using recombinant extracellular transport vesicles to deliver vaccines. Specifically, it is leveraging Recombinant Extracellular Transport Vesicles (RET-Vs) to deliver payloads that can modify a target cell's activity.
72. **VivaZome Therapeutics Pty Ltd** is a privately-held Australian biotech company, based in Melbourne, Victoria. It was formed to develop and commercialise exosome-based therapies, with a focus on treatments for debilitating and/or life-threatening disorders which are not adequately managed by current therapies.
73. **XOstem, Inc.** was registered as a company in Delaware on May 9, 2018. While there is limited information available about the company, XOstem appears to be developing engineered exosomes for regenerative skin care, joint care, and other therapies.

Source:

- Exosomes: Company Spotlights from “A” to “Z” (2024). Available from: <https://bioinformant.com/exosomes/>

Intangible Properties

NurExone’s material-owned intellectual property consists of licensed IP, which is comprised of the following:

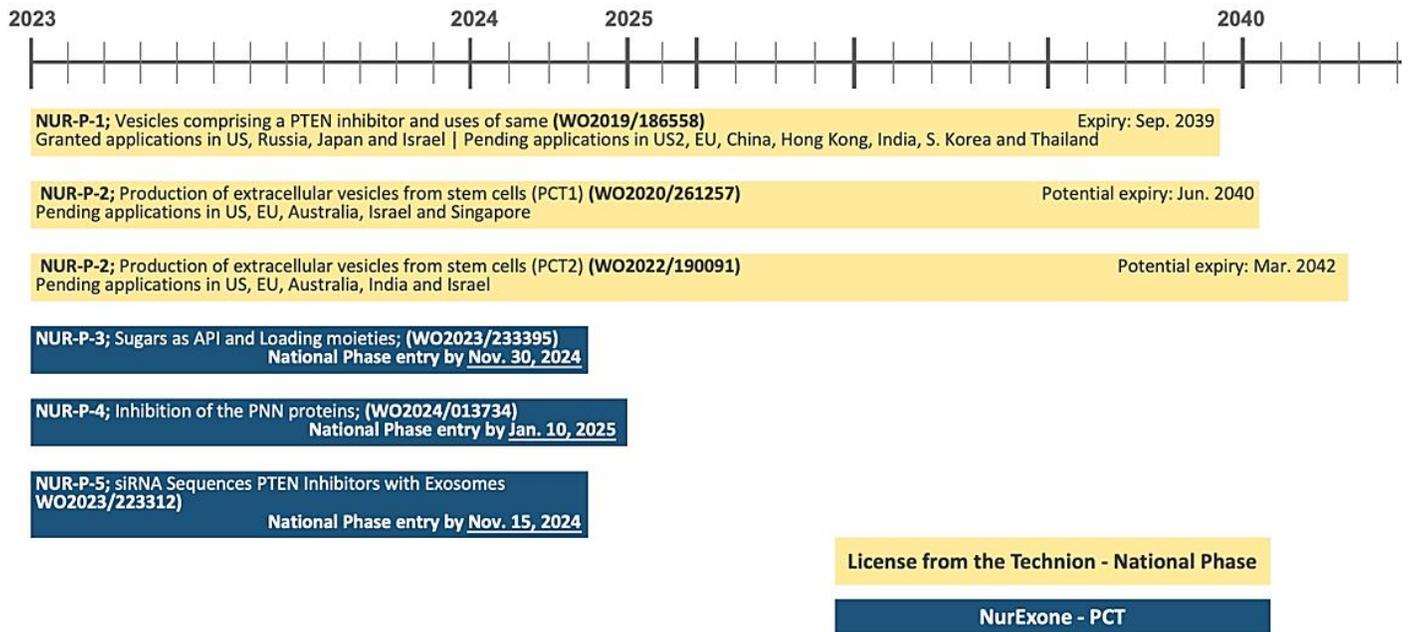
- (1) A patent application that was submitted in March 2019 under the reference: PCT/IL2019/050355. It provides pharmaceutical compositions comprising membrane vesicles, including ESVs including those referred to as exosomes, loaded with an exogenous PTEN inhibitor. Methods of treating neurological diseases, disorders or conditions using the extracellular vesicles are provided. Isolated extracellular vesicles loaded with a PTEN inhibitor are provided as well.
- (2) A patent application that was submitted in June 2020 under the reference: PCT/IL2020/050641. It provides methods and systems for enhanced production and/or secretion of extracellular vesicles from at least one three-dimensional porous scaffold having a population of stem cells cultured thereon, utilizing various shear stress conditions on a variety of stem cells, processes, trade secrets and know-how.
- (3) A notice of allowance received from the USPTO on January 12, 2023 for U.S. Patent Application NO. 17/042,441. The patent covers and protects NurExone Exo-PTEN technology, and its drug composition as well as methods for non-invasive intranasal administration of exosome-based treatment. The patent discloses and claims inventions and methods in exosome technology, such as the pharmaceutical compositions comprising extracellular vesicles including exosomes, loaded with an exogenous inhibitor of phosphatase and tensin homolog (PTEN) inhibitor as well as a method for treating neuronal injury or damage, including intranasal administration.
- (4) In June 11, 2024, the Japan Patent Office issued a Notice of Allowance for an ExoPTEN patent, covering innovative EVs comprising a phosphatase and tensin homolog (“**PTEN**”) inhibitor and their application use. The Company’s ExoPTEN drug, currently under development, aims to promote nerve growth and regeneration after acute spinal cord injury by inhibiting the PTEN protein. The patent, titled “Vesicles Comprising a PTEN Inhibitor and Uses of Same”, was originally submitted by the TRDF and Ramot at Tel Aviv University Ltd. It is the first patent licensed by NurExone from TRDF and describes a fundamental element of the Company’s ExoPTEN nanodrug under development for acute spinal cord injury.

The Company considers its licensed intellectual property portfolio to be an important contributor to its business and therefore devotes resources to maintaining and augmenting its portfolio.

The Company’s patent strategy is to pursue the broadest possible patent protection on proprietary formulations, products and technology to achieve the maximum duration of patent protection available. Where appropriate, and consistent with management’s objectives, patents are pursued once concepts have been validated through appropriate laboratory work.

To that end, patents will continue to be sought in relation to those components or concepts that the management of the Company perceives to be important.

Term of Patents Overview



For additional information on intellectual property risks, see “[Item 7 – Description of The Business: Risk Factors](#)”

Regulatory Environment

The Company’s product candidates and its R&D activities are subject to regulation for safety, efficacy, quality and ethics by various governmental authorities around the world, which regulate, among other things, the research, development, testing, manufacture, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing and import and export of pharmaceutical products. In the U.S., drugs and biological products are subject to regulation by the FDA. Drug approval laws require licensing of manufacturing facilities, carefully controlled research and testing of products, government review and approval of experimental results prior to giving approval to sell drug products. Regulators also typically require that rigorous and specific standards such as Good Manufacturing Practices, Good Laboratory Practice and Good Clinical Practices (“**cGCP**”) are followed in the manufacture, testing and clinical development, respectively, of any drug product. The processes for obtaining regulatory approvals in the U.S., along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

The principal steps required for drug approval in the U.S. are as follows:

Pre-Clinical Toxicology Studies

Non-clinical studies are conducted in vitro and in animals to evaluate pharmacokinetics, metabolism and possible toxic effects to provide evidence of the safety of the drug candidate prior to its administration to humans in clinical studies and throughout development.

Initiation of Human Testing

The process of conducting clinical trials with a new drug cannot begin until the Company has submitted to the appropriate regulatory authorities an application to do so and the required number of days have lapsed without objection from the regulatory authority. (In certain jurisdictions, a no objection letter or approval may be required before the clinical trial can proceed.) In the U.S., this application is called an Investigational New Drug (“IND”) application.

An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data and any available clinical data or literature, among other things, to the FDA as part of an IND, unless the sponsor is relying on prior FDA findings of safety or efficacy of the drug product, in which case, some of the above information may be omitted. Some preclinical testing may continue even after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence.

Two key factors influencing the rate of progression of clinical trials are the rate at which patients can be enrolled to participate in the research program and whether effective treatments are currently available for the disease that the drug is intended to treat. Patient enrollment is largely dependent upon the incidence and severity of the disease, the treatments available and the potential side effects of the drug to be tested and any restrictions for enrollment that may be imposed by regulatory agencies.

Clinical Trials

Clinical trials involve the administration of an investigational new drug to human subjects under the supervision of qualified investigators in accordance with current Good Clinical Practices (“GCP”) requirements, which include the requirement that all research subjects provide their informed consent in writing for their participation in any clinical trial, and review and approval by regulatory bodies and ethics review boards or institutional review boards. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the trial procedures, the parameters to be used in monitoring safety and the efficacy criteria to be evaluated and a statistical analysis plan. In the U.S., a protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, an institutional review board (“IRB”) for each clinical trial site participating in the clinical trial must review and approve the plan for any clinical trial before it commences, and the IRB must continue to oversee the clinical trial while it is being conducted, including any changes. Information about certain clinical trials, including a description of the study and study results, must be submitted within specific timeframes to the National Institutes of Health for public dissemination on their ClinicalTrials.gov website.

Human clinical trials are typically conducted in three sequential phases, which may overlap or be combined. In Phase 1, the drug is initially introduced into a small group of healthy human subjects or subjects with the target disease or condition and tested for safety, dosage tolerance, absorption,

metabolism, distribution, excretion and, if possible, to gain an initial indication of its effectiveness. The number of subjects in a Phase 1 trial typically ranges from 20 to 80. Phase 2 trials are typically initiated if the Phase 1 studies do not reveal unacceptable toxicity levels. In Phase 2, the drug typically is administered through controlled studies to a limited subject population with the target disease or condition to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the drug for specific targeted diseases and to determine dosage tolerance and optimal dosage. The number of subjects in a Phase 2 study typically ranges from 100 to 300. If the Phase 2 trials present evidence of effectiveness, the clinical sponsor typically meets with FDA to try to come to an agreement on the structure of the Phase 3 studies. In Phase 3, the drug is administered to an expanded subject population, generally at geographically dispersed clinical trial sites in two adequate and well-controlled clinical trials, in order to generate enough data to statistically evaluate the efficacy and safety of the product candidate for approval, to establish the overall risk-benefit profile of the product candidate and to provide adequate information for the labeling of the product candidate. The number of subjects in a Phase 3 trial usually ranges from several hundred to about 3,000 people. In the U.S., in the case of a 505(b)(2) NDA, which is a marketing application in which sponsors may rely on information from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference, some of the above-described studies and preclinical studies may not be required or may be abbreviated. Bridging studies may be needed, however, to demonstrate the applicability of the studies that were previously conducted by other sponsors to the drug that is the subject of the marketing application.

The manufacture of investigational drugs for the conduct of human clinical trials is subject to Current Good Manufacturing Practice (“cGMP”) requirements. Investigational drugs and active pharmaceutical ingredients imported into the U.S. are also subject to regulation by the FDA relating to their labeling and distribution.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and the IRB, and more frequently if serious adverse events occur. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, in the U.S., the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB’s requirements or if the drug has been associated with unexpected serious harm to subjects. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group regularly reviews accumulated data and advises the study sponsor regarding the continuing safety of trial subjects, potential trial subjects, and the continuing validity and scientific merit of the clinical trial. We may also suspend or terminate a clinical trial based on evolving business objectives or competitive climate.

In most cases in the U.S., the FDA requires two adequate and well controlled Phase 3 clinical trials to demonstrate the efficacy of the drug. A single Phase 3 trial with other confirmatory evidence may be sufficient in rare instances where the study is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible.

New Drug Application

Upon successful completion of Phase 3 clinical trials, the company sponsoring a new drug then assembles all the pre-clinical and clinical data and other testing relating to the product’s pharmacology, chemistry, manufacture, and controls, and submits it to the FDA as part of a an NDA in the U.S. The NDA is then reviewed by the applicable regulatory body for approval to market the drug.

As part of the approval process, the FDA will inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve the product unless compliance with cGMP is satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective in the indication studied. In addition, before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with cGCP.

The testing and approval process for an NDA requires substantial time, effort and financial resources, and may take several years to complete. Data obtained from preclinical and clinical testing are not always conclusive and may be susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. The FDA may not grant approval of an NDA on a timely basis, or at all. In the U.S., the submission of most NDAs is additionally subject to a substantial application user fee and the manufacturer and/or sponsor under an approved new drug application are also subject to annual program fees. Both fees are typically increased annually.

Even if the FDA approves a product candidate, the relevant authority may limit the approved indications for use of the product candidate, require that contraindications, warnings or precautions be included in the product labeling, including a black box warning, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms. For example, the FDA may require a risk evaluation and mitigation strategy ("**REMS**"), as a condition of approval or following approval to mitigate any identified or suspected serious risks and ensure safe use of the drug. The REMS plan could include medication guides, physician communication plans, assessment plans, and elements to assure safe use, such as restricted distribution methods, patient registries or other risk minimization tools. A REMS could materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements, notification, and regulatory authority review and approval. Further, should new safety information arise, additional testing, product labeling or regulatory notification may be required.

Approvals in the U.S. pursuant to the Hatch-Waxman Act

Section 505 of the FDCA describes three types of marketing applications that may be submitted to the FDA to request marketing authorization for a new drug. A Section 505(b)(1) NDA is an application that contains full reports of investigations of safety and efficacy. A Section 505(b)(2) NDA is an application that contains full reports of investigations of safety and efficacy but where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference. This regulatory pathway enables the applicant to

rely, in part, on the FDA's prior findings of safety and efficacy for an existing product, or published literature, in support of its application. Section 505(j) establishes an abbreviated approval process for a generic version of approved drug products through the submission of an Abbreviated New Drug Application ("**ANDA**"). An ANDA provides for marketing of a generic drug product that has the same active ingredients, dosage form, strength, route of administration, labeling, performance characteristics and intended use, among other things, to a previously approved product. ANDAs are termed "abbreviated" because they are generally not required to include preclinical (animal) and clinical (human) data to establish safety and efficacy. Instead, generic applicants must scientifically demonstrate that their product is bioequivalent to, or performs in the same manner as, the innovator drug through in vitro, in vivo or other testing. The generic version must deliver the same amount of active ingredients into a subject's bloodstream in the same amount of time as the innovator drug and can often be substituted by pharmacists under prescriptions written for the reference listed drug. In seeking approval for a drug through an NDA, applicants are required to list with the FDA each patent with claims that cover the

applicant's drug or a method of using the drug. Upon approval of a drug, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be cited by potential competitors in support of approval of an ANDA or 505(b)(2) NDA.

Upon submission of an ANDA or a 505(b)(2) NDA, an applicant must certify to the FDA that (1) no patent information on the drug product that is the subject of the application has been submitted to the FDA; (2) such patent has expired; (3) if the patent has not expired the date on which such patent expires and the date on which approval is sought after patent expiration; or (4) such patent is invalid or will not be infringed upon by the manufacture, use or sale of the drug product for which the application is submitted. Generally, the ANDA or 505(b)(2) NDA cannot be approved until all listed patents have expired, except where the ANDA or 505(b)(2) NDA applicant challenges a listed patent through the last type of certification, also known as a Paragraph IV certification. If the applicant does not challenge the listed patents or indicates that it is not seeking approval of a patented method of use, the ANDA or 505(b)(2) NDA application will not be approved until all of the listed patents claiming the referenced product have expired.

