



## THIOGENESIS THERAPEUTICS, CORP.

### INFORMATION CIRCULAR

Dated August 15, 2022

### MANAGEMENT SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of THIOGENESIS THERAPEUTICS, CORP. (the “**Corporation**”) for use at the Annual and Special Meeting of Shareholders of the Corporation (the “**Meeting**”) to be held on Monday, September 19, 2022 at 9:00 A.M. (Toronto time), for the purposes set out in the accompanying Notice of Meeting.

It is expected that the solicitation will be made primarily by mail. Proxies may be solicited by officers, directors and regular employees of the Corporation personally or by telephone. The cost of such solicitation will be borne by the Corporation.

### APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying form of proxy (the “**Proxy**”) as proxyholders, are Officers and/or Directors of the Corporation. If you are a shareholder entitled to vote at the Meeting by Proxy, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a shareholder, to act for you. You may do so either by inserting the name of that other person in the blank space provided by the Proxy or by completing and delivering another suitable form of proxy.

### COMPLETION AND RETURN OF PROXY

Completed Proxies must be deposited at the office of the Corporation's transfer agent, TSX Trust Company at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, not later than Thursday, September 15, 2022 before 9:00 A.M. (Toronto time)

### VOTING BY PROXYHOLDER

The persons named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) Each matter identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) Any amendment to or variation of any matter identified therein; and (c) Any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the shares represented by the Proxy for the nominees of management for Elections of Directors and Appointment of Auditor as identified in the Proxy, as applicable, and in favour of each matter identified on the Proxy.

### NON-REGISTERED HOLDERS

**Only registered Shareholders of the Corporation or the persons they appoint as their proxies may vote their common shares by completing the enclosed proxy.** Registered Shareholders are holders of Shares of the Corporation whose names appear on the share register of the Corporation and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Shareholders are requested to vote

their Proxy in accordance with the instructions on the Proxy.

Most Shareholders are “non-registered” Shareholders (“**Non-Registered Shareholders**”) because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company or other intermediary through which they purchased the Shares. The Corporation’s Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of their shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object (called “**NOBOs**” for Non-Objecting Beneficial Owners). The Corporation is sending the Meeting materials directly to NOBOs in connection with the Meeting.

With respect to OBOs, in accordance with applicable securities law requirements, the Corporation has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for distribution to OBOs. The Corporation does not intend to pay for Intermediaries to deliver the Meeting materials.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

#### **REVOCATION OF PROXY**

Any Registered Shareholder who has returned a Proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing, including a Proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the Proxy must be deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the date of the Meeting.

**Only Registered Shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Each holder of common shares in the capital of the Corporation (“**Common Shares**”) of record at the close of business on August 15, 2022 will be entitled to vote at the Meeting or at any adjournment thereof, by Proxy, except to the extent that such holder has transferred any Common Shares after the record date and the transferee of such Common Shares establishes proper ownership thereof and demands, not later than ten days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote.

As at August 15, 2022, the Corporation had 28,242,675 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share.

To the knowledge of the directors and executive officers of the Corporation, as of the Record Date, the Shareholders who beneficially own, or exercise control or direction over, directly or indirectly, Common Shares carrying 10% or more of the votes attached to the outstanding Common Shares are:

Name of Shareholder	Number and Percentage of Common Shares Beneficially Owned, or Controlled, or Directed, Directly or Indirectly (1)
Patrice P. Rioux	6,737,869 Common Shares (23.86%)
Vincent Paul Stanton, Jr.	4,000,000 Common Shares (14.16%)

*Note:*

- (1) Percentage of Common Shares beneficially owned is calculated based on an aggregate of 28,242,675 Common Shares issued and outstanding as of the date of this Circular.

### INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the Directors or Executive Officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the 2022 Stock Option Plan Resolution.

