

**EARLY WARNING REPORT**  
**(Form 62-103F1)**

**Made Pursuant To**  
**NATIONAL INSTRUMENT 62-103**  
***The Early Warning System and Related Take-Over Bid and***  
***Insider Reporting Issues***

*(Update to the Early Warning Report dated March 2, 2017)*

**Item 1. – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Securities: Units of the Company (as defined below) (“Units”), each Unit comprised of one common share of the Company (a “Common Share”) and one-half of one Common Share purchase warrant (a “Warrant”).

Issuer: **Medicenna Therapeutics Corp.** (the “Company”)  
200-1920 Yonge Street  
Toronto, Ontario M4S 3E2

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable. See item 2.2.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

**Fahar Merchant (“Dr. Merchant”)**  
and  
**Rosemina Merchant (“Ms. Merchant”)**  
(collectively, the “Acquirors”)

200-1920 Yonge Street  
Toronto, Ontario M4S 3E2

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On December 21, 2018, the Acquirors, each of whom is a director and officer of the Company, purchased an aggregate of 400,000 Units as part of the public offering (the “Offering”) pursuant to an agency agreement dated effective as of December 14, 2018 between Bloom Burton Securities Inc., Mackie Research Capital Corporation and Richardson GMP Limited and the Company. The Units were qualified for sale by way of a (final) short form prospectus dated December 14, 2018 filed by the Company and receipted by the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario. The Offering closed on December 21, 2018.

**2.3 State the names of any joint actors.**

Not applicable.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

See item 2.2. Prior to the closing of the Offering, the Acquirors, together with their respective associates and affiliates, owned or exercised direction or control over an aggregate of 15,600,000 Common Shares (representing approximately 63.47% of the then issued and outstanding Common Shares on a non-diluted basis) and 1,100,000 stock options of the Company. Following the closing of the Offering, the Acquirors hold Common Shares as follows:

<u>Name</u>	<u>Number of Common Shares</u>	<u>Percentage of Company Shares</u>
Dr. Merchant	5,250,000 <sup>(1)</sup>	18.37%
Ms. Merchant	5,250,000 <sup>(2)</sup>	18.37%
Aries Biologics Inc. ("Aries")	5,500,000 <sup>(3)</sup>	19.25%
Total	16,000,000	55.99%

1. Held directly. Dr. Merchant also holds 175,000 unvested stock options and 175,000 vested stock options, each exercisable to acquire one Common Share at an exercise price of \$2.00 per Common Share until February 13, 2027. Dr. Merchant also holds 175,000 unvested stock options and 175,000 stock options, each exercisable to acquire one Common Share at an exercise price of \$2.01 per Common Share until September 21, 2027. Dr. Merchant also holds 100,000 Warrants, each exercisable to acquire one Common Share at an exercise price of \$1.20 until December 21, 2023.
2. Held directly. Ms. Merchant also holds 125,000 unvested stock options and 125,000 vested stock options, each exercisable to acquire one Common Share at an exercise price of \$2.00 per Common Share until February 13, 2027. Ms. Merchant also holds 75,000 unvested stock options and 75,000 vested stock options, each exercisable to acquire one Common Share at an exercise price of \$2.01 per Common Share until September 21, 2027. Ms. Merchant also holds 100,000 Warrants, each exercisable to acquire one Common Share at an exercise price of \$1.20 until December 21, 2023.
3. Each Acquiror owns 50% of the voting shares of Aries.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

The Acquirors acquired the Units pursuant to the Offering. See item 2.2.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See item 3.1.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See item 3.1.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

**3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

**4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The purchase price paid for each Unit was \$1.00 for total aggregate consideration for the Units purchased by the Acquirors' of \$400,000. See item 2.2.

**4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1.

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

**Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders; and/or**
- (k) an action similar to any of those enumerated above.**

The Units were acquired as part of the Offering. The Acquirors have a long term view of their investment and may acquire additional securities of the Company, dispose of some or all of the securities they now hold, or may continue to hold their current position in the future depending on market conditions, reformulation of plans and/or other relevant factors. The Acquirors currently have no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (k), above. Depending on market conditions, general economic and industry conditions, the

Company's business and financial condition and/or other relevant factors, the Acquirors may develop such plans or intentions in the future.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

**Item 7 – Change in material fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

We, as the Acquirors, certify to the best of our knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 24, 2018

/s/ Fahar Merchant  
Fahar Merchant

/s/ Rosemina Merchant  
Rosemina Merchant