If the ANDA or 505(b)(2) NDA applicant has provided a Paragraph IV certification to the FDA, the applicant must send notice of the Paragraph IV certification to the NDA holder and patent owner(s) once the application has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. If the Paragraph IV certification is challenged by an NDA holder or the patent owner(s) asserts a patent challenge to the Paragraph IV certification, the FDA may not approve that application until the earlier of 30 months from the receipt of the notice of the Paragraph IV certification, the expiration of the patent, when the infringement case concerning each such patent was favorably decided in the applicant's favor or settled, or such shorter or longer period as may be ordered by a court. This prohibition is generally referred to as the 30-month stay. In instances where an ANDA or 505(b)(2) NDA applicant files a Paragraph IV certification, the NDA holder or patent owner(s) regularly take action to trigger the 30-month stay, recognizing that the related patent litigation may take many months or years to resolve. Thus, approval of an ANDA or 505(b)(2) NDA could be delayed for a significant period of time depending on the patent certification the applicant makes and the reference drug sponsor's decision to initiate patent litigation.

The U.S. Drug Price Competition and Patent Term Restoration Act of 1984 (the "**Hatch-Waxman Act**") establishes periods of regulatory exclusivity for certain approved drug products, during which the FDA cannot approve (or in some cases accept) an ANDA or 505(b)(2) application that relies on the branded reference drug. For example, the holder of an NDA, including a 505(b)(2) NDA, may obtain five years of marketing exclusivity upon approval of a new drug containing new chemical entities ("**NCEs**") that have not been previously approved by the FDA. A drug is an NCE if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the therapeutic activity of the drug substance. During the exclusivity period, the FDA may not accept for review an ANDA or a 505(b)(2) NDA submitted by another company that contains the previously approved active moiety. However, an ANDA or 505(b)(2) NDA may be submitted after four years if it contains a certification of patent invalidity or non-infringement.

The Hatch-Waxman Act also provides three years of marketing exclusivity to the holder of an NDA (including a 505(b)(2) NDA) for a particular condition of approval, or change to a marketed product, such as a new formulation for a previously approved product, if one or more new clinical studies (other than bioavailability or bioequivalence studies) was essential to the approval of the application and was conducted/sponsored by the applicant.

This three-year exclusivity period protects against FDA approval of ANDAs and 505(b)(2) NDAs for the condition of the new drug's approval. As a general matter, the three-year exclusivity does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for generic versions of the original, unmodified drug

product. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA; however, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and efficacy.

Employees

As of the date of this AIF, the Company and its subsidiaries have 9 full-time employees and 8 part-time employees

Foreign Operations

As of the date of this AIF, the Company has operations or business in Israel, the United States, and Canada. See "Item 7 – Description of The Business: Risk Factors".

Risk Factors

The following are certain risk factors relating to the Company's business which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of the Company's operations could be materially adversely affected.

Risk Related to the Company

NurExone depends on highly skilled personnel to grow and operate its business. If NurExone is not able to hire, retain, and motivate its key personnel, its business may be adversely affected.

NurExone's success depends in part upon a number of key employees, including members of senior management who have extensive experience in the industry. Competition for talented senior management is intense and NurExone's ability to successfully develop and maintain a competitive market position will depend in part on its ability to attract and retain highly qualified and experienced management. The loss of the services of key personnel could have a materially adverse effect on NurExone's business.

Internal control over financial reporting may not prevent or detect misstatements, and projections of any evaluation of effectiveness to future periods may be subject to changes in conditions or deterioration in compliance with procedures.

NurExone has a limited administrative staff, meaning internal controls which rely on segregation of duties in many cases are not possible. The Company does not have the resources, size and scale to hire additional staff to address this potential weakness at this time. To help mitigate the impact of this, NurExone relies on the performance of compensating procedures and senior management's review and approval. As a venture issuer, the Company will not be required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such NurExone has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in National Instrument 52-109 Certification of Disclosure In

Issuers' Annual and Interim Filings may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Possible failure to realize anticipated benefits of future acquisitions could impact NurExone's business.

NurExone may in the future complete acquisitions to strengthen its position in the industry or its intellectual property portfolio. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as NurExone's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. To the extent the Company acquires any assets, the benefits depend on the Company's ability to utilize its resources to maximize such assets. The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect NurExone's ability to achieve the anticipated benefits of these and future acquisitions.

Going concern and early-stage operations.

The Company is in a development stage, has incurred recurring losses, has not generated any revenues and expects to continue to fund its operations through raising adequate funds in the foreseeable future. These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

There is inherent technology and development risk in NurExone's business and industry.

The NurExone approach utilizes technology principally architected and developed by TRDF and Ramot.

There can be no assurances that NurExone will meet its targeted development or integration timelines such that it will be able to offer solutions at competitive pricing, or that NurExone can continue to enhance and improve the responsiveness, functionality and features of its technology and enable the solutions to scale at a reasonable cost. In addition, there is a risk that third parties may have applied for or been granted patents for certain processes or technology which NurExone has already deployed or intends to deploy, in which case NurExone may incur additional costs or be prohibited from using or implementing certain product features or processes in one or more countries. NurExone utilizes technology and software. Accordingly, they may contain errors, or "bugs", that could be detected at any point. Such errors could materially and adversely affect NurExone's reputation, resulting in claims and/or significant costs to NurExone. The costs incurred in correcting any errors and satisfying any such claims may be substantial and could adversely affect NurExone's operating margins. While NurExone plans to continually test its solutions for errors, errors may be found in the future.

NurExone maintains data on cloud storage servers, which could be the target of a security breach.

NurExone's business faces certain security risks. NurExone's products and services involve storage using cloud-based hosting service and also physical storage. Although data is stored in specialized security groups and are externally encrypted, storage hardware and networking infrastructure is provided by a third party, and security breaches and cyberattacks expose it to a risk of loss of this information, litigation and potential liability. If an actual or perceived breach of security and/or cyberattack occurs, the market perception of the effectiveness of NurExone's security measures could be harmed, NurExone could lose users and it may incur significant legal and financial exposure,

including legal claims and regulatory fines and penalties. Computer viruses, break-ins, cyberattacks or other security problems could lead to misappropriation of proprietary information and interruptions, delays, or cessation in service to clients. Any failure to adequately address these risks could have an adverse effect on the business and reputation of the Company.

Risks Related to Worldwide Economic Conditions

Currency exchange rates fluctuations could adversely affect NurExone's operating results.

NurExone is exposed to the effects of fluctuations in currency exchange rates. Since NurExone conducts some of its business in currencies other than US dollars but reports its operating results in US dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the US dollar and other currencies could have a material impact on NurExone's operating results.

Downturns in general economic and market conditions may reduce demand for NurExone's products and could negatively affect NurExone's revenue, operating results and cash flow.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to NurExone or to NurExone's industry could materially adversely affect NurExone over the course of time. Volatility in the market could hurt NurExone's ability to raise capital. Potential price inflation caused by an excess of liquidity in countries where NurExone conducts business may increase the costs incurred to sell NurExone's products and may reduce NurExone's profit margins. As a result of downturns in general economic and market conditions, potential customers may not be interested in purchasing NurExone products. Any of these events, or other events caused by turmoil in world financial markets may have a material adverse effect on NurExone's business, operating results and financial conditions.

Catastrophic events and economic, political and market conditions may impact NurExone's business.

Any of its existing and future facilities may be harmed or rendered inoperable by attack or security intrusion by a computer hacker, natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, war, acts of terrorism or other criminal activities, infectious disease outbreaks (including the COVID-19 coronavirus) and power outages, any of which may render it difficult or impossible for NurExone to operate its business for some period of time. Any disruptions in NurExone's operations could negatively impact its business and results of operations, and harm its reputation. In addition, NurExone may not carry sufficient business interruption insurance to compensate for the losses that may occur. Any such losses or damages could have a material adverse effect on the Company's business, financial condition and results of operations.

Infectious disease outbreaks (including COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, BSE, avian influenza, or other material outbreaks of disease) could result in restrictions adversely effecting NurExone's business operations.

Conditions in Israel may affect NurExone's business, results of operations and financial condition.

NurExone's head office operations are in Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. As a result, NurExone is vulnerable to the political, economic, legal, regulatory and military conditions affecting Israel and the Middle East. Armed conflicts between Israel and its neighbouring countries and territories occur periodically and a protracted state of hostility has, in the past, resulted in security and economic

difficulties for Israel. Any such hostilities or escalation thereof, armed conflicts or violence in the region could adversely affect NurExone's business, results of operations and financial condition. To date, such conflicts have not had a material effect on business, results of operations or financial condition. In addition, NurExone may be adversely affected by other events or factors affecting Israel such as the interruption or curtailment of trade between Israel and its trading partners, a significant downturn in the economic or financial condition of Israel, a significant downgrading of Israel's internal credit rating, labour disputes and political instability, including riots and uprisings.

Furthermore, there are a number of countries, primarily in the Middle East, as well as some Muslim countries, including Malaysia and Indonesia that restrict business with Israel or Israeli companies. There may also be certain countries or businesses that may exert pressure on NurExone's partners, customers or others not to do business with Israel or Israeli companies. Restrictive laws or policies directed towards Israel or Israeli businesses could have a material adverse effect on NurExone's business, results of operations and financial condition.

Generally, under Israeli Law, citizens and permanent residents of Israel are obligated to perform military reserve duty for extended periods of time through the age of 45 (or older for citizens with certain occupations) and are subject to being called to active duty at any time under emergency circumstances. In response to increased hostilities, there have been periods of significant call-ups of military reservists. It is possible that there will be additional call-ups in the future, which may include officers and key personnel of NurExone, which could disrupt business operations for a significant period of time.

NurExone must hold various approvals authorizing its activities in Israel. In order for NurExone to carry on business operations in Israel, it must: (i) be registered with the Registrar of Companies; (ii) be registered with the Israel Tax Authorities; and (iii) hold a business license which is issued by the local municipality in which the business operates. Furthermore, in order to carry on operations in accordance with the International Organization for Standardization ("ISO") standards, NurExone is also required to hold ISO certificates. Although NurExone believes that all such required registrations, certificates and licenses are in good standing as of the date hereof, if renewals or new permits, business licenses, or approvals are required in connection with NurExone's activities and are not granted or are delayed, or if existing permits, business licenses or approvals are revoked or substantially modified, NurExone may suffer a material adverse effect. If new standards are applied to renewals or new applications, it could prove costly to NurExone to meet any new level of compliance.

Risks Related to Intellectual Property

NurExone's intellectual property rights are valuable, and any failure or inability to protect them could adversely affect its business.

NurExone's success depends substantially upon the intellectual property that forms the basis of its products, primarily consisting of unpatented proprietary technology, processes, trade secrets, and know-how, developed by NurExone, and unregistered trademarks. To protect its intellectual property rights, NurExone relies upon trade secret, copyright, trademark, passing-off laws, and other statutory and common law protections in Israel, the United States, and international markets. NurExone also protects its intellectual property through the use of non-disclosure agreements and other contracts, disclosure and invention assignment agreements, confidentiality procedures, and technical measures. There can be no assurance that these measures will be successful in any given case, particularly in those countries where the laws do not afford NurExone protection for its intellectual property rights as robust as those available under Israeli, Canadian, and United States Laws. NurExone may be unable to prevent the misappropriation, infringement or violation of its intellectual property rights, breaching any contractual obligations, or independently developing intellectual property that is similar to its own, any of which could reduce or eliminate NurExone's competitive advantages, adversely affect NurExone's revenues, or otherwise harm its business.

Assertions by third parties of infringement or other violations of NurExone's intellectual property rights could result in significant costs and substantially harm NurExone's business and operating results.

Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against NurExone. Any such claim against NurExone, even those without merit could cause NurExone to incur substantial costs defending against the claim and could distract its management. An adverse outcome of a dispute may require NurExone to pay substantial damages, cease making, licensing or using solutions that are alleged to infringe or misappropriate the intellectual property of others, expend additional development resources to attempt to redesign its services or otherwise develop non-infringing technology, which may not be successful, or enter into potentially unfavourable royalty or license agreements in order to obtain the right to use technologies or intellectual property rights.

Intellectual property claims are expensive and time consuming to defend and if resolved adversely, could have a significant impact on NurExone's business, financial condition, and operating results.

NurExone is actively engaged in enforcement and other activities to protect its intellectual property rights. If it became necessary to resort to litigation to protect these rights, any proceedings could be burdensome, costly and divert the attention of management, and NurExone may not prevail. Any repeal or weakening of intellectual property Laws or diminishment of procedures available for the enforcement of intellectual property rights in Israel, Canada, the United States, or internationally could make it more difficult for NurExone to adequately protect its intellectual property rights, negatively impacting their value and increasing the cost of enforcing its rights.

If NurExone is unable to protect the confidentiality of its proprietary information and know-how, the value of its technology and products could be adversely affected.

NurExone relies upon unpatented proprietary technology, processes, trade secrets and know-how. Any disclosure to or misappropriation by third-parties of its confidential or proprietary information could enable NurExone's competitors to duplicate or surpass NurExone's technological achievements, potentially eroding its competitive position in the market, and negatively impacting NurExone's business and operating results.

NurExone protects its confidential and proprietary information in part through non-disclosure agreements and other contracts, disclosure and invention assignment agreements, with all employees, consultants, advisors, and any third-parties, who have access to its confidential and proprietary information, and employs confidentiality procedures and technical measures, there can be no certainty that these measures or procedures will be sufficient to prevent improper disclosure of such confidential and proprietary information, or to prevent it from falling into the hands of NurExone's competitors and other third parties. There can be no certainty that parties to contracts used by NurExone to protect its confidential and proprietary information will not be terminated or breached, and NurExone may not have adequate remedies for any such termination or breach. Legal remedies may be insufficient or ineffective to meaningfully protect NurExone's confidential and proprietary information or compensate NurExone for losses that may occur in the event of unauthorized use or disclosure.

Adverse litigation judgments or settlements resulting from legal proceedings in the normal course of business could reduce NurExone's profits or limit its ability to operate.

NurExone is subject to allegations, claims and legal actions arising in the ordinary course of its business, which may include claims by third parties, including employees or regulators. The outcome of many of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to

us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against NurExone, its business, financial condition and results of operations could be materially adversely affected.

Risk Related to the Common Shares

There may be no an active trading market for the Common Shares.

An active trading market may not develop for the Common Shares or, if developed, may not be sustained. The lack of an active market may impair an investor's ability to sell their Common Shares at the time they wish to sell them or at a price that they consider reasonable. The lack of an active market may also reduce the fair market value of the Common Shares. An inactive market may also impair an investor's ability to raise capital by selling its Common Shares and may impair the Company's ability to acquire other companies by using its Common Shares as consideration.

Takeover of the Company

While the Company has not formally adopted a shareholder rights plan, the Company may introduce such a plan at any time, including in the event a takeover bid is made for the Company. The provisions of such a plan could make it more difficult for a third party to acquire a majority of the Common Shares, the effect of which may be to deprive shareholders of a control premium that might otherwise be realized in connection with an acquisition of the Company. Conversely, in the event a shareholder rights plan is not adopted, the Company may be acquired by a third party for a lower price per Common Share than if a shareholder rights plan been in place, as such a plan could allow the Company more time to interest other or competing buyers and thereby realize a higher price per Common Share.

It may be difficult to enforce civil liabilities under Canadian securities Laws.

The majority of the directors and officers of the Company are based in Israel, and most of the Company's assets, and assets of the directors, officers, and the promoter of the Company are located outside of Canada. Therefore, a judgment obtained against the Company, or any of these persons, including a judgment based on the civil liability provisions of the Canadian securities Laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in Canada or to assert Canadian securities "aw claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities Laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli Law and not Canadian Law is applicable to the claim. If the Canadian "aw is found to be applicable, the content of applicable Canadian "aw must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli Law. There is little binding case Law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against the Company or Officers and Directors in Israel, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

Significant sales of Common Shares after the expiry of lock-up or escrow restrictions could adversely affect the market price of the Common Shares.