### INDEBTEDNESS OF DIRECTORS AND OFFICERS

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to the Corporation or its subsidiaries at any time from the date of incorporation of the Corporation to the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time from the date of incorporation of the Corporation to the date hereof, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

### EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Corporation in connection with their office or employment with the Corporation is made in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Disclosure is required to be made in relation to “Named Executive Officers”, being those individuals who served as the Chief Executive Officer, Chief Financial Officer and each of the Corporation’s three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 for the financial year.

#### Compensation Discussion and Analysis

On March 31, 2022, the Corporation completed its Qualifying Transaction with Thiogenesis Therapeutics, Inc. and ceased to be a Capital Pool Company (“CPC”) within the meaning of TSX Venture Exchange (“TSXV”) Policy 2.4 - Capital Pool Companies (the “CPC Policy”). Unless otherwise defined herein, Section 8.1 of the CPC Policy provides that until the completion of the Qualifying Transaction, no payment of any kind may be made, directly or indirectly, by a CPC to a Non-Arm’s Length Party of the CPC or a Non-Arm’s Length Party to the Qualifying Transaction, or to any person engaged in Investor Relations Activities in respect of the CPC or the securities of the CPC or any Resulting Issuer by any means including, (a) remuneration, which includes, but is not limited to: salaries, consulting fees, management contract fees or directors’ fees, finder’s fees, loans, advances, bonuses; and (b) deposits and similar payments.

The only compensation that is permitted to the directors, officers, employees and consultants of the Corporation, so long as it is a CPC, is the granting of incentive stock options. The objective and purpose of any incentive stock options is to encourage the Corporation’s officers and directors to find a Qualifying Transaction that is in the best

interest of the Shareholders. If a Qualifying Transaction is not successfully completed, or if one is completed that does not increase the value of the Common Shares during the term of the incentive stock option, the directors and officers will receive no benefit, or very little benefit, from any incentive stock options. The number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding the Corporation's Common Shares at any time. Options will exercisable for a period of up to ten (10) years from the date of grant. See "Option Plan" below.

Notwithstanding the above, the Corporation may reimburse Non-Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). No reimbursement may be made for any payment made to lease or buy a vehicle. The policy regarding Permitted Reimbursements applies until completion of a Qualifying Transaction.

A Non-Arm's Length Party under TSXV Policy 1.1 – Interpretation ("**Policy 1.1**") in relation to the Corporation, includes: a Promoter, officer, director, other Insider or Control Person of the Corporation and any Associates or Affiliates of any such persons; or another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Corporation. The foregoing capitalized terms not otherwise defined herein are defined in Policy 1.1.

### Director and Named Executive Officer Compensation

In accordance with the CPC Policy, no compensation in the form of a salary, consulting fee, retainer, commission, bonus, committee fee, or meeting fee has been paid to or earned by any director or NEO for the period from incorporation to the date hereof.

Following the completion of a Qualifying Transaction by the Corporation, if any, it is anticipated that the Corporation will pay compensation to its directors and officers in accordance with industry standards, depending on the nature and size of the particular business that the Corporation acquires in connection with any Qualifying Transaction that it may complete.

The following table sets forth the compensation paid by the Corporation to the NEOs and directors for the two most recently completed financial years of the Corporation, excluding options and compensation securities (see "Statement of Executive Compensation – Stock options and Other Compensation Securities" below).

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Brook G. Riggins Director, C.E.O., C.F.O.	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
Neil A. Johnson Director, Secretary	2022	nil	nil	nil	nil	3,051 <sup>(1)</sup>	3,051
	2021	nil	nil	nil	nil	8,122 <sup>(1)</sup>	8,122

*Notes:*

- (1) Fees and reimbursement of expenses paid to Abingdon Capital Corporation ("**ACC**"), a company beneficially owned or controlled by Mr. Neil A. Johnson, for head office and administrative expenses at \$300 per month pursuant to an advisory agreement dated May 27, 2019 between the Corporation and ACC.
- (2) Upon closing of the Corporation's Qualifying Transaction on March 31, 2022, the following appointments/election of directors and officers became effective: Patrice P. Rioux, director and C.E.O.; Christopher M. Starr, director and Chairman of the Board; Brook G. Riggins, director and C.F.O.; Kim R. Tsuchimoto, director and chair of the audit committee; and W. Hogan Mullally, director.