The Common Shares held by certain directors, executive officers and control persons of the Company will be subject to escrow pursuant to the policies of the Exchange. Sales of a substantial number of the Common Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Common Shares, and may make it more difficult for investors to sell Company at a favorable time and price.

The Company will not have any control over the research and reports that securities or industry analysts publish about the Company or its business.

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company will not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

Risks Related to the Industry

Negative developments in the field of exosomes could damage public perception of any product candidates that NurExone develops, which could adversely affect NurExone's ability to conduct business or obtain regulatory approvals for such product candidates.

Exosome therapeutics are novel and unproven therapies, with no exosome therapeutic approved to date. Exosome therapeutics may not gain acceptance of the public or the medical community. To date, other efforts to leverage natural exosomes have generally demonstrated an inability to generate exosomes with predictable biologically active properties or to manufacture exosomes at a suitable scale to treat more than a small number of patients. Some studies have used natural exosomes without an intended or understood mechanism of action or pharmacology. Other studies included payloads but generated inconclusive results. NurExone's success will depend on its ability to demonstrate that its exosomes can overcome these challenges.

If one of NurExone's current or future product candidates is unable to successfully establish promising research, it may indicate that NurExone will not be able to realize any benefits from its intellectual property portfolio. This may also indicate a decrease in the probability of its success for other targets using the same modality in the same or different cell types, as well as for its engineered exosome approach more generally. Such failures could negatively affect the public or medical community's perception of its intellectual property portfolio and exosome therapeutics in general.

Additionally, NurExone's success will depend upon physicians who specialize in the treatment of diseases targeted by its product candidates, prescribing treatments that involve the use of its product candidates, if approved, in lieu of, or in addition to, existing treatments with which they are more familiar and for which greater clinical data may be available. Adverse events in clinical trials of NurExone's product candidates, or in clinical trials of others developing similar products, and the resulting publicity, as well as any other adverse events in the field of exosome therapeutics, could result in a decrease in demand for any product that NurExone may develop. These events could also result in the suspension, discontinuation, or clinical hold of, or modification to, its clinical trials. Any future negative developments in the field of exosomes and their use as therapies could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of NurExone's product candidates. Any increased scrutiny could delay or increase the costs of obtaining marketing approval for any of its product candidates.

Even if a product candidate NurExone develops receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any product candidate NurExone develops receives marketing approval, whether as a single agent therapeutic or in combination with other therapies, its commercial success will depend upon its degree of market acceptance by physicians, patients, third-party payors and others in the medical community.

If the product candidates it develops do not achieve an adequate level of acceptance, it may not generate significant product revenues and may not become profitable. The degree of market acceptance of any product candidate, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of such product candidates as demonstrated in clinical trials;
- the potential advantages of such product candidates compared to alternative treatments, including with regards to convenience and ease of administration;
- the clinical indications for which its product candidates are approved by the FDA, MHRA or other regulatory authority, if any;
- product labeling or product insert requirements of the FDA, MHRA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- public perception of new therapies, including exosome therapies;
- the strength of marketing and distribution support;
- the ability to offer its products, if approved, for sale at competitive prices;
- the timing of market introduction of competitive products;
- the ability to obtain sufficient coverage and adequate reimbursement from third-party payors, including with respect to the use of the approved product as a combination therapy; and
- the prevalence and severity of any side effects.

Even if a potential product displays a favorable efficacy and safety profile in preclinical studies and clinical trials, market acceptance of the product will not be fully known until after it is launched. If its product candidates do not achieve an adequate level of acceptance following regulatory approval, if ever, it may not generate significant product revenue and may not become profitable.

The regulation may change, resulting in a longer or much more expensive regulatory approval process or NurExone may fail to meet regulatory requirements.

ITEM 8. DIVIDENDS

Dividends or Distributions

There are no restrictions in the Company's articles or elsewhere which could prevent the Company from paying dividends. The Company does not contemplate paying any dividends on any Common Shares in the immediate future, as it anticipates investing all available funds to finance the growth of the Company's business. The Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time. All of the Common Shares will be entitled to an equal share in any dividends declared and paid on a per share basis.

ITEM 9. DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share structure of the Company consists of an unlimited number of Common Shares without nominal or par value. As of the date of this AIF, there are **67,489,462** Common Shares issued and outstanding on a non-diluted basis.

The holders of Common Shares are entitled to receive notice of and attend any meeting of the Shareholders and are entitled to cast one vote for each Common Share held. The holders of Common Shares will be entitled to receive dividends if, as and when declared by the Board and to receive a proportionate share, on a per share basis, of the assets of the Company available for distribution in the event of a liquidation, dissolution or winding-up of the Company.

Outstanding Stock Options

Equity Incentive Plan

At the annual and special meeting of shareholders of the Company held on December 19, 2022, the shareholders approved the adoption of a new equity incentive plan of the Company (the "**Equity Incentive Plan**"). The Equity Incentive Plan replaced the previous option plan of the Company (the "**Option Plan**"). All directors, officers, employees, management company employees and consultants of the Company and/or its affiliates ("**Participants**") are eligible to receive Awards (as herein defined) under the Equity Incentive Plan, subject to the terms of the Equity Incentive Plan. Awards include Common Share purchase options ("**Options**"), restricted share awards ("**Restricted Shares**"), restricted share units ("**RSUs**"), and together with Options and Restricted Shares, "**Awards**"), under the Equity Incentive Plan.

Purpose of the Equity Incentive Plan

The Equity Incentive Plan serves several purposes for the Company. One purpose is to advance the interests of the Company by developing the interests of Participants in the growth and development of the Company by providing such persons with the opportunity to acquire a proprietary interest in the Company. All Participants are considered eligible to be selected to receive an Award under the Equity Incentive Plan. Another purpose is to attract and retain key talent and valuable personnel, who are necessary to the Company's success and reputation, with a competitive compensation mechanism. Finally, the Equity Incentive Plan will align the interests of Participants with those of shareholders by devising a compensation mechanism which encourages the prudent maximization of distributions to shareholders and long-term growth.

The Equity Incentive Plan is administered by the Board.

Equity Incentive Plan Maximum and Limits

The number of Common Shares reserved for issuance to Participants under the Equity Incentive Plan and all other share compensation arrangements of the Company (including the Common Shares reserved for issuance pursuant to the Option Plan) will be a fixed limit of up to an aggregate of **13,166,085** Common Shares, such number being equal to **20%** of the issued and outstanding Common Shares as of the Effective Date (the “**Total Share Authorization**”). If any Award is terminated, cancelled, forfeited or has expired without being fully exercised, any unissued Common Shares which had been reserved to be issued upon the exercise of the Award will be returned to the Total Share Authorization and become available to be issued under Awards subsequently granted under the Equity Incentive Plan.

Awards that by their terms are to be settled solely in cash shall not be counted against the maximum number of Common Shares available for the issuance of Awards under the Equity Incentive Plan.

No Awards, other than Options, may vest before the date that is one year following the date it is granted or issued, although the vesting required of any such Awards may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Equity Incentive Plan or in connection with a Change in Control (as such term is defined in the Equity Incentive Plan).

The number of Common Shares issuable to insiders, at any time, under all security based compensation arrangements of the Company (including the Equity Incentive Plan) may not exceed ten percent (10%) of the Company’s issued and outstanding Common Shares as at the date of the grant or issuance; and the number of Common Shares issued to insiders within any one-year period, under all security based compensation arrangements of the Company (including the Equity Incentive Plan) may not exceed ten percent (10%) of the Company’s issued and outstanding Common Shares. The maximum aggregate number of Common Shares that are issuable pursuant to Awards issued or granted, as applicable, to any one Participant under the Equity Incentive Plan, together with all other share based compensation, granted or issued in any 12 month period to any one Participant must not exceed five percent (5%) of the Common Shares issued and outstanding, calculated as at the date any Award is granted or issued to the Participant (unless the Company has obtained the requisite disinterested shareholder approval). The aggregate number of Options which may be granted to any one Participant that is a consultant of the Company in any 12 month period must not exceed two percent (2%) of the issued Common Shares of the Company calculated at the first such grant date. In addition, the aggregate number of Options granted to all persons retained to provide investor relations activities must not exceed two percent (2%) of the issued Common Shares of the Company in any 12 month period calculated at the first such grant date (and including any Participant that performs investor relations activities and/or whose role or duties primarily consist of investor relations activities) and any such Options granted to any person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more than twenty-five percent (25%) of the Options vesting in any three month period notwithstanding any other provision of the Equity Incentive Plan.

Adjustments

In the event of any subdivision of the Common Shares into a greater number of Common Shares, any consolidation of Common Shares into a lesser number of Common Shares, any reclassification, reorganization or other change affecting the Common Shares, any merger, amalgamation or consolidation of the Company with or into another corporation, or any distribution to all holders of Common Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Common Shares) or any transaction or change having a similar effect, appropriate adjustments shall, subject to the prior acceptance of the TSXV if applicable, be made in the number and class of Common Shares subject to

the Equity Incentive Plan and to any outstanding Awards, and in the exercise price per Common Share of any outstanding Awards.

Amendment Provision

The Board may amend, suspend or terminate the Equity Incentive Plan at any time or amend or revise the terms of any granted Award without the consent of the Participants, provided that such suspension, termination, amendment or revision: (a) may not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Equity Incentive Plan; (b) must be in compliance with applicable law and with the prior approval, if required, of the shareholders of the Company, the TSXV, or any other regulatory body having authority over the Company; and (c) be subject to shareholder approval, where required by law or the requirements of the TSXV.

The following amendments to the Equity Incentive Plan will require disinterested shareholder approval:

- (a) any increase to the maximum number of Common Shares issuable under the Equity Incentive Plan;
- (b) any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price; (c) any amendment which extends the expiry date of any Award beyond the original expiry date; (d) any amendment which increases the maximum number of Common Shares that may be issuable to insiders at any time or issued to insiders under the Equity Incentive Plan and any other proposed or established share compensation arrangement in a one-year period; (e) a change in the termination provision of an Award; and (f) any amendment to the definition of an “Eligible Participant” under the Equity Incentive Plan.

Options

The exercise price for each Option shall be established in the discretion of the Board; provided, however, that (a) the exercise price per Common Share shall be not less than the Discounted Market Price (as defined in the Equity Incentive Plan) of a Common Share on the effective date of grant of the Option. With the approval of the Board, a Participant may elect to exercise an Option, in whole or in part, on a ‘net exercise’ (“**Net Exercise**”) basis. In connection with a Net Exercise of Options, a Participant would receive Common Shares equal in value to the difference between the Option price and the fair market value of the Common Shares on the date of exercise, computed following the Equity Incentive Plan.

The term of each Option shall be fixed by the Board but shall not exceed 10 years from the date of grant thereof, subject to certain limited exceptions. Notwithstanding the foregoing, should the expiration date for an Option fall within a Black-Out Period (as defined in the Equity Incentive Plan), such expiration date shall be automatically extended without any further act or formality to that date which is the 10th business day after the end of the Black-Out Period.

Restricted Shares

The Equity Incentive Plan, if approved, will provide the Board with additional equity-based compensation alternatives in the form of Restricted Shares. Restricted Shares may only be granted with prior approval of the TSXV. The Board may grant Restricted Shares under the Equity Incentive Plan, pursuant to which a Participant will receive a Share that may be subject to certain vesting or performance conditions, as determined by the Board. Consideration is furnished in the form of the Participant’s services to the Company; however, the Board may also determine a cash purchase price payable for Restricted Shares. Restricted Shares may be subject to vesting conditions based on such service or performance criteria as the Board specifies, including the attainment of one or more performance goals. Restricted Shares may not be transferred or sold until all applicable vesting or performance conditions have been met. A

Participant's Restricted Shares will be subject to a right of repurchase or will otherwise be forfeited as to which the vesting restrictions have not lapsed prior to the Participant's retirement, resignation or involuntary termination (with or without cause). Participants holding Restricted Shares will have no right to vote the Common Shares or to receive any dividends or other distributions paid in cash or Common Shares during the period in which the Restricted Shares are subject to vesting conditions.

Restricted Share Units

The Board may grant RSUs under the Equity Incentive Plan, which represent rights to receive Common Shares on a future date determined in accordance with the Participant's award agreement. No monetary payment is required for receipt of RSUs or the Common Shares issued in settlement of the award, the consideration for which is furnished in the form of the Participant's services to the Company. The Board may grant RSU awards subject to the attainment of one or more performance goals, or may make the awards subject to vesting conditions. RSUs may not be transferred by the Participant. RSUs may be settled in cash, Common Shares or any combination of these.

Unless otherwise provided by the Board, a Participant will forfeit any RSUs which have not vested prior to the Participant's termination of service. Participants have no voting rights or rights to receive cash dividends with respect to RSU awards until Common Shares are issued in settlement of such awards. However, the Board may grant RSUs that entitle their holders to dividend equivalent rights consistent with the requirements of Policy 4.4, which are rights to receive a cash payment equal in value to the dividends the Company pays.

Cessation of Service and Transferability

The Board may provide the circumstances in which Awards shall be exercised, vested, paid or forfeited in the event a Participant ceases to provide service to the Company prior to the end of a performance period or exercise or settlement of such Award. Any Awards granted must expire within a reasonable period, not exceeding 12 months, following the date a Participant ceases to be an eligible Participant under the Equity Incentive Plan.

Subject to limited exceptions in the Equity Incentive Plan for certain Awards, an Award may be exercised by a liquidator, executor or administrator, as the case may be, of the estate of the Participant.

Options, RSUs and Restricted Shares will be subject to forfeiture or repurchase, as applicable, in the case of termination of service of a Participant. In the case of termination for cause, all unvested RSUs, Options and Restricted Shares shall immediately be forfeited or cancelled, or, in the case of Restricted Shares, subject to a repurchase right by the Company for equivalent cash consideration paid by the Participant to acquire such Restricted Shares. In the case of termination not for cause, resignation, permanent disability, retirement, death or leave of absence, vested Options will be subject to an period of time as specified in the Equity Incentive Plan in which they will be exercisable.

Sub-Plan

The Sub-Plan to the Equity Incentive Plan allows employees resident in Israel to benefit from section 102 of the Israeli Income Tax Ordinance [New Version] 1961 in respect of their Awards. The Sub-Plan to the Equity Incentive Plan do not impact non-Israeli residents and do not affect any current or future accounting treatment in the financial statements. The Sub-Plan is an amendment to the Equity Incentive Plan and is subject to shareholder approval at the Meeting.

Outstanding Options

As of the date of this AIF, there are **7,399,424** Options, each exercisable for one (1) Common Share in the capital of the Company, issued and outstanding as follows:

Date of Grant	Number of Common Shares under Option	Exercise Price per Common Share (C\$)	Expiry Date
August 26, 2021 ⁽¹⁾	2,795,395	\$0.33	August 26, 2031
January 23, 2022 ⁽¹⁾	306,000	\$0.33	January 23, 2032
May 8, 2023	1,398,020	\$0.28	May 8, 2033
October 30, 2023	1,084,109	\$0.32	October 30, 2033
June 3, 2024	1,815,900	\$0.51	June 3, 2034

Notes:

- (1) On June 28, 2023, the Company held its annual and special meeting of shareholders, pursuant to which the shareholders approved an amendment to the exercise price of 3,706,595 previously issued Common Share purchase options from an exercise price of C\$0.80 per Common Share to \$0.33 per Common Share.

Outstanding RSUs

As of the date of this AIF, there are **2,000,000** RSUs, each exercisable for one (1) Common Share in the capital of the Company, issued and outstanding as follows:

Date of Grant	Number of Common Shares issuable upon vesting
June 3, 2024 ⁽¹⁾	2,000,000

Notes:

- (1) An aggregate of 2,000,000 RSUs vest on June 3, 2025.

Outstanding Warrants

As of the date of this AIF, there are **11,398,842** Warrants, each exercisable for one (1) Common Share in the capital of the Company, issued and outstanding as follows:

Date of Issuance	Number of Common Shares under Warrant	Exercise Price Per Common Share (C\$)	Expiry Date
August 25, 2023	2,140,456	\$0.34	August 25, 2025
August 25, 2023	2,140,456	\$0.48	August 25, 2026
September 6, 2023	375,000	\$0.48	September 6, 2026
January 4, 2024	6,742,930	\$0.35	January 4, 2027

ITEM 10. MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares have been listed and posted for trading on the TSXV under the symbol “NRX” since June 22, 2022. The Company is a reporting issuer in British Columbia, Alberta and Ontario. The following table sets forth, for the periods indicated, reported high and low trading prices (in the currencies in which such securities were listed and posted for trading) and the volume traded on the TSXV for the year ended December 31, 2023.

Month	High Trading Price (C\$)	Low Trading Price (C\$)	Share Volume
August 1-20, 2024	0.68	0.52	345,959
July 2024	0.75	0.61	1,354,225
June 2024	0.87	0.46	2,448,169
May 2024	0.65	0.46	647,248
April 2024	0.78	0.57	859,857
March 2024	1.09	0.57	3,631,202
February 2024	1.19	0.29	6,344,773

Month	High Trading Price (C\$)	Low Trading Price (C\$)	Share Volume
January 2024	0.345	0.26	804,866
December 2023	0.315	0.275	54,192
November 2023	0.315	0.255	103,946
October 2023	0.315	0.23	124,872
September 2023	0.25	0.185	59,300
August 2023	0.28	0.205	84,671
July 2023	0.305	0.275	38,835
June 2023	0.275	0.21	193,097
May 2023	0.325	0.25	49,000
April 2023	0.34	0.10	201,950
March 2023	0.36	0.34	51,068
February 2023	0.395	0.35	225,909
January 2023	0.42	0.38	84,766
December 2022	0.42	0.38	25,280
November 2022	0.41	0.35	159,008
October 2022	0.43	0.35	65,013
September 2022	0.43	0.40	96,546
August 2022	0.48	0.40	85,445
July 2022	0.60	0.38	119,840
June 2022 ⁽¹⁾	0.80	0.60	48,881

Notes:

- (1) The Common Shares were listed and posted for trading on the TSXV on June 22, 2022. June trading price and volume data represent the trading period from June 22, 2022, to June 30, 2022.

Prior Sales

The following table sets forth securities that are not listed or quoted on a marketplace issued by the Company since the completion of the RTO and during the year ended December 31, 2023, and current to the date of this AIF:

Date of Issuance	Number of Securities Issued	Issuance / Exercise Price Per Security (C\$)	Security
June 15, 2022	15,223,806	\$0.38	Warrants ⁽¹⁾
September 6, 2023	2,322,274	\$0.34	Warrants ⁽²⁾
September 6, 2023	375,000	\$0.34	Warrants ⁽²⁾
September 6, 2023	2,322,274	\$0.48	Warrants ⁽²⁾
September 6, 2023	375,000	\$0.48	Warrants ⁽²⁾
January 4, 2024	7,091,993	\$0.35	Warrants ⁽³⁾

Notes:

- (1) Issued in connection with several private placements upon the completion of the RTO of 15,223,806 one Common Share purchase warrant (each, an “June 2022 Warrant”). Each June 2022 Warrant entitles the holder thereof to purchase one Common Share at a price of C\$1.20 per share for a period of two (2) years from the date of issuance.

On September 22, 2023, the TSXV approved the amendment of 12,682,340 June 2022 Warrants. The amendments consisted of (i) a reduction of the exercise price of certain June 2022 Warrants, from C\$1.20 per Common Share to C\$0.38 per Common Share; (ii) the extension of the expiry date of 1,419,500 Warrants from November 30, 2023, to June 15, 2024; (iii) the extension of the expiry date of 283,322 Warrants from December 30, 2023, to June 15, 2024; (iv) the extension of the expiry date of the remainder of the 10,979,518 Warrants to June 15, 2024; and (v) the addition of an accelerated expiration date to certain June 2022 Warrants.

- (2) Issued in connection with a private placement of 5,394,548 units in two tranches; 4,644,548 in the First Tranche and 750,000 Units in the Second Tranche. Each unit consists of: (i) one (1) Common Share in the capital of the Company; (ii) one-half of one (1) Class A Common Share purchase warrant (each whole Class A Common Share purchase warrant, an “September 2023 Class A Warrant”); and (iii) one-half of one (1) Class B common share purchase warrant (each whole Class B common share purchase warrant, a “September 2023 Class B Warrant”). Each September 2023 Class A Warrant will entitle the holder thereof to purchase one Common Share at a price of C\$0.34 for a period of two (2) years from the date of issuance. Each September 2023 Class B Warrant will entitle the holder thereof to purchase one Common Share at a price of C\$0.48 for a period of three (3) years from the date of issuance.

- (3) Issued in connection with the private placement of 7,091,993 units. Each January 2024 Unit consists of one Common Share and one January 2024 Warrant. Each January 2024 Warrant entitles the holder thereof to purchase one Common Share at an exercise price of C\$0.35 for a period of three (3) years from the date of issuance.

ITEM 11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets out the number of Common Shares held, to the knowledge of the Company, in escrow or that are subject to a contractual restriction on transfer as of the date of this AIF.

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer as of the date of this AIF	Percentage of Class
Common Shares	7,021,000 ⁽¹⁾⁽²⁾	10%

Notes:

- (1) 3,272,500 Common Shares are subject to an escrow agreement between the Company, Computershare Trust Company of Canada and a certain securityholder of the Company in the form of TSXV Escrow Agreement Surplus Security – Form D (the “**Surplus Escrow Agreement**”). 892,500 Common Shares will be released from escrow on December 20, 2024; and 2,380,000 Common Shares will be released from escrow on June 20, 2025.
- (2) 3,748,500 Common Shares are subject to seed share resale restriction rules of the TSXV, which was a condition of the Company listing on the TSXV. 1,874,250 Common Shares will have their resale restrictions lifted on December 20, 2024; and 1,874,250 Common Shares will have their resale restrictions lifted on June 20, 2025.

Voluntary Lock Up Agreement

In addition to the Common Shares subject to escrow or seed share resale restrictions as described above, certain shareholders entered into voluntary lock-up agreements with the Company restricting their transfer rights with respect to their Common Shares for a period of two years following the closing of the RTO.

As of the date of this AIF, the voluntary lock-up restrictions have expired and any restrictions on the transfer of Common Shares applicable to the shareholders who entered into the voluntary lock-up agreements are imposed by the Surplus Escrow Agreement until June 20, 2025 in accordance with the terms therein.

ITEM 12. DIRECTORS AND OFFICERS

Name Occupation and Security Holding

The following table sets out the name, province or state and country of residence, positions and offices held with the Company, period served as a director and/or officer and the principal occupations during the last five (5) years, for each person who serves as a director and/or officer of the Company as at the date of this AIF.

Each director shall hold office until the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Company's Articles.

The Board has adopted a written charter for the Board, which is disclosed in Appendix A to this AIF.

Name, Residence and Positions Held ⁽¹⁾	Director or Officer Since	Principal Occupation for Previous Five Years ⁽¹⁾	Common Shares Beneficially Owned or Controlled
<p>Yoram Drucker⁽³⁾ <i>Macabim - Reut, Israel</i> <i>Chairman of the board and Vice President, Strategic Development</i></p>	<p>June 15, 2022</p>	<p>Executive VP, Director, Business Development, InnoCan Pharma, prior thereto independent businessman and consultant.</p>	<p>3,655,000</p>
<p>Dr. Lior Shaltiel⁽²⁾ <i>Modiin, Israel</i> <i>Director and Chief Executive Officer</i></p>	<p>June 15, 2022</p>	<p>VP and Partner at a boutique Chinese investment bank operating in Israel.</p>	<p>425,000</p>
<p>Eyal Flom <i>Kfar Saba, Israel</i> <i><u>Former</u> Director</i></p>	<p>June 15, 2022 to May 7 2023</p>	<p>Independent lawyer in Israel since 1997 and director at several public companies.</p>	<p>Nil</p>
<p>Ron Mayron <i>Hod Hasaron, Israel</i> <i><u>Former</u> Director</i></p>	<p>June 15, 2022 to July 6 2023</p>	<p>Independent businessman and corporate director since 2014; prior thereto, VP of Israel and Africa and chief executive officer of Teva Israel Ltd.</p>	<p>Nil</p>

Name, Residence and Positions Held ⁽¹⁾	Director or Officer Since	Principal Occupation for Previous Five Years ⁽¹⁾	Common Shares Beneficially Owned or Controlled
Oded Orgil⁽²⁾⁽³⁾ <i>Toronto, Ontario</i> <i>Director</i>	June 15, 2022	External Director, Founder & President at 5X Capital Management, President at Canada Israel Chamber of Commerce, CEO at Ocean Falls Blockchain Corp.	Nil
James (Jay) Richardson⁽²⁾ <i>Toronto, Ontario</i> <i>Director</i>	January 3, 2022	Served as the chief executive officer or chairman of listed public companies.	Nil
Gadi Riesenfeld⁽³⁾ <i>Rehovot, Israel</i> <i>Director</i>	July 6, 2023	Chairman and CEO of TimeStamp – Real World Adherence Assessment.	Nil
Eran Ovadya <i>Givatayim, Israel</i> <i>Chief Financial Officer</i>	June 15, 2022	Served as chief financial officer of Silenseed, VVT Medical, Procore, and Forrest.	425,000

Notes:

- (1) Information has been furnished by the respective persons individually.
- (2) Member of the Audit Committee of the Board.
- (3) Member of the Compensation Committee.
- (4) Gadi Riesenfeld was appointed to the Board of Directors and as independent director on July 6, 2023.

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned or controlled or directed, directly or indirectly, **4,505,000** Common Shares, representing approximately **6.7%** of the **67,489,462** issued and outstanding Common Shares on a non-diluted basis. The information as to the Common Shares beneficially owned or controlled or directed, directly or indirectly, by the directors and executive officers, not being within the knowledge of the Company, has been furnished by such directors and executive officers.

Corporate Cease Trade Orders

Other than as disclosed below, to the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this AIF, been a director or officer of any company that, while that person was acting in that capacity,

- (i) was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days, or
- (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Mr. Richardson, in his capacity as a director, consented to be appointed as Director, Chief Executive Officer and Chair of Great Lakes Graphite when it was already under a cease trade order, in order to attempt a financial reorganization in 2019. Since then, under his guidance, Great Lakes Graphite has made a proposal under Part III of the Bankruptcy and Insolvency Act (Canada) to its creditors which has been accepted by a supermajority of its creditors and received Court Approval.

Mr. Richardson, was the Chief Financial Officer and a director of the predecessor of the Company when it was issued a cease trade order by the Alberta Securities Commission on May 6, 2021 for failing to file its annual audited financial statements for the year ended December 31, 2020 and its related management's discussion and analysis, and officer certifications which were due to be filed on April 30, 2021. The cease trade order was revoked on May 28, 2021.

Bankruptcies

To the best of management's knowledge, no proposed director of the Company:

- (i) is or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

To the best of management's knowledge, no proposed director of the Company has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other private or public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such manner.

ITEM 13. PROMOTERS

Promoters

A "Promoter" is defined in the *Securities Act* (British Columbia) as a "person who (a) alone or in concert with other persons directly or indirectly takes the initiative of founding, organizing or substantially reorganizing the business of the issuer; or (b) in connection with the founding, organization or substantial reorganization of the business of the Company, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the Company's own securities or 10% or more of the proceeds from the sale of a class of the Company's own securities of a particular issue.

No person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company or of a subsidiary of the Company.

ITEM 14. LEGAL PROCEEDINGS AND REGULATORY ACTIONS**Legal Proceedings**

From time to time, the Company may be involved in disputes or regulatory inquiries that arise in the ordinary course of its business. The Company does not believe that the outcome of any individual existing legal or regulatory proceeding to which it is a party will have a material adverse effect on its results of operations, financial condition or overall business in each case, taken as a whole. The Company is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to the Company to be contemplated by any party during the financial year ended December 31, 2022 or during the period commencing January 1, 2023 to the date of this AIF.

Regulatory Actions

There have been no penalties or sanctions imposed against the Company by a court during the financial year ended December 31, 2022, or during the period commencing January 1, 2023 to the date of this AIF. There have been no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision. The Company has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2023, or during the period commencing January 1, 2024 to the date of this AIF.

ITEM 15. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**Interest of Management and Others in Material Transactions**

No director or executive officer of the Company or a Person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities, nor any of their respective associates or Affiliates have any material interest, direct or indirect, in any transaction within the last three (3) years before the date of this AIF, or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

ITEM 16. TRANSFER AGENTS AND REGISTRARS**Transfer Agents and Registrars**

The transfer agent and registrar of the Company is Computershare Trust Company of Canada., located at #800, 324 - 8th Avenue SW, Calgary, Alberta, T2P 2Z2.

ITEM 17. MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contract entered into by the Company within the most recently completed financial year and through to the date of this AIF, or prior thereto and that is still in effect as of the date hereof, are set out in the below table.

#	The Contracting Party	General Nature of the Contract	Effective Date	Details
1	TRDF and Ramot	License Agreement	June 23, 2020	See the summary of the license agreement set out in Item 7 – Description of the Business .
2	TRDF & Ramot	Amendment No. 1 to the License Agreement	August 18, 2021	To update the commitment of NurExone for additional fundraising until December 2021; and to extend the period to achieve the milestones by up to three years following the original milestones.
3	TRDF & Ramot	Amendment No. 2 to the License Agreement	January 25, 2022	To extend the exclusively granted IP to NurExone.

ITEM 18. INTERESTS OF EXPERTS

Interests of Experts

Ziv Haft, CPA (Isr.) a BDO Member Firm (the “**Auditor**”), whose principal office is located at Amot BDO House, 48 Menachem Begin Rd., Tel Aviv, are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, Israel and any applicable legislation or regulations.

The Auditor nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Company or its associates and Affiliates.

ITEM 19. ADDITIONAL INFORMATION

Audit Committee Information

The overall purpose of the Audit Committee is to provide oversight of the Company’s financial management and the design and implementation of an effective system of internal financial controls, to review and report to the Board on the integrity of the financial statements of the Company, and to oversee, report on and make recommendations to the Board in respect of financial and non-financial risks faced by the Company. The Audit Committee has specific responsibilities relating to the Company’s financial reports, external auditors, internal controls, regulatory reports and returns, and legal and compliance matters that have a material impact on the Company. In fulfilling its responsibilities, the Audit Committee meets regularly with the external auditors and members of management.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee, which is disclosed in Appendix B to this AIF.

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three directors consisting of Dr. Lior Shaltiel, James (Jay) Richardson, and Oded Orgil (Chair). Mr. Richardson and Mr. Orgil are considered "independent", as such terms are defined in NI 52-110. Mr. Shaltiel would not be considered "independent", as such term is defined in NI 52-110. Each of the Audit Committee members are considered "financially literate", as such term is defined in NI 52-110. Each Audit Committee member has the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The mandate of the Audit Committee will be to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Company. The Audit Committee will be responsible for: conducting reviews and discussions with management and the external auditors relating to the audit and financial reporting; oversee the work of the external auditors; evaluate audit services and pre-approve related fees; pre-approval of non-audit related fees; obtain and review an annual written report of the external auditor; review and approve hiring policies relating to hiring personnel connected to the present and former external auditors; review the audited annual financial statements; review public disclosure guidance regarding financials; and to serve an oversight function, including assessing the integrity of internal controls and financial reporting procedures.