### Stock Options and Other Compensation Securities

On July 15, 2019, officers and directors of the Corporation were granted a total of 375,000 options, each option exercisable into one Common Share at an exercise price of \$0.10 per Common Share and expiring on July 15, 2024. No stock options were granted under the Corporation's stock option plan during the most recently completed financial year ending February 28, 2022. See "Option Plan" below.

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth the securities of the Corporation that are authorized for issuance under the equity compensation plans as at date hereof.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	2,824,268	\$0.35	374,268
Equity compensation plans not approved by securityholders <sup>(1)</sup>	NIL	NIL	NIL

Notes:

(1) Options granted in accordance with the CPC Policy did not require Shareholder approval.

No stock options were exercised by the directors or NEOs during the most recently completed financial year ending February 28, 2022. As of the date hereof, the Corporation has 374,268 unallocated options available for grant. The unallocated options will be used to attract additional qualified persons to the Corporation as directors, officers, employees or consultants. See “Option Plan” below.

### Pension and Other Benefit Plans

The Corporation has no pension or other benefit plans currently in place.

### Termination of Employment, Change in Responsibilities and Employment Contracts

As at the date hereof, the Corporation did not have any plan, contract or arrangement, compensatory or otherwise: (1) regarding the employment of a Named Executive Officer, or (2) whereby a Named Executive Officer is entitled to receive more than \$100,000 (including periodic payments or instalments) in the event of the Named Executive Officer’s resignation, retirement or employment, a change of control of the Corporation, or a change in the Named Executive Officer’s responsibilities following a change in control of the Corporation.

### Other Compensation

On May 27, 2019, the Corporation entered into an advisory agreement with Abingdon Capital Corporation, a company beneficially owned or controlled by Mr. Neil A. Johnson, for providing head office and advisory services for a monthly fee of \$300 and reimbursement of reasonable expenses.

Other than as set forth herein, the Corporation did not pay any other compensation to the Named Executive Officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full-time employees) during the last completed fiscal year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

### Option Plan

The Corporation adopted an incentive stock option plan (the “CPC Stock Option Plan” or “Existing Option Plan”) on April 3, 2019 which provides that the board of directors of the Corporation (the “Board”) may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers, employees, and consultants to the Corporation, non-transferable options to purchase Corporation Common Shares. The Option Plan was amended at the Annual and Special Meeting of shareholders held on September 3, 2021. The full text of the amended Existing Option Plan is set out in Schedule “C” to the Corporation’s information circular dated August 3, 2021, which is posted on [www.sedar.com](http://www.sedar.com) and such information is incorporated by reference herein. As of the date

hereof, the Existing Option Plan is the Corporation's only equity compensation plan.

Pursuant to the Existing Option Plan, the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding The Corporation Common Shares at any time. Options will exercisable for a period of up to ten (10) years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance:

- (a) to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares; and
- (b) to all technical consultants will not exceed 2% of the issued and outstanding Common Shares.

Options may be exercised by an optionee that does not continue as a director, officer, employee or consultant of the Corporation during the greater of 12 months after the Closing of the Qualifying Transaction and 90 days following the cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option and further provided that the option terminates immediately if cessation was for cause.

On July 15, 2019, the Corporation granted options to the directors, officers and consultant of the Corporation to purchase up to a total of 425,000 Common Shares exercisable at \$0.10 per share allocated on the following basis with respective expiry dates:

Optionee	Relationship with Corporation	Number of Stock Options Granted	Exercise Price	Expiry Date
Brook Riggins	Officer and Director	125,000	\$0.10	July 15, 2024
Neil A. Johnson	Director	125,000	\$0.10	July 15, 2024
W. Hogan Mullally	Director	125,000	\$0.10	July 15, 2024
Hugh Rogers	Consultant	50,000	\$0.10	July 15, 2022
<b>Total</b>		<b>425,000</b>		

All 425,000 stock options were exercised on March 22, 2022.