Relevant Education and Experience

Each member of the Audit Committee is financially literate and, collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. The following is a description of the education and experience of each member of the Audit Committee that is, in addition to such member's general business experience, relevant to the performance of his or her responsibilities as a member of the Audit Committee.

Oded Orgil – Chair of the Audit Committee

Oded Orgil has over 25 years of experience in wealth management, capital markets as a financial advisor, and has been a senior executive for Canaccord Genuity, Manulife Financial, and Gravitass Securities. He is the founder and president of 5X Capital Management Inc., a Canadian owned merchant bank that advises and invests in companies.

Dr. Lior Shaltiel – Member of the Audit Committee

Dr. Lior Shaltiel has years of experience in accelerating Israeli start-ups, he completed an intensive short course on the Toronto Stock Exchange and TSXV from York University and is the initiator and head of the BioMed-MBA program at the Hebrew University.

James (Jay) Richardson – Member of the Audit Committee

James (Jay) Richardson has served as the Chief Executive Officer or Chairman of listed public companies on six (6) occasions and has acted as the Chief Financial Officer for various private companies.

Audit Committee Oversight

Since the commencement of the financial year ended December 31, 2022, and to the date of this AIF, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the financial year ended December 31, 2022 and to the date of this AIF, the Company has not relied on:

- i. the exemption in section 2.4 (De Minimis Non-Audit Services) of NI 52-110, which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company;
- ii. the exemption in subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer) of NI 52-110;
- iii. the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;
- iv. the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or
- v. an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee is responsible for pre-approving any non-audit services to be provided to the Company by the external auditor and the fees for those services.

External Auditor Service Fees

Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees ⁽²⁾	All Other Fees ⁽²⁾
2023	US\$90,000	US\$27,000	US\$10,000	Nil
2022	US\$100,000	US\$12,571	US\$15,737	Nil

Notes:

- (1) Consulting services for interim financial statements.
- (2) Tax services for NurExone Biologic Ltd., the Israeli subsidiary of the Company.

Additional information concerning the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under the Company's Equity Incentive Plan, is contained in the information circular of the Company dated April 19, 2024, prepared in connection with the annual and special meeting of the shareholders of the Company held on June 3, 2024. Additional financial information concerning the Company, including the Company's audited financial statements, the notes thereto, the auditor's report thereon and related management's discussion and analysis for the year ended December 31, 2023, can be found on the Company's profile on SEDAR+ at www.sedarplus.com. Additional information relating to the Company may be found on the Company's profile on SEDAR+ at www.sedarplus.com.

Compensation Committee Charter

The Board has adopted a written charter for the Compensation Committee, which is disclosed in Appendix C to this AIF.

Composition of the Compensation Committee

The Company's Compensation Committee is currently comprised of three directors consisting of Gadi Riesenfeld, Oded Orgil, and Yoram Drucker (Chair).

The mandate of the Compensation Committee will be to assist the Board in fulfilling its oversight responsibilities in relation to the following:

- (a) Compensation of the Company's non-employee directors and executive officers;
- (b) Oversee the Company's overall compensation structure, policies and programs;
- (c) Review the Company's processes and procedures for the consideration and determination of non-employee director and executive officer compensation; and
- (d) Monitor the Company's human resource strategies for consistency with the Company's vision, mission, core values and all applicable laws.

The primary objective of the Compensation Committee is to develop and implement compensation policies and plans that ensure the attraction and retention of key management personnel, the motivation of management to achieve the Company's corporate goals and strategies, and the alignment of the interests of management with the long-term interests of the Company's stockholders.

Corporate Policies

The following policies are appended to this AIF, which have been adopted by the Board:

Appendix D: Code of Conduct and Ethics

Appendix E: Corporate Disclosure Policy

Appendix F: Stock Trading Policy

APPENDIX A. BOARD OF DIRECTORS CHARTER**NUREXONE BIOLOGIC INC.****(the “Company”)**

As Approved by the Board on August 27, 2024

1. Purpose

The Board of Directors (the “**Board**”) of NurExone Biologic Inc. (“**NurExone**” or the “**Company**”) is responsible for overseeing the management of the Company and ensuring that the long-term interests of shareholders are being served. This charter outlines the authority, roles, and responsibilities of the Board.

2. Composition

- (a) **Number of Directors:** The Board shall consist of five (5) directors.
- (b) **Independence:** A majority of the Board members shall be independent, as defined by applicable laws and TSXV requirements.
- (c) **Term:** Directors shall be elected to serve for a term of [number] years, or until their successors are duly elected and qualified.

3. Responsibilities

The Board shall have the following responsibilities:

- (a) **Strategic Planning:** Review and approve the Company's strategic direction and initiatives.
- (b) **Financial Oversight:** Oversee the integrity of the Company's financial statements, financial reporting processes, and systems of internal controls.
- (c) **Risk Management:** Identify and monitor principal risks and ensure the implementation of appropriate risk management systems.
- (d) **Corporate Governance:** Develop and implement governance policies and procedures, including the Code of Conduct and Ethics.
- (e) **Leadership Development and Succession Planning:** Oversee the selection, evaluation, and compensation of the CEO and senior management, and ensure effective succession planning.
- (f) **Compliance and Ethics:** Ensure the Company is operating in compliance with all applicable laws and regulations and promoting ethical conduct.
- (g) **Performance Evaluation:** Conduct an annual performance evaluation of the Board and its committees.

4. Meetings

- (a) **Frequency:** The Board shall meet at least [number] times per year, with additional meetings as necessary.

- (b) **Quorum:** A majority of the Board members shall constitute a quorum.
- (c) **Agenda:** The Chair, in consultation with the CEO and other Board members, shall set the agenda for each meeting.
- (d) **Minutes:** Minutes of each meeting shall be prepared and approved by the Board.

5. Committees

The Board shall establish committees to assist in fulfilling its responsibilities, including:

- (a) **Audit Committee:** Oversee the financial reporting process, internal controls, and audit functions.
- (b) **Compensation Committee:** Review and recommend compensation policies and practices.

6. Director Access to Management and Independent Advisors

Directors shall have full access to the Company's management and, as necessary and appropriate, may consult with independent legal, financial, and accounting advisors to assist in their duties.

7. Director Orientation and Continuing Education

The Company shall provide an orientation program for new directors and continuing education opportunities to enhance their skills and knowledge.

8. Conflicts of Interest

Directors must disclose any potential conflicts of interest and, where appropriate, abstain from participating in discussions and voting on matters in which they have a conflict.

9. Evaluation

The Board shall conduct an annual self-evaluation to assess its performance and effectiveness.

10. Amendments

This charter may be amended by the Board as necessary to reflect changes in laws, regulations, or best practices.

APPENDIX B. AUDIT COMMITTEE CHARTER

NUREXONE BIOLOGIC INC.

(THE "COMPANY")

Approved by the Board

("Management Information Circular" Dated April 19, 2024)

Duties and Responsibilities

External Auditor

- (a) To recommend to the board of directors of the Company (the "**Board**"), for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (c) To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- (d) To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- (e) To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- (f) To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
 - (i) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (ii) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
 - (iii) The Chief Financial Officer ("**CFO**") must approve all office hires from the external auditor; and
 - (iv) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.

- (g) To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

- (a) To review the Company's annual audited financial statements with the Chief Executive Officer ("**CEO**") and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.
- (b) To review and discuss with management and the external auditor, as appropriate:
 - (i) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
 - (ii) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- (c) To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- (d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

- (a) To review the internal audit staff functions, including:
 - (i) The purpose, authority and organizational reporting lines;
 - (ii) The annual audit plan, budget and staffing; and
 - (iii) The appointment and compensation of the controller, if any.
- (b) To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- (c) To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- (d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- (e) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

Membership

- (a) The Committee shall consist solely of three or more members of the Board, the majority of which the Board has determined has no material relationship with the Company and is otherwise “unrelated” or “independent” as required under applicable securities rules or applicable stock exchange rules.
- (b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (d) All members of the Committee must be “financially literate” (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

Procedures

- (a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the “**Chair**”). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (b) The Chair will appoint a secretary (the “**Secretary**”) who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum, and provided that a majority of the members must be “independent” or “unrelated”.
- (d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- (e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- (f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.

- (g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- (h) The Committee has the authority to communicate directly with the internal and external auditors.

Reports

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

APPENDIX C. COMPENSATION COMMITTEE CHARTER**NUREXONE BIOLOGIC INC.****(the “Company”)**

As Approved by the Board on August 27, 2024

1. Purpose

The Compensation Committee (the “**Compensation Committee**”) assists the Board of Directors (the “**Board**”) of NurExone Biologic Inc. (“**NurExone**” or the “**Company**”) in fulfilling its oversight responsibilities in relation to the following:

- (a) Compensation of the Company’s non-employee directors and executive officers;
- (b) Oversee the Company’s overall compensation structure, policies and programs;
- (c) Review the Company’s processes and procedures for the consideration and determination of non- employee director and executive officer compensation; and
- (d) Monitor the Company’s human resource strategies for consistency with the Company’s vision, mission, core values and all applicable laws.

The primary objective of the Compensation Committee is to develop and implement compensation policies and plans that ensure the attraction and retention of key management personnel, the motivation of management to achieve the Company’s corporate goals and strategies, and the alignment of the interests of management with the long-term interests of the Company’s stockholders.

2. Members

- (a) The members of the Compensation Committee shall be appointed annually by the Board and consist of no fewer than three members, each of whom shall be independent under applicable laws, regulations, rules and guidelines. The Board may remove members of the Compensation Committee at any time, with or without cause.
- (b) Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Compensation Committee. Vacancies, for whatever reason, may be filled only by the Board.
- (c) The chairperson (the “**Chair**”) shall be designated by the Board; provided, that if the Board does not so designate a Chair, the Compensation Committee shall choose one of its members to be its Chair by majority vote.

3. Duties

The Compensation Committee’s responsibilities shall be to:

- (a) Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval;

- (b) Review and reassess periodically and where appropriate, make such recommendations to the Board as the Compensation Committee deems advisable with regard to the Company's processes and procedures for considering and determining non-employee director and executive officer compensation;
- (c) Review and approve any compensation disclosure of the Company before it is publicly disclosed, including compensation discussion and analysis, if any, to be included in the Company's proxy statement or annual report, as well as disclosure regarding the process undertaken by the Compensation Committee in respect of compensation matters;
- (d) Review and monitor the Company's human resources strategies for consistency with the Company's vision, mission and core values;
- (e) Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to incentive-based compensation plans and equity-based plans including policies and procedures for the grant of equity-based awards, in each case consistent with the terms of such plans;
- (f) Recommend to the Board the Chief Executive Officer's (the "**CEO**") compensation based on the Governance Committee's evaluation the CEO's performance in light of the goals and objectives that were set for the CEO;
- (g) Recommend the long-term incentive component of the CEO's compensation, considering the Company's performance and stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards made by the Company to the CEO in past years;
- (h) Determine the compensation of all officers of the Company other than the CEO, and at the discretion of the Compensation Committee, other members of the senior management team;
- (i) For the CEO and other officers of the Company, and at the discretion of the Compensation Committee, other members of the senior management team, periodically review and recommend to the Board, (a) any employment agreements, severance arrangements and change in control agreements or provisions, in each case, when and if appropriate, and (b) any special or supplemental benefits;
- (j) Periodically review the adequacy and form of Director's compensation including compensation under any equity-based plans and recommend to the Board a compensation model that appropriately compensates Directors for the responsibilities and risks involved in being a Director or a member of one or more Board committees, as applicable; and
- (k) Have independent responsibility for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser (each, a "**Consultant**") it retains (payment, as determined by the Compensation Committee, of reasonable compensation to any such Consultant to be funded by the Company); and before selecting a Consultant consider all factors relevant to the Consultant's independence from management of the Company.

4. Reporting

The Compensation Committee will report to the Board on all significant matters it has addressed.

5. Authority

The Compensation Committee will have the authority to:

- (a) Request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company meet the Compensation Committee or its members or advisers; and
- (b) engage legal, accounting and other advisers on whatever terms it approves to assist it in performing its responsibilities;

6. Meetings

The Compensation Committee shall meet as often as it determines appropriate, in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other but shall as a minimum meet at least once per year in conjunction with the annual compensation review. A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote of a majority of members present at such meeting. The Compensation Committee may act by unanimous written consent other than in regard to the annual compensation review. The Compensation Committee will exclude the CEO during voting or deliberations regarding the CEO's compensation. The chairperson of the Compensation Committee, in consultation with the other members and management, may set meeting agendas consistent with this Charter. A person designated by the Chair of the Compensation Committee at each meeting will keep minutes of the proceedings of the Compensation Committee and the Chair will cause the Secretary to circulate copies of the minutes to each member on a timely basis.

APPENDIX D. CODE OF CONDUCT AND ETHICS**NUREXONE BIOLOGIC INC.****(the "Company")**

As Approved by the Board on August 27, 2024

1. Introduction

The board of NurExone Biologic Inc. has adopted this Code of Business Conduct and Ethics (the "**Code**") to promote honest and ethical conduct, full compliance with applicable laws, and adherence to the company's policies. This Code applies to all directors, officers, and employees of the company.

2. Purpose

This Code sets forth the basic principles and standards of conduct to guide all company personnel in their business dealings. It aims to foster a culture of integrity, accountability, and transparency.

3. Conflicts of Interest, Including Transactions and Agreements Involving Material Interests of Directors or Executive Officers

3.1 Material Interest: A material interest refers to any financial or personal interest that could potentially impact the impartiality of a director or executive officer. This includes but is not limited to, ownership stakes, significant investments, family relationships, or any other interest that could be perceived as a potential bias.

3.2 Disclosure Requirements:

- All directors and executive officers are required to disclose any actual or potential conflicts of interest in a timely manner. This includes any material interest in transactions or agreements being considered by the company.
- Disclosures should be made in writing and submitted to the Board of Directors or the appropriate oversight committee.

3.3 Review and Approval Process:

- Upon disclosure, the Board of Directors will review the conflict of interest to determine its materiality and potential impact on the company.
- Directors or executive officers with a material interest in a transaction or agreement must recuse themselves from any deliberations or voting on the matter.
- The board will assess whether the transaction or agreement is fair, reasonable, and in the best interests of the company. If necessary, independent legal or financial advice may be sought to ensure an unbiased evaluation.

3.4 Mitigation and Management:

- The company will take appropriate steps to manage and mitigate conflicts of interest. This may include modifying the transaction or agreement, establishing safeguards to prevent undue influence, or in some cases, prohibiting the involved party from participating in the decision-making process.
- Regular monitoring and audits may be conducted to ensure ongoing compliance and address any emerging conflicts of interest.

3.5 Consequences of Non-Compliance:

- Failure to disclose conflicts of interest or attempts to influence decisions where a conflict exists may result in disciplinary action, up to and including termination of employment or removal from the board.
- The company reserves the right to take legal action if non-compliance results in harm or financial loss to the company.

4. **Protection and Proper Use of Corporate Assets and Opportunities**

4.1 Definition and Scope:

- Corporate assets include physical assets, intellectual property, financial resources, and confidential information owned or controlled by the company.
- Opportunities refer to potential business prospects, investments, and strategic advantages that could benefit the company.

4.2 Responsibility for Protection:

- All employees, directors, and executive officers are responsible for safeguarding corporate assets against loss, theft, damage, misuse, and waste.
- Proper use of corporate assets is crucial for maintaining operational efficiency, financial health, and competitive advantage.