On March 31, 2022, the Corporation completed its Qualifying Transaction involving the acquisition of all issued and outstanding common shares, convertible promissory notes and financing units of Thiogenesis Therapeutics, Inc. Subsequently, the Corporation granted an aggregate of 2,450,000 stock options to directors, officers and consultants. As of the Record Date, the Corporation has the following stock options issued and outstanding:

Optionee	Relationship with Corporation	Date of Grant	Number of Stock Options	Exercise Price	Expiry Date
Kathy Powell	Consultant	Mar. 31, 2022	200,000 <sup>(1)</sup>	\$0.20	Mar. 31, 2025
Mary Jo Bagger	Consultant	Mar. 31, 2022	100,000 <sup>(1)</sup>	\$0.20	Mar. 31, 2025
John Meekison	Arm's length consultant	Mar. 31, 2022	50,000 <sup>(2)</sup>	\$0.35	Mar. 31, 2025
Sandra Hall	Arm's length accounting consultant and IFRS advisory services	Mar. 31, 2022	100,000 <sup>(2)</sup>	\$0.35	Mar. 31, 2025
Abingdon Capital	Office services provider and public company administration	Mar. 31, 2022	50,000 <sup>(2)</sup>	\$0.35	Mar. 31, 2025
Hogan Mullally	Director	Mar. 31, 2022	450,000 <sup>(3)</sup>	\$0.35	Mar. 31, 2032
Patrice P. Rioux	Director and Officer	Mar. 31, 2022	750,000 <sup>(3)</sup>	\$0.35	Mar. 31, 2032
Brook Riggins	Director and Officer	Mar. 31, 2022	750,000 <sup>(3)</sup>	\$0.35	Mar. 31, 2032
<b>TOTAL</b>			<b>2,450,000</b>		

*Notes:*

- (1) These options were issued in exchange for the surrender of an equivalent number of options granted on June 26, 2020 by Thiogenesis Therapeutics, Inc., wholly-owned subsidiary of the Corporation, prior to completion of the Qualifying Transaction.
- (2) These options will vest over a 1-year period in 2 equal instalments commencing 6 months after the date of grant.
- (3) These options will vest over a 2-year period in 4 equal instalments commencing 6 months after the date of grant.

No stock options were exercised during the most recently completed financial year. The Corporation does not have any other Incentive Plans other than the Existing Option Plan.

### AUDIT COMMITTEE

Under National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”), the Corporation is required to include in this Circular the disclosure required under Form 52-110F2 with respect to the audit committee (the “**Audit Committee**”) of the Board, including the composition of the Audit Committee, the text of the Audit Committee charter (attached hereto as Schedule “A”), and the fees paid to the external auditor.

#### Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence	Financial Literacy
Brook G. Riggins	Not Independent	Financially Literate
W. Hogan Mullally	Independent	Financially Literate
Kim R. Tsuchimoto	Independent	Financially Literate

*Notes:*

- (1) The Corporation is a “venture issuer” for the purposes of NI 52-110. As such, the Corporation is exempt from the requirement to have the Audit Committee comprised entirely of independent members.
- (2) Kim R. Tsuchimoto is the chair of the Audit Committee.

#### Relevant Education and Experience

The education and experience of each Audit Committee member are described below.

*Brook G. Riggins, Director, Chief Financial Officer*

Mr. Riggins has over 20 years experience as a financial professional in the small cap public markets, focusing on biotech, medtech and technology. He has worked directly for both stockbrokers and publicly listed life science and technology companies. Mr. Riggins is presently and has been the Principal of *Beruscha Capital sro*, since December 2010 – it is a Prague based strategic financial consultancy. His prior work experience includes: Chief Investment Officer of Limetree Capital AG, a merchant banking boutique based in Zurich, Switzerland, Vice President Finance - Genetronics Biomedical (AMEX: GEB) and Vice President Research Analyst - Canaccord Capital (London).