4.3 Guidelines for Asset Protection:

- Physical Assets: Ensure proper maintenance, security, and appropriate use of company property, including equipment, facilities, and supplies. Report any loss, damage, or misuse immediately.
- Intellectual Property: Protect company patents, trademarks, copyrights, trade secrets, and other proprietary information. Do not disclose confidential information without proper authorization.
- Financial Resources: Use company funds and credit responsibly and only for legitimate business purposes. Adhere to company policies and procedures for financial transactions and expense reporting.

- Confidential Information: Safeguard sensitive information, including customer data, business plans, and financial reports. Do not share confidential information with unauthorized individuals, both inside and outside the company.

4.4 Proper Use of Corporate Opportunities:

- Employees, directors, and executive officers must not exploit corporate opportunities for personal gain. Any potential business opportunity discovered through the use of corporate property, information, or position must be presented to the company first.
- Personal investments or business ventures that could compete with or take advantage of corporate opportunities must be avoided unless explicitly approved by the Board of Directors.

4.5 Reporting Misuse:

- Report any suspected misuse or theft of corporate assets or information to the Board of Directors immediately.
- The company will investigate all reports of asset misuse and take appropriate action, including disciplinary measures, to address any violations.

5. **Protection and Proper Use of Corporate Assets and Opportunities**

5.1 Definition of Confidential Information:

- Confidential information includes any non-public information that might be of use to competitors or harmful to the company or its customers if disclosed. This encompasses business plans, financial data, product designs, marketing strategies, customer and supplier lists, and proprietary technologies.

5.2 Responsibility to Protect Confidential Information:

- All employees, directors, and executive officers are entrusted with the responsibility to protect the confidentiality of corporate information. This duty extends beyond their employment or tenure with the company.

5.3 Guidelines for Maintaining Confidentiality:

- Access Control: Only authorized personnel should have access to confidential information. Access should be granted based on role, responsibility, and necessity.
- Data Handling: Use secure methods to store and transmit confidential information. This includes encryption, secure file storage, and safe communication channels.
- Disclosure Restrictions: Do not disclose confidential information to anyone inside or outside the company without proper authorization. Avoid discussing confidential matters in public or unsecured environments.
- Third-Party Agreements: Ensure that third parties with access to confidential information sign non-disclosure agreements (NDAs) and understand their obligation to protect the information.

5.4 Special Considerations:

- Insider Information: Refrain from using confidential information for personal gain, such as insider trading. Adhere to all regulations and company policies regarding the handling of insider information.
- Social Media and Public Communications: Exercise caution when discussing company matters on social media or in public forums. Avoid sharing any confidential information, even inadvertently.

5.5 Reporting Breaches:

- Report any suspected breach of confidentiality immediately to a supervisor, the legal department, or a designated ethics officer. The company will investigate all reports and take appropriate action to mitigate any harm.

6. Fair Dealing with Security Holders, Customers, Suppliers, Competitors, and Employees

6.1 Commitment to Fair Dealing:

- The company is committed to conducting business fairly, ethically, and transparently with all stakeholders. This includes security holders, customers, suppliers, competitors, and employees.

6.2 Fair Dealing with Security Holders:

- Transparency: Provide accurate, timely, and comprehensive information to security holders, ensuring they have the necessary information to make informed decisions.
- Equal Treatment: Treat all security holders equitably, irrespective of the size of their holdings. Avoid preferential treatment that could unfairly benefit certain security holders over others.
- Integrity in Communication: Maintain honesty and integrity in all communications with security holders, avoiding misleading or deceptive practices.

6.3 Fair Dealing with Customers:

- Quality and Safety: Ensure that products and services meet the highest standards of quality and safety. Address customer concerns promptly and effectively.
- Honest Marketing: Engage in honest and transparent marketing practices, avoiding false claims, misleading advertisements, or deceptive promotions.
- Respect and Privacy: Respect customer privacy and protect their personal information. Adhere to data protection regulations and company policies regarding customer data.

6.4 Fair Dealing with Suppliers:

- Fair Selection: Select suppliers based on objective criteria such as quality, price, reliability, and ethical standards. Avoid conflicts of interest in supplier relationships.

- Transparent Agreements: Enter into clear and fair contractual agreements with suppliers, ensuring mutual understanding of terms and conditions.
- Timely Payments: Honor financial commitments to suppliers by ensuring timely and accurate payments as per agreed terms.

6.5 Fair Dealing with Competitors:

- Ethical Competition: Compete vigorously but fairly, avoiding unethical practices such as collusion, price-fixing, or market manipulation.
- Respect for Intellectual Property: Respect competitors' intellectual property rights and avoid unauthorized use of their proprietary information.
- Professional Conduct: Maintain professionalism and integrity in all interactions with competitors. Avoid disparaging or making false statements about competitors.

6.6 Fair Dealing with Employees:

- Equal Opportunity: Provide equal employment opportunities without discrimination based on race, gender, age, religion, disability, or any other protected characteristic.
- Respect and Dignity: Treat all employees with respect and dignity, fostering a positive and inclusive work environment.
- Fair Compensation: Ensure fair and competitive compensation and benefits for employees, in compliance with applicable laws and company policies.
- Open Communication: Encourage open and honest communication, allowing employees to voice concerns, suggestions, and grievances without fear of retaliation.

6.7 Reporting Unfair Practices:

- Report any suspected unfair practices or unethical behavior immediately to a supervisor, the legal department, or a designated ethics officer. The company will investigate all reports and take appropriate action to address any violations.

7. **Compliance with Laws, Rules, and Regulations**

7.1 Commitment to Legal Compliance:

The company is committed to conducting its business in full compliance with all applicable laws, rules, and regulations. This commitment extends to every aspect of our operations and to every location in which we conduct business.

7.2 Understanding Legal Obligations:

Employees, directors, and executive officers are responsible for understanding and complying with the laws, rules, and regulations that apply to their roles and responsibilities. This includes staying informed about changes and updates to relevant legal requirements.

7.3 Adherence to Policies and Procedures:

Follow all company policies and procedures designed to ensure compliance with legal and regulatory requirements. These policies and procedures provide guidance on specific compliance issues and outline the steps to be taken to maintain compliance.

7.4 Training and Education:

The company will provide regular training and education programs to ensure that all employees, directors, and executive officers understand their legal obligations and the importance of compliance. This includes training on specific laws and regulations relevant to their roles.

7.5 Seeking Guidance:

If there is any uncertainty about the legal implications of an action or decision, seek guidance from a supervisor, the legal department, or a designated compliance officer. It is better to seek clarification than to risk non-compliance.

7.6 Reporting Violations:

Report any suspected violations of laws, rules, regulations, or company policies immediately. Reports can be made to a supervisor, the legal department, or a designated ethics or compliance officer. The company will investigate all reports and take appropriate action to address any violations.

7.7 Cooperation with Investigations:

Cooperate fully with any investigations or audits conducted by the company or external regulatory authorities. Provide accurate and complete information and refrain from any actions that could obstruct or interfere with the investigation process.

7.8 Consequences of Non-Compliance:

- Non-compliance with laws, rules, and regulations can result in serious consequences, including legal penalties, fines, and damage to the company's reputation. Internally, non-compliance may result in disciplinary action, including termination of employment or removal from the board.
- The company may also pursue legal action against individuals or entities responsible for non-compliance that results in harm or financial loss.

8. Reporting of Any Illegal or Unethical Behavior

8.1 Commitment to Ethical Conduct:

The company is committed to maintaining the highest standards of ethical conduct and legal compliance. All employees, directors, and executive officers are expected to act with integrity and report any illegal or unethical behavior.

8.2 Responsibility to Report:

It is the responsibility of every member of the company to report any suspected illegal or unethical behavior. This includes actions that violate laws, regulations, company policies, or ethical standards.

8.3 Reporting Mechanisms:

- Open Door Policy: Employees are encouraged to discuss any concerns with their immediate supervisor. If the issue involves the supervisor or is not adequately addressed, employees should escalate the matter to higher management.
- Anonymous Reporting: The company provides a confidential and anonymous reporting system (e.g., hotline, online portal) to allow individuals to report concerns without fear of retaliation.
- Direct Contact: Concerns can also be reported directly to the legal department, human resources, or the designated ethics or compliance officer.

8.4 Protection Against Retaliation:

- The company strictly prohibits any form of retaliation against individuals who report illegal or unethical behavior in good faith. Retaliation may include dismissal, demotion, harassment, or any other adverse action.
- Employees who believe they have been subjected to retaliation should report the matter immediately. The company will investigate and take appropriate action to protect the reporting individual.

8.5 Investigation Process:

- All reports of illegal or unethical behavior will be promptly and thoroughly investigated. The investigation will be conducted impartially and confidentially to the extent possible.
- The company will take appropriate corrective action based on the findings of the investigation. This may include disciplinary measures, changes to policies or practices, and, where necessary, legal action.

8.6 Follow-Up and Feedback:

- The company will provide feedback to individuals who report concerns, where appropriate, to inform them of the outcome of the investigation and any actions taken.
- Continuous improvement measures will be implemented to address any systemic issues identified during the investigation process.

9. Accountability and Monitoring

- 9.1. Responsibility: The board is responsible for monitoring compliance with this Code and ensuring that any breaches are addressed appropriately.
- 9.2. Waivers: Any waiver of this Code for directors or executive officers may be made only by the Board of Directors and will be promptly disclosed as required by law or regulation.
- 9.3. Amendments: Any amendments to this Code must be approved by the Board of Directors and will be disclosed as required by law or regulation. Amendments will be communicated to all directors, officers, and employees.
- 9.4. Material Changes: Conduct by a director or executive officer that constitutes a material departure from this Code may be considered a “material change” under National Instrument 51-102 Continuous Disclosure Obligations and must be reported accordingly.

APPENDIX E. CORPORATE DISCLOSURE POLICY**NUREXONE BIOLOGIC INC.****CORPORATE DISCLOSURE POLICY**

Approved by the Board

("Management Information Circular" Dated April 19, 2024)

1. Purpose of this Policy

The board of directors (the "**Board**") of Nurexone Biologic Inc. (the "**Company**") has adopted this Corporate Disclosure Policy (the "**Policy**") to ensure that the Company's communications with the investment community, the media and the general public are: (i) timely, factual and accurate; and (ii) broadly disseminated in accordance with all applicable legal and regulatory requirements.

It is fundamental that everyone investing in securities of the Company have equal access to information that may affect their investment decisions. All Company Personnel (as defined below) are required to make the Disclosure Committee (as defined below) aware of any circumstances or events that could reasonably be considered to be "material information" in the context of this Policy.

2. Application of this Policy

This Policy applies to all directors, officers and employees of the Company and its subsidiaries (who are collectively referred to as "**Company Personnel**").

This Policy covers disclosures in documents filed with securities regulators, financial and non-financial disclosure (including management's discussion and analysis ("**MD&A**") and written statements made in the Company's annual and quarterly reports), news releases, letters to shareholders, presentations by senior management and information contained on the Company's website and other electronic communications. It extends to oral statements in meetings and telephone conversations with analysts and investors, interviews with the media, as well as speeches, press conferences and conference calls.

3. Disclosure Committee

The Company has established a committee (the "**Disclosure Committee**") responsible for all regulatory disclosure requirements and for overseeing the Company's disclosure practices. The Disclosure Committee consists of the Chief Executive Officer and the Corporate Secretary.

The Disclosure Committee is responsible for:

- (a) developing and implementing this Policy;
- (b) monitoring the effectiveness of and compliance with this Policy;
- (c) educating Company Personnel about disclosure issues and this Policy;
- (d) reviewing and authorizing disclosure (including electronic, written and oral disclosure) in advance of its public release; and

- (e) monitoring the Company's website.

The Disclosure Committee is also responsible for:

- (a) reviewing and updating, if necessary, this Policy annually or as needed to ensure compliance with changing regulatory requirements;
- (b) identifying appropriate industry and company benchmarks for a preliminary assessment of materiality and, guided by these benchmarks, using its experience and judgment to determine the timing for public release of material information;
- (c) ensuring appropriate systems, processes and controls for disclosure;
- (d) reviewing all news releases and core disclosure documents before their release or filing, including the Company's MD&A; and
- (e) ensuring that Company spokespersons receive adequate training.

It is essential that the Disclosure Committee be kept fully apprised of all pending material Company developments in order to evaluate and discuss those events to determine the appropriateness of, and timing for, public release of information. The Disclosure Committee will meet quarterly or as conditions dictate and the Corporate Secretary will keep records of these meetings. The Disclosure Committee will report to the Board quarterly.

In discharging its duties, the Disclosure Committee will have full access to all books, records, facilities and personnel. In addition, in discharging its duties, the Disclosure Committee will seek and obtain all such advice from the Company's external legal counsel and auditors as is appropriate from time to time.

4. Disclosure Controls and Procedures

The Disclosure Committee will be responsible for undertaking the following matters:

- (a) reviewing the annual and interim filings (as those terms are defined in National Instrument 52-109—*Certification of Disclosure in Issuers' Annual and Interim Filings*) of the Company;
- (b) ensuring that the annual and interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered by the annual and interim filings;
- (c) ensuring that the annual and interim financial statements together with the other financial information included in the annual and interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date and for the periods presented in the annual and interim filings; and
- (d) establishing and maintaining disclosure controls and procedures for the Company, and designing those disclosure controls and procedures, or causing them to be designed under the Disclosure Committee's supervision, to provide reasonable assurance that:
 - (i) material information relating to the Company, including its consolidated subsidiaries, is made known to the Disclosure Committee by others within those entities, particularly during the period in which the annual and interim filings are

being prepared; and

- (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

5. Authorized Company Spokespersons

The people who are authorized to speak on behalf of the Company to the investment community, regulators and the media are limited to the following persons: the Chief Executive Officer, the Corporate Secretary and any other person authorized by the Chief Executive Officer. Those persons are knowledgeable about the Company's disclosure record and aware of analysts' reports relating to the Company. Spokespersons may, from time to time, designate others within the Company as having authority to speak on behalf of the Company as a back-up or to respond to specific inquiries.

Everyone in the Company should know who the Company spokespersons are and refer all inquiries from analysts, investors and the media to them. Having a limited number of company spokespersons should help to reduce the risk of:

- (a) unauthorized disclosures;
- (b) inconsistent statements by different people in the Company; and
- (c) statements that are inconsistent with the public disclosure record of the Company.

More specifically, employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson.

Statements made by Company Personnel who are not formally designated by the Company as a Company spokesperson may nonetheless be viewed as being made on behalf of the Company. Therefore, all Company Personnel should familiarize themselves with this Policy and take great care to comply with it, to ensure that they do not inadvertently cause the Company, as well as themselves, to run afoul of the law.

6. Review of Certain Disclosure

The Audit Committee and the Board will review the following disclosures in advance of their public release by the Company:

- (a) the Company's financial statements, MD&A and annual and interim profit or loss news releases;
- (b) earnings guidance;
- (c) financial outlooks and future-oriented financial information;
- (d) news releases containing financial information based on the Company's financial statements before the release of those statements; and
- (e) the contents of all other major disclosure documents, including the Company's annual report, quarterly reports to shareholders, annual information form, and management

information circular.

The Company will indicate at the time the information in (c) and (d) above is publicly released that the Audit Committee and Board have reviewed the disclosure.

If feasible, the Company will issue its profit or loss news release concurrently with the filing of its quarterly or annual financial statements.

7. Disclosure Record

The Corporate Secretary will maintain a five-year record of all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles.

8. Material Changes

(a) Timely Disclosure Requirements

The Company is required by law to immediately disclose a “**material change**” in its affairs. A material change is: (i) a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company; or (ii) a decision to implement a change referred to in (i) made by the Board or by senior management of the Company who believe that confirmation of the decision by the Board is probable. The Company must disclose a material change by issuing and filing a news release describing the change. The Company must also file a material change report as soon as practicable, and no later than 10 days after the change occurs.