Mr. Riggins has a Masters of Business Administration from the Shulich School of Business – York University and holds the designation of Chartered Financial Analyst (CFA).

*W. Hogan Mullally, Director*

Mr. Mullally has worked in the life science industry for 20 years. He started his career in pharmaceutical sales and marketing, first with Fournier Pharma and then 3M Pharmaceuticals. Mr. Mullally then transitioned into an investor relations and business development role for a TSX / Amex listed drug development company. Presently and since March 2008, Mr. Mullally has been the founder of a capital markets consulting business, SectorSpeak Inc., focusing on Canadian micro and small cap life science companies, that remains active today.

Mr. Mullally has a Masters in Business Administration from the Asper School of Business, University of

Manitoba.

*Kim R. Tsuchimoto, Director*

Ms. Tsuchimoto (Petaluma, California) serves as the Chief Financial Officer of Monopar Therapeutics since 2015, where she took the Corporation public in an IPO on Nasdaq in December 2019. Between January 2017 and August 2019, Ms. Tsuchimoto was Chief Financial Officer of Mercaptor Discoveries Inc., a privately held Delaware platform company with preclinical programs in neurology. She was also a co-founder of Mercaptor. Prior thereto, she spent over nine years at Raptor Pharmaceuticals, as its Chief Financial Officer from Raptor’s inception in May 2006 until August 2012, as Raptor’s Vice President of International Finance, Tax & Treasury from September 2012 to February 2015, and lastly served as Raptor’s Vice President, Financial Planning & Analysis and Internal Controls from February to May 2015. Prior to Raptor, Ms. Tsuchimoto spent eight years at BioMarin Pharmaceutical Inc. and its predecessor, Glyko, Inc., where she held the positions of Vice President-Treasurer, Vice President-Controller and Controller. At BioMarin, Ms. Tsuchimoto provided due diligence for the Corporation’s IPO in 1999 and helped close BioMarin’s first \$500 million of financing between 1997 and 2005. Ms. Tsuchimoto was responsible for BioMarin’s SEC reporting, corporate compliance, 10(b)5-1 trading plans and was BioMarin’s primary liaison with external legal counsel and auditors in the Corporation’s early years. Ms. Tsuchimoto has spent over 20 years drafting numerous SEC mandated reports such as 10-Ks, 10-Qs, Form 4s, S-1s, S-3s and prospectus supplements. Ms. Tsuchimoto received a B.S. in Business Administration from San Francisco State University. She holds an inactive California Certified Public Accountant license.

**Promoters**

Brook G. Riggins is considered to be a Promoter of the Corporation in that he took the initiative in founding and organizing the Corporation.

**Audit Committee Oversight**

At no time since the commencement of the Corporation’s most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

**Reliance on Certain Exemptions**

At no time since the commencement of the Corporation’s most recently completed financial period has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a “venture issuer”.

**Audit Committee Charter**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule “A” attached hereto.

**External Auditor Service Fees (By Category)**

The following table provides details in respect of audit, audit related, tax and other fees billed by the Corporation’s external auditor in each of the last two financial years:

<b>Nature of Services</b>	<b>Fees paid to external auditor during financial year February 28, 2021</b>	<b>Fees paid to external auditor during financial year ended February 28, 2022</b>
Audit Fees <sup>(1)</sup>	\$7,500	\$10,700
Audit-Related Fees <sup>(2)</sup>	\$nil	\$nil
Tax Fees <sup>(3)</sup>	\$3,000	\$3,000
All Other Fees <sup>(4)</sup>	\$4,500	\$17,120
<b>Total</b>	<b>\$15,000</b>	<b>\$30,820</b>

*Notes:*

- (1) Includes fees billed or accrued for professional services rendered by the auditor for the audit of the Corporation's annual financial statements, and any reviews of the Corporation's unaudited interim financial statements.
- (2) Includes fees billed for professional services rendered by the auditor consisting of employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, review of subsidiary financials, and audit or attestation services not required by legislation or regulation.
- (3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

## **CORPORATE GOVERNANCE**

The Board assumes overall responsibility for the direction of the Corporation through its delegation to senior management and through the ongoing function of the Board and its committees, as applicable. The sole business activity of the Corporation to date has been the identification of a potential Qualifying Transaction. The text of the Corporate Governance Disclosure is attached hereto as Schedule "B".

There are currently five directors on the Board. Patrice P. Rioux and Brook G. Riggins are not an independent director. W. Hogan Mullally, Christopher M. Starr and Kim R. Tsuchimoto are independent directors.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

### **1. FINANCIAL STATEMENTS**

At the Meeting, shareholders will receive and consider the audited consolidated financial statements of the Corporation for the year ended February 28, 2022 and the auditor's report on such statements. The Corporation's audited financial statements have been filed on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders are not required to vote on this matter.

In connection with the completion of its Qualifying Transaction, effective March 31, 2022, the Corporation changed its fiscal year end from February 28 to December 31 for both financial reporting and income tax purposes and in order to align the Corporation's financial year with that of its operating subsidiaries. As a result of the change, the Corporation's first financial year-end following the completion of the Qualifying Transaction will be December 31, 2022.

### **2. RE-APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to approve the re-appointment of MNP LLP, Chartered Professional Accountants ("MNP"), Toronto, Ontario, as auditor of the Corporation to hold such office until the earlier of the close of the next annual meeting of Shareholders and to authorize the Board to fix the auditor's remuneration (the "**Re-appointment of Auditor Resolution**"). MNP was first appointed auditor of the Corporation on May 3, 2018.

At an annual and special meeting of shareholders held on September 3, 2021, the Corporation was originally authorized to appoint DMCL LLP as auditors following completion of its Qualifying Transaction in March, 2022. Following a review of the audit resources available to the Corporation after the Qualifying Transaction, however, the Board concluded that it would be in the best interests of the Corporation to continue to retain MNP as auditors.

**Unless instructions are given to abstain from voting with respect to the appointment of auditors, the persons named in the enclosed form of Proxy intend to vote FOR: (i) the re-appointment of MNP LLP, Chartered Professional Accountants, as auditor of the Corporation; and (ii) authorizing the Board to determine the compensation of MNP LLP, Chartered Professional Accountants, in such capacity.**

In order for the Re-appointment of Auditor Resolution to be passed, approval by at least a majority of the Common Shares voted in respect thereof at the Meeting voted in respect thereof at the Meeting, whether present in person or by proxy, is required.

### **3. ELECTION OF DIRECTORS**

At the Meeting, Shareholders will be asked to elect the five (5) nominees set forth in the table below as directors of the Corporation to hold office until the earlier of the next annual meeting of the Corporation, unless this office is earlier vacated in accordance with the by-laws of the Corporation (the “**Election of Directors Resolution**”). Each director nominee will be elected on an individual basis and not as a member of a slate. Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. All five (5) nominees are currently directors of the Corporation.

**Unless instructions are given to abstain from voting with respect to the Election of Directors, the persons named in the enclosed form of Proxy intend to vote FOR the appointment of the nominees who are named below. If any of the proposed nominees should for any reason be unable to serve as a director, the persons named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

In order for the Election of Director Resolution to be passed, approval by at least a majority of the Common Shares voted in respect thereof at the Meeting voted in respect thereof at the Meeting, whether present in person or by proxy, is required.