Announcements of material changes should be factual and balanced. Unfavourable news must be disclosed just as promptly and completely as favourable news. If the Company discloses positive news but withholds negative news, the Company could find its disclosure practices subject to scrutiny by securities regulators. The Company's news releases should contain enough detail to enable the media and investors to understand the substance and importance of the change the Company is disclosing. The Company must avoid including unnecessary details, exaggerated reports or promotional commentary and bear in mind the guidance set out in CSA Staff Notice – 31-356 *Problematic Promotional Activities by Issuers* and other disclosure related staff notices issued by securities regulators.

(b) Confidentiality of Material Changes

Securities laws permit the Company to delay disclosure of a material change and to keep it confidential temporarily in limited circumstances, including when immediate release of the information would be unduly detrimental to the Company's interests. For example, immediate disclosure might be unduly detrimental if it interferes with the Company's pursuit of a specific objective or strategy, with ongoing negotiations, or with its ability to complete a transaction. If the harm to the Company's business from disclosing outweighs the general benefit to the market of immediate disclosure, withholding disclosure may be justified. In those cases, the Company may withhold public disclosure, but it must make a confidential filing with the securities commission. The Company must renew the confidential filing every 10 days should it want to continue to keep the information confidential. Companies are discouraged from delaying disclosure for a lengthy period of

time as it becomes less likely that confidentiality can be maintained beyond the short term.

(c) **Maintaining Confidentiality of Material Changes**

If disclosure of a material change is delayed, the Company must maintain complete confidentiality. During the period before a material change is disclosed, market activity in the Company's securities will be carefully monitored. Any unusual market activity may mean that news of the matter has been leaked and that certain persons are taking advantage of it. If the confidential material change, or rumours about it, have leaked or appear to be impacting the share price, the Company will take immediate steps to ensure that a full public announcement is made. This would include contacting the TSX Venture Exchange and asking that trading be halted pending the issuance of a news release.

If a material change is being kept confidential, the Company is under a duty to make sure that persons with knowledge of the material change have not made use of that information in purchasing or selling its securities. That information should not be disclosed to any person, except in the necessary course of business.

9. **Material Information**

The Company is also required to immediately disclose "**material information**" via news release. Material information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the Company's listed securities.

In making materiality judgments, it is necessary to take into account a number of factors that cannot be captured in a simple bright-line standard or test. These include the nature of the information itself, the volatility of the Company's securities and prevailing market conditions. The materiality of a particular event or piece of information may vary between companies according to their size, the nature of their operations and many other factors. An event that is "significant" or "major" for a smaller company may not be material to a larger company. The Company should avoid taking an overly technical approach to determining materiality. Under volatile market conditions, apparently insignificant variances between earnings projections and actual results can have a significant impact on share price once released. For example, information regarding the Company's ability to meet consensus earnings published by securities analysts should not be selectively disclosed before general public release.

The Company will monitor the market's reaction to information that is publicly disclosed. Ongoing monitoring and assessment of market reaction to different disclosure will be helpful when making materiality judgments in the future. As a guiding principle, if there is any doubt about whether particular information is material, the Company will err on the side of materiality and release information publicly.

Examples of the types of events or information which may be material are set out in Schedule 1 to this Policy. This list is not exhaustive and is not a substitute for the Disclosure Committee exercising its own judgment in making materiality determinations.

10. **Maintaining Confidentiality**

Any Company Personnel privy to confidential information is prohibited from communicating that information to anyone else, unless it is necessary to do so in the course of business. Company Personnel must make efforts to limit access to confidential information to only those who need to know the confidential information and those recipients need to be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge this information to anyone else, other than in the necessary course of business, and that they may not trade in the Company's securities until the information is publicly disclosed. Those outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement or other agreement containing appropriate confidentiality provisions.

To prevent the misuse or inadvertent disclosure of material information, the following procedures should be observed at all times:

- (a) documents and files containing confidential information should be kept in a safe place, with access restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary;
- (b) confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis;
- (c) confidential matters should not be discussed on cell phones or other wireless devices;
- (d) confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them;
- (e) employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office;
- (f) transmission of documents by electronic means, such as by fax, email or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
- (g) unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded and extra copies of confidential documents should be shredded or otherwise destroyed; and
- (h) access to confidential electronic data should be restricted through the use of passwords.

Communication by email leaves a physical track of its passage that may be subject to later decryption attempts. Caution should be exercised whenever confidential material information is to be transmitted over the Internet. If possible, Company Personnel should avoid using email to transmit confidential material information.

11. Model for Planned Disclosure of Material Corporate Information

The Company will use the following disclosure model when making a planned disclosure of material corporate information, such as a scheduled earnings release:

- (a) issue a news release containing the information (for example, the Company's quarterly financial results) through a widely circulated news or wire service;
- (b) provide advance public notice by news release of the date and time of a conference call to discuss the information, the subject matter of the call and the means for accessing it;
- (c) hold the conference call in an open manner, permitting investors and others to listen either by telephone or through Internet webcasting; and

- (d) provide dial-in and/or web replay or make transcripts of the call available for a reasonable period of time after the analyst conference call.

The combination of news release disclosure of the material information and an open and accessible conference call to subsequently discuss the information should help to ensure that the information is disseminated in a manner calculated to effectively reach the marketplace and minimize the risk of an inadvertent selective disclosure during the follow-up call.

12. News Releases

News releases will be disseminated through an approved news wire service that provides simultaneous national distribution. Full-text news releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media, and the local media in areas where the Company has its headquarters and operations. News releases will be posted on the Company's website immediately after confirmation of dissemination over the news wire. The website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures.

The Company will give prior notice of a news release announcing material information to the market surveillance provider of the TSX Venture Exchange, in the circumstances required by the TSX Venture Exchange.

13. Analyst Calls and Industry Conferences

Analyst conference calls and industry conferences are to be held in an open manner, allowing any interested party to listen either by telephone and/or through a webcast. This will help to reduce the risk of selective disclosure.

Conference calls will be held for quarterly earnings and major corporate developments, accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. A call will be preceded by a news release containing all relevant material information.

The Company will provide advance notice of the conference call and webcast by issuing a news release announcing the date, time and topic and providing information on how interested parties may access the call and webcast. These details will be provided on the Company's website. In addition, the Company may send invitations to analysts, institutional investors, the media and others. Any non-material supplemental information provided to participants will also be posted to the website for others to view. At the beginning of the call, a Company spokesperson will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties applicable to the news.

Company officials should meet before an analyst conference call, private analyst meeting or industry conference. Where practical, statements and responses to anticipated questions should be scripted in advance and reviewed by the appropriate people within the Company. Scripting will help to identify any material corporate information that may need to be publicly disclosed through a news release.

Detailed records and/or transcripts of any conference call, meeting or industry conference will be kept. These will be reviewed to determine whether any unintentional selective disclosure has occurred. If so, the Company will take immediate steps to ensure that a full public announcement is made, including contacting the TSX Venture Exchange and asking that trading be halted pending the issuance of a news release.

14. Reviewing Analyst Reports

The Company has established a policy for reviewing analyst reports. There is a serious risk of violating the tipping prohibition if the Company expresses comfort with or provides guidance on an analyst's report, earnings model or earnings estimates. There is also a risk of selectively disclosing material non-financial information in the course of reviewing an analyst's report.

Upon request, the Company may review analysts' draft research reports or financial models for factual accuracy based on publicly disclosed information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's financial model and earnings estimates. To avoid appearing to endorse an analyst's report or model, the Company will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

15. Limits on Distributing Analyst Reports

Analyst reports are proprietary products of the analyst's firm. Distributing or referring to analyst reports, or providing links to them, may be viewed as an endorsement by the Company of the reports. For these reasons, the Company will not provide analyst reports through any means to persons outside of the Company or generally to employees of the Company, including posting those reports on its website. Despite the foregoing, the Company will distribute analyst reports to its directors and senior officers to monitor the communications of the Company and to assist them in understanding how the marketplace values the Company and how corporate developments affect the analysis. Analyst reports may also be provided to the Company's financial and professional advisors in the necessary course of business. The Company may post on its website a complete listing, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. If provided, this list will not include links to the analysts' or any other third party websites or publications.

16. Forecasts, Forward-Looking Information and Updates

The Company must not disclose forward-looking information unless the Company has a reasonable basis for that forward-looking information. Any written disclosure of material forward-looking information must include disclosure that:

- (a) identifies forward-looking information as such;
- (b) cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information; and
- (c) states the material factors or assumptions used to develop forward-looking information.

If making a public oral statement containing forward-looking information, the person must:

- (a) make a cautionary statement that the oral statement contains forward-looking information;
- (b) state that actual results could differ materially from a conclusion, forecast or projection in the forward-looking information;
- (c) state that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and

- (d) state that additional information on the above is contained in a readily-available document or in a portion of that document and identify that document or portion of the document.

The Company must not disclose future-oriented financial information (“**FOFI**”) or a financial outlook unless the FOFI or financial outlook is based on assumptions that are reasonable in the circumstances. Any such disclosure must:

- (a) be limited to a period for which the information in the FOFI or financial outlook can be reasonably estimated; and
- (b) use the accounting policies the Company expects to use to prepare its historical financial statements for the period covered by the FOFI or the financial outlook.

Any written disclosure of FOFI or a financial outlook must include disclosure that:

- (a) states the date management approved the FOFI or financial outlook, if the document containing the FOFI or financial outlook is undated; and
- (b) explains the purpose of the FOFI or financial outlook and cautions readers that the information may not be appropriate for other purposes.

The Company must discuss in its MD&A events and circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that the Company previously disclosed to the public, as well as the expected differences.

The Company must also disclose and discuss in its MD&A material differences between actual results for the annual or interim period to which the MD&A relates and any FOFI or financial outlook for that period that the Company previously disclosed.

If, during the period to which its MD&A relates, the Company decides to withdraw previously disclosed material forward-looking information, it must disclose in its MD&A the decision and discuss the events and circumstances that led to that decision, including a discussion of the assumptions underlying the forward-looking information that are no longer valid.

17. Private Briefings with Analysts, Institutional Investors and Other Market Professionals

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of its investor relations program. The Company will meet with analysts and investors individually or in small groups as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. All analysts will receive fair treatment regardless of whether they are recommending buying or selling the Company’s securities.

The Company has a policy of providing only non-material information and publicly disclosed information to analysts. The Company will not disclose significant data, and in particular financial information such as sales and profit figures, to analysts, institutional investors and other market professionals selectively rather than to the market as a whole. Earnings forecasts are in the same category.

The Company cannot make material information immaterial simply by breaking the information into

seemingly non-material pieces. At the same time, the Company is not prohibited from disclosing non-material information to analysts, even if these pieces help the analyst complete a “mosaic” of information that, taken together, is material undisclosed information about the Company.

18. Providing Earnings Guidance

The Company will try to ensure, through the regular public dissemination of quantitative and qualitative information, that analysts’ estimates are in line with the Company’s expectations. The Company will not confirm, or attempt to influence, an analyst’s opinions or conclusions and will not express comfort with analysts’ financial models and earnings estimates. If the Company has determined that it will be reporting results materially below or above publicly held expectations, it may decide to disclose this information in a news release to enable discussion without risk of selective disclosure.

19. Quiet Periods

Please refer to Stock Trading Policy.

20. Unintentional Selective Disclosures

Securities legislation in Canada does not provide a safe harbour which allows companies to correct an unintentional selective disclosure of material information. If the Company makes an unintentional selective disclosure it should take immediate steps to ensure that a full public announcement is made. This includes contacting the TSX Venture Exchange and requesting that trading be halted pending the issuance of a news release. Pending the public release of the material information, the Company will also tell those parties who have knowledge of the information that the information is material and that it has not been generally disclosed.

21. Electronic Communications

The Disclosure Committee will establish a team responsible for creating and maintaining the Company’s website. The website should be up to date and accurate. All material information will be dated when it is posted or modified. Outdated information will be moved to an archive. Archiving will allow the public to continue accessing information that may have historical or other value even though it is no longer current. The Disclosure Committee will establish minimum retention periods for information that is posted to and archived on the Company’s website. Retention periods may vary depending on the kind of information posted. On the website, the Company will explain how the website is set up and maintained. Posting material information on the Company’s website is not acceptable as the sole means of satisfying legal requirements to “generally disclose” information.

The Company will use current technology to improve investor access to the Company’s information. The Company will concurrently post to the website all documents that the Company files on SEDAR. The Company will also post on the investor relations part of the website all supplemental information that it gives to analysts, institutional investors and other market professionals. This includes data books, fact sheets, slides of investor presentations and other materials distributed at analyst or industry presentations. When Company representatives make a presentation at an industry sponsored conference, they should try to have their presentation and “question and answer” session webcast.

If the Company’s website allows viewers to send it email messages, the risk of selective disclosure should be considered before responding.

22. Chat Rooms, Bulletin Boards and Emails

No one should participate in, host or link to chat rooms or bulletin boards. Employees are prohibited from discussing corporate matters in these forums. This prohibition is intended to protect the Company from the liability that could arise from the well-intentioned, but sporadic, efforts of employees to correct rumours or defend the Company. Employees should report to the Chief Executive Officer any discussion pertaining to the Company which they find on the Internet.

23. Handling Rumours

The Company has adopted a “no comment” policy with respect to market rumours and this policy must be applied consistently. Otherwise, an inconsistent response may be interpreted as “tipping”. Should the TSX Venture Exchange request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Disclosure Committee will consider the matter and decide whether to make a policy exception. If the rumour is true in whole or in part, this may be evidence of a leak, and the Company will immediately issue a news release disclosing the relevant material information.

24. Distribution of Information During or in Anticipation of a Public Offering

The dissemination of material information before or during the course of any public offering is generally prohibited and, if made, must be carefully co-ordinated so that it cannot be viewed as “preparing” the market. Care must also be taken to ensure that any information that is released during that period is consistent with the Company’s offering documents. The Disclosure Committee with the guidance of external legal counsel will co-ordinate the Company’s disclosure during any such period.

25. Communication and Enforcement

This Policy applies to all Company Personnel. New Company Personnel will be provided with a copy of this Policy and educated about its importance. This Policy will be posted on the Company’s internal website and changes will be communicated to all employees. Any employee who violates this Policy may face disciplinary action up to and including termination of employment with the Company without notice. The violation of this Policy may also violate certain securities laws, which could expose Company Personnel to personal liability. If it appears that any Company Personnel may have violated those securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.

26. Related Policies

Please see the Stock Trading Policy for prohibitions relating to trades in the Company’s securities, a copy of which may be obtained from the Corporate Secretary.

27. Enquiries

All enquiries or questions regarding this Policy should be directed to a member of the Disclosure Committee.

28. Effective Date

This Policy has been adopted by the Board and is in effect as of November 13, 2022.

SCHEDULE 1 TO CORPORATE DISCLOSURE POLICY

Changes in Corporate Structure

- changes in share ownership that may affect control of the Company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in the Company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Company's assets
- any material change in the Company's accounting policy

Changes in Business and Operations

- any development that affects the Company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business

- changes to the Board or executive management, including the departure of the Company's CEO, CFO, COO or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Company's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the Company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

APPENDIX F. STOCK TRADING POLICY**NUREXONE BIOLOGIC INC.****STOCK TRADING POLICY**

Approved by the Board
("Management Information Circular" Dated April 19, 2024)

1. Purpose of this Policy

The board of directors (the "**Board**") of Nurexone Biologic Inc. (the "**Company**") has adopted this Stock Trading Policy (the "**Policy**"), which is designed to provide guidance to the directors, officers and employees of the Company and its subsidiaries (who are referred to collectively in this Policy as "**Company Personnel**") with respect to stock trading. This Policy aims to assist Company Personnel in understanding their obligations and responsibilities under Canadian securities laws and the rules of the TSX Venture Exchange. The ultimate responsibility to avoid improper trading and comply with the law rests with each individual. This Policy has been adopted in order to protect the reputation of the Company and to protect it and Company Personnel from any potential liability.