#### **Advance Notice Provision**

In accordance with By-Law No. 1 of the Corporation, the Nomination of Directors Provision (the “**Advance Notice Provision**”) fixes a deadline by which shareholders must submit director nominations prior to any meeting of the shareholders. In the case of annual general meetings, advance notice must be delivered to the Corporation not less than 30 days and not more than 65 days prior to the date of the annual general meeting, provided, however, that if (a) the annual general meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made, notice must be received not later than the close of business on the 10th day following the date on which the public announcement of the date of the annual general meeting is first made by the Corporation, and (b) the Corporation uses “notice-and-access” (as defined in NI 54-101) to send proxy related materials to shareholders in connection with an annual general meeting, notice must be received not less than 40 days prior to the date of the annual general meeting. In the case of a special meeting of the shareholders (which is not also an annual general meeting of the shareholders), advance notice must be delivered to the Corporation not later than the close of business on the 15th day following the day on which the public announcement of the date of the special meeting of shareholders is first made by the Corporation.

The Advance Notice Provision requires any shareholder making a director nomination to provide certain important information about its nominee(s) with its advance notice. The Board may, in its sole discretion, waive any advance notice requirement. The Board believes that all shareholders should be provided with sufficient disclosure and time to make appropriate decisions on the election of their board representatives, allowing shareholders to fully participate in the director election process in an informed and effective manner. The Advance Notice Provision provides a transparent, structured, and fair director nomination process, consistent with the guidelines published by leading proxy advisory firms.

The Advance Notice Provision includes a provision providing for a forum for adjudication of certain disputes, whereby unless the Corporation approves or consents in writing to the selection of an alternative forum, the courts of the Province of Ontario and appellate courts shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim for breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation, (c) any action asserting a claim arising pursuant to any provision of the OBCA or the articles or by-laws of the Corporation (as either may be amended from time to time), or (d) any action asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, but does not include claims related to the

business carried on by the Corporation or such affiliates. Any person or entity owning, purchasing or otherwise acquiring any interest, including without limitation, any registered or beneficial ownership thereof, in the securities of the Corporation shall be deemed to have notice of and consented to the provisions of the by-laws.

**The Corporation did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Corporation will be disregarded at the Meeting.**

The following table sets forth a brief description of the nominees, including the name, place of residence, and current position of each of the nominees, the number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which each nominee exercises control or direction, the period served as director and the principal occupation of each nominee as of the date hereof. The information contained herein is based upon information furnished by the respective nominees.

Name, Place of Residence and Position with the Corporation	Principal Occupation for Past Five Years	Number of Common Shares Beneficially Owned or over which Control is Exercised
Patrice P. Rioux, MD, PhD San Diego, CA Director, CEO <i>Director since Mar. 31, 2022</i>	Presently and since February 2016, co-founder, co-President, Director and Chief Executive Officer of Thiogenesis Therapeutics, Inc. (“TTI”); also, Dr. Rioux has been Acting Chief Medical Officer of Monopar Therapeutics, Inc. (NASDAQ: MNPR) since December 2016.	6,737,869 Common Shares (23.86%)
Brook G. Riggins, CFA <sup>(1)</sup> Prague, Czech Republic Director, CFO <i>Director since May 3, 2018</i>	Presently and since December 2010, principal of Beruscha Capital s.r.o., a Prague-based, Czech Republic company, specialized in strategic financial consultation.	1,000,000 Common Shares (3.54%)
W. Hogan Mullally <sup>(1)</sup> Winnipeg, MB Director <i>Director since May 3, 2018</i>	Presently and since March, 2008, founder & president of SectorSpeak Inc., a Winnipeg-based capital markets consulting business focused on micro and small cap life science companies.	875,000 Common Shares (3.10%)
Christopher M. Starr, PhD Sonoma, CA Director, Chairman of the Board <i>Director since Mar. 31, 2022</i>	Presently co-founder and Executive Chairman and Board Member of Monopar Therapeutics, Inc. (NASDAQ: MNPR) and its predecessor, Monopar Therapeutics, LLC, since its inception in December 2014. Also presently and since June 2016, director of Glycomine, Inc., a private California based biotechnology company focused on developing new therapies for orphan diseases. Dr. Starr was the co-founder and served as the chief executive officer (“CEO”) at Raptor Pharmaceuticals (“Raptor”) (NASDAQ: RPTP), from its inception in 2006 through December 2014 and continued to serve Raptor as a member of its board of directors until Raptor was sold to Horizon Pharma plc in October 2016.	NIL
Kim R. Tsuchimoto <sup>(1)</sup> Petaluma, CA Director <i>Director since Mar. 31, 2022</i>	Presently and since November 2017, Chief Financial Officer, Secretary, Treasurer of Monopar Therapeutics Inc. (NASDAQ: MNPR) (“Monopar”), and Acting Chief Financial Officer of Monopar between June 2015 and October 2017; prior thereto and between January 2017 and August 2019, co-founder and Chief Financial Officer of Mercaptor Discoveries Inc., a privately held Delaware platform company with preclinical programs in neurology.; Ms. Tsuchimoto is a co-founder of Mercaptor Discoveries Inc. as well.	NIL

*Notes:*

1. Member of Audit Committee. Kim R. Tsuchimoto is the chair of the Audit Committee.
2. Information as to voting shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.

The term of office of each of the present directors expires at the Meeting. The persons named above will be presented for election at the Meeting as management's nominees and the persons proposed by management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees.

**Voting for the election of the above named directors will be conducted on an individual, not slate basis.** If named as proxy, the management designees intend to vote the Common Shares represented by such proxy at the Meeting for the approval of the above listed nominees, unless otherwise directed in the instrument of proxy.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except noted below, to the knowledge of the Corporation, none of the proposed directors is, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any other company (including the Corporation) that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

where "order" refers to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 days.

To the knowledge of the Corporation, except as disclosed below, none of the directors of the Corporation:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) 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 or 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
- (b) within the 10 years before the date of this Circular, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

None of the proposed directors 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 a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **4. APPROVAL OF THE 2022 STOCK OPTION PLAN**

At the Meeting, disinterested Shareholders of the Corporation (as discussed below) will be asked to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution in the form set out below, approving the adoption of the proposed 2022 Stock Option Plan (the "**2022 Option Plan Resolution**"), which is a 20% fixed plan, in place of the Corporation's existing 10% rolling plan (the "**Existing Option Plan**").

The Corporation's Existing Option Plan was adopted on April 3, 2019 and amended on September 3, 2021, which permits the Board to grant options to purchase up to ten percent (10%) of the issued number of Common Shares outstanding at the date of the grant on a non-diluted basis. As of the date hereof, the Corporation has granted 2,450,000 stock options to Eligible Persons pursuant to the Existing Option Plan.

On August 12, 2022, the Board approved the 2022 Option Plan. The 2022 Option Plan aligns with TSX Venture Exchange Policy 4.4 – Security Based Compensation, updated effective November 24, 2021, and implementation of the 2022 Option Plan is subject to the approval and acceptance by the TSX Venture Exchange.

As at the date of this Circular, the Corporation has 28,242,675 Common Shares issued and outstanding. Based on the foregoing, the number of options under the 2022 Option Plan will be set at a maximum of 5,648,535 or 20% of the issued and outstanding shares of the Corporation, whichever is less. The 2,450,000 options outstanding under the Existing Option Plan will be rolled into the 2022 Option Plan thereby leaving a maximum of 3,198,535 options available for grant.

#### *Summary of Material Differences Between the Existing Option Plan and the 2022 Option Plan*

The principal material differences between the Existing Option Plan and the 2022 Option Plan consist of:

- (i) fixing the number of options under the 2022 Option Plan not to exceed more than 20% of the Corporation's Common Shares issued and outstanding, such number of options not to exceed 5,648,535;
- (ii) the exercise price per Common Share shall in all cases be not less than the Discounted Market Price (as that term is defined in the policies of the TSX-V) subject to a minimum exercise price of \$0.05;
- (iii) options will expire within 90 days if an optionee ceases to be a director, officer or employee or within 30 days if the optionee is a consultant;
- (iv) removing all references and provisions relating to the Corporation being a capital pool company;
- (v) adding the definition of "VWAP" to align with the policies of the TSXV