The provisions of this Policy will be supplemented by any greater prohibitions or restrictions prescribed by any applicable laws or the TSX Venture Exchange.

2. Application of this Policy

All Company Personnel are required to review and comply with this Policy.

Company Personnel are responsible for ensuring that their Related Persons comply with this Policy, as applicable. For purposes of this Policy, "**Related Persons**" means, in relation to any individual, a member of his or her immediate family residing in the same household (including children temporarily living away from home while attending school), any entity in which the individual or his or her immediate family have an economic or personal interest and anyone acting on that individual's behalf or on behalf of his or her immediate family or on behalf of that entity.

3. Prohibited Activities and Blackout Periods**(a) Securities**

For purposes of this Part 3, the term "**security**" includes:

- (a) common shares
- (b) a put, call, option or other right or obligation to purchase or sell securities of the Company;
- (c) a security, the market price of which varies materially with the market price of the securities of the Company; and
- (d) a derivative that is related to a security of the Company because the derivative's market price, value, delivery obligations, payment obligations or settlement obligations are, in a material way, derived from, referenced to or based on the market price, value, delivery obligations, payment obligations or settlement obligations of the security of the Company.

(b) Prohibition on Insider Trading

Securities legislation prohibits “**persons in a special relationship with the Company**” (as defined in Appendix I to this Policy) from purchasing or selling securities of the Company with knowledge of a “material information” about the Company that has not been “generally disclosed”. This prohibited activity is commonly known as “insider trading”. Company Personnel are prohibited from trading in securities of the Company or any third party about which they have material non-public information until that information has been fully disclosed and at least two clear and full trading days have elapsed, in order for the information to be disseminated effectively to the public markets. Company Personnel should consult Appendix I to this Policy for an overview of what constitutes “material information”.

(c) Prohibition on Tipping

Securities legislation also prohibits the Company and any persons in a special relationship with the Company from informing, other than in the “necessary course of business”, anyone of a material fact or a material change before that “material information” has been generally disclosed. This prohibited activity is commonly known as “tipping”.

The tipping provisions generally apply to persons in a special relationship with the Company. Persons in a special relationship include, but are not limited to, anyone (a “**tippee**”) who learns of material information from someone that the tippee knows or should know is a person in a special relationship with the Company.

The “special relationship” definition is broad. The tipping prohibition is not limited to communications made by senior management, investor relations professionals and others who regularly communicate with analysts, institutional investors and market professionals. The tipping prohibition applies, for example, to unauthorized disclosures by non-management Company Personnel.

There is a potentially infinite chain of tippees who are caught by the prohibitions against tipping and insider trading. Because tippees are themselves considered to be in a special relationship with the Company, material information may be third or fourth hand and still be subject to the prohibitions.

(d) Prohibition on Speculation

Purchases of the Company’s securities should be for investment purposes only and not for short-term speculation. All dealings in puts and calls, all short sales and all buying or selling on the market with the intention of quickly reselling or buying back at a profit are prohibited. In addition, trading in securities of other public companies with the knowledge that the Company is contemplating or engaged in acquiring that company or its securities or negotiating significant business arrangements with that company is prohibited. These prohibitions apply to all Company Personnel and their Related Persons.

Furthermore, Reporting Insiders are strongly discouraged from: (i) purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by them; or (ii) forward selling securities that may be delivered in the future upon the exercise or redemption of securities granted under the Company’s security-based incentive award plans, or otherwise monetizing those securities, if the interest of the Reporting Insider in those securities has not yet vested.

(e) **Prohibition on Margin Accounts**

Securities held in a margin account can present problems if the individual does not have sufficient funds to meet a margin call and the securities are sold by the broker. Because such a sale may occur at a time when the individual is in possession of material non-public information or when otherwise not permitted to trade in the Company's securities, Company Personnel and their Related Persons are prohibited from operating margin accounts for the purpose of purchasing or holding the Company's securities, except with the prior approval of the Compliance Committee.

(f) **Use of Discretionary Accounts**

Company Personnel and their Related Persons who have a discretionary account with a broker must advise their broker in writing that there are to be no purchases or sales of the Company's securities by that discretionary account without first discussing it with that person in order to ensure compliance with this Policy and insider trading laws.

(g) **Trades Pursuant to the Company's Omnibus Incentive Plan**

Elections to participate, changes in participation or instructions to sell the Company's securities under the Company's Omnibus Incentive Plan (the "**Plan**") cannot be made at any time when in possession of material non-public information. Purchases under the Plan pursuant to previous elections may be made by the trustee under the Plan in accordance with the Plan and are not subject to the blackout period restrictions set out in this Policy.

(h) **Trades in Securities of Supplier Companies**

Company Personnel are prohibited from purchasing shares in supplier companies and their subsidiaries or direct affiliates if the Company's relations with those suppliers could be considered to have a material impact on the securities of those suppliers.

(i) **Quarterly Blackout Periods**

The Company's securities may not be purchased or sold by Company Personnel or their Related Persons beginning on the 7th day before the end of the fiscal quarter and ending after the first clear and full trading day following the quarterly financial results or the annual results being made public by news release. This period is referred to as a "**quarterly blackout period**". The period starting after the first clear and full trading day following the news release until the start of the next quarterly blackout period is referred to as a "**trading window**". For clarification, no trading is permitted even during a trading window if an individual is in possession of material non-public information.

(j) **Exercising Options**

Company Personnel are prohibited from exercising options during a blackout period or if the option holder is in possession of any material non-public information concerning the Company or its subsidiaries.

If permitted under the Company's Plan, if the expiration date of an option would otherwise fall within a blackout period, the expiration date of an option can be extended to no later than ten (10) business days after the expiry of the blackout period.

(k) **Special Blackout Periods**

Other “**special blackout periods**” may be prescribed from time to time by the Compliance Committee as a result of special circumstances relating to the Company which could give rise to material information. Everyone with knowledge of that material information will be subject to the special blackout period. In the case of a special blackout period, involved individuals will be informed by the Compliance Committee. No person subject to a special blackout period may disclose to anyone that a special blackout period has been designated.

(l) **Quiet Periods**

The Company observes a quarterly quiet period, during which no earnings guidance or comments with respect to the current quarter’s operations or expected results will be provided to analysts, investors or other market professionals. The quiet period runs from the 7th day before the end of the fiscal quarter and ending after the first clear and full trading day following the quarterly financial results or the annual results being made public by news release.

The Company does not need to stop all communications with analysts or investors during the quiet period. However, communications should be limited to responding to inquiries concerning publicly available or non-material information. The purpose of this quiet period is to avoid the potential for, or perception of, selective disclosure.

4. Insider Reporting Requirements

(m) **Reporting Requirements for Reporting Insiders**

Under Canadian securities laws, Reporting Insiders are generally required to disclose to applicable regulatory authorities the fact of becoming a Reporting Insider. Thereafter, Canadian securities laws require a Reporting Insider to disclose any change in direct or indirect beneficial ownership of, or control or direction over, securities and any change in any interest in, or right or obligation associated with, a related financial instrument. Reporting Insiders must file an insider report electronically through the “System for Electronic Disclosure by Insiders” (“**SEDI**”), usually within 5 days after the trade occurs.

A “**related financial instrument**” generally means an agreement, arrangement or understanding to which a Reporting Insider is a party, the effect of which is to alter, directly or indirectly, the Reporting Insider’s economic interest in a security of the Company or economic exposure to the Company.

It is the Company’s policy that all Reporting Insiders include in their insider reports all securities of the Company that their Related Persons have direct or indirect beneficial ownership of, or control or direction over.

(n) **Procedure for Reporting**

Filing of insider reports is the responsibility of each Reporting Insider. However, the Company will provide advice and assistance with respect to those filings.

5. Monitoring Compliance

(o) **Initial Certification of Compliance with Stock Trading Policy**

The Company expects compliance with this Policy and applicable laws by all Company Personnel. In order to ensure knowledge and understanding of this Policy, all Company Personnel will be required to sign a certificate concerning compliance with this Policy upon commencement of employment.

(p) **Periodic Certification of Compliance with Stock Trading Policy**

In order to ensure ongoing compliance with this Policy and with applicable laws, all Company Personnel will be required to sign a certificate concerning compliance with this Policy periodically.

(q) **Periodic Survey of Reporting Insiders**

Periodically, the Compliance Committee will request confirmation from Reporting Insiders as to whether reported results remain current. This monitoring is intended to assist the Company and Reporting Insiders to detect any inadvertent breaches of this Policy and to remedy those situations promptly.

(r) **Reporting of Non-Compliance**

Any Company Personnel who violates the prohibitions against insider trading and/or tipping, or knows of such violation by any other persons, must report the violation immediately to the Compliance Committee.

(s) **Compliance Responsibilities**

The Company has established a Compliance Committee, which will be composed of the Audit Committee of the board of directors of the Company.

The Compliance Committee's responsibilities include:

- (i) administering this Policy and monitoring and enforcing compliance with its provisions, including:
 - (A) monitoring reporting by Reporting Insiders (see Section 5(c)); and
 - (B) upon learning of any violation of the prohibitions against insider trading or tipping, determining what measures the Company should take, if any;
- (ii) designating and announcing, in its discretion, as applicable:
 - (A) quarterly blackout periods and trading windows relating to the Company's securities; and
 - (B) special blackout periods relating to the Company's securities or the securities of other public companies, including customers, suppliers, joint venturers and third parties negotiating a merger or acquisition with the Company;

- (iii) organizing training sessions to educate Company Personnel on insider trading;
- (iv) responding to all inquiries relating to this Policy;
- (v) providing copies of this Policy to all Company Personnel;
- (vi) proposing revisions to this Policy as necessary to reflect changes in applicable insider trading laws;
- (vii) preparing periodic reports on this Policy's implementation and preparing documentation of compliance efforts;
- (viii) implementing procedures for Company Personnel to report suspected breaches within the Company without fear of retribution;
- (ix) maintaining as Company records originals or copies of all required reports relating to insider trading;
- (x) reporting to the Board on all matters that arise with respect to this Policy and the Company's procedures relating to this Policy;
- (xi) seek necessary and appropriate legal advice from time to time from the Company's external legal advisors; and
- (xii) such other responsibilities as may be delegated to the Compliance Committee by the Board from time to time.

The Compliance Committee may designate one or more individuals who may perform certain of its duties.

6. Consequences of Non-Compliance

(t) Civil, Quasi Criminal and Criminal Liability

Violation of insider trading and tipping prohibitions can result in severe consequences under Canadian securities laws, applicable corporate legislation and the *Criminal Code*, including fines, civil liability and imprisonment.

(u) Disciplinary Sanctions

Violation of this Policy or insider trading laws or tipping prohibitions by any Company Personnel may subject that person to disciplinary action by the Company, up to and including termination.

7. Effective Date

This Policy has been adopted by the Board and is in effect as of March 29, 2023, as amended on May 28, 2024.

APPENDIX I TO STOCK TRADING POLICY

“**insiders**” of the Company generally include a director or officer of the Company or of any subsidiary of the Company, any significant shareholder of the Company, and a director or officer of any significant shareholder of the Company.

“**material information**” includes material facts and material changes (as such terms are defined under applicable securities laws) and is any information relating to the business and affairs of the Company that results or would reasonably be expected to result in a significant change in the market price or value of the Company’s securities.

The following is a non-exhaustive list of examples of the types of events or information that may be material:

Changes in corporate structure:

- changes in share ownership that may affect control of the Company;
- major reorganizations, amalgamations or mergers; and
- take-over bids, issuer bids or insider bids.

Changes in capital structure:

- the public or private sale of additional securities;
- planned repurchases, redemptions, cancellations or retirement of securities;
- any share exchange or stock dividend;
- changes in the Company’s dividend payments or policies;
- the possible initiation of a proxy fight; and
- material modifications to rights of security holders.

Changes in financial results:

- a significant increase or decrease in near-term earnings prospects;
- unexpected changes in the financial results for any periods;
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs;
- changes in the value or composition of the Company’s assets; and
- any material change in the Company’s accounting policy.

Changes in business and operations:

- any development that materially affects the Company’s resources, technology, products or markets;
- a significant change in capital investment plans or corporate objectives;
- major labour disputes or significant disputes with major contractors or suppliers;
- significant new contracts, products, patents, or services or significant losses of contracts or business;
- significant discoveries by resource companies;
- changes to the board of directors or executive management, including the departure of the Company’s chief executive officer, chief financial officer, chief operations officer or president (or persons in equivalent positions);

- the commencement of, or developments in, material legal proceedings or regulatory matters;
- waivers of corporate ethics and conduct rules for officers, directors and other key employees;
- any notice that reliance on a prior audit is no longer permissible; and
- de-listing of the Company's securities or their movement from one quotation system or exchange to another.

Acquisitions and dispositions:

- significant acquisitions or dispositions of assets, property or joint venture interests; and
- acquisitions of other companies, including a take-over bid for, or merger with, another company.

Changes in credit arrangements:

- the borrowing or lending of a significant amount of money;
- any mortgaging or encumbering of the Company's assets;
- defaults under debt obligations, agreements to restructure debt or planned enforcement procedures by a bank or any other creditors;
- changes in rating agency decisions; and
- significant new credit arrangements.

In assessing the materiality of information, the Company will consider the nature of the information itself, the potential impact on the market price of the Company's securities and prevailing market conditions. These factors will be reviewed and considered with other applicable factors on a case-by-case basis.

“major subsidiary” means a subsidiary of the Company if:

- (v) the assets of the subsidiary, as included in the Company's most recent annual audited or interim statement of financial position, are 30% or more of the consolidated assets of the Company reported on that statement of financial position; or
- (w) the revenue of the subsidiary, as included in the Company's most recent annual audited or interim statement of comprehensive income, is 30% or more of the consolidated revenue of the Company reported on that statement.

“person” generally includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership or trust; and
- (d) an association, syndicate or organization, whether incorporated or not.

“persons in a special relationship with the Company” generally include an employee of the Company or of any subsidiary of the Company, an insider of the Company, any person engaging in, proposing to engage in, or considering or evaluating whether to engage in, any business or professional activity with or

for the Company, and any person who obtains material non-public information from one of the foregoing persons. Insiders of the Company can be deemed to be in a special relationship with another public company if the Company is considering or proposing a take-over bid or similar combination transaction with that public company or is considering or proposing a purchase of a substantial portion of that public company's assets.

“**Reporting Insiders**” of the Company include:

- (a) the chief executive officer, chief financial officer and chief operating officer of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company (or individuals performing similar functions);
- (b) a director of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;
- (c) an officer responsible for a principal business unit, division or function of the Company;
- (d) a significant shareholder of the Company;
- (e) a management company that provides significant management or administrative services to the Company or a major subsidiary of the Company, every director of the management company, the chief executive officer, chief financial officer and chief operating officer of the management company, and every significant shareholder of the management company;
- (f) the Company itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; and
- (g) any other insider that
 - (i) in the ordinary course receives or has access to information as to material facts or material changes concerning the Company before the material facts or material changes are generally disclosed; and
 - (ii) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company.

“**significant shareholder**” of the Company generally means a person that has beneficial ownership of, and/or control or direction over, whether direct or indirect, securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities, calculated based on the person's post-conversion ownership of any securities convertible within 60 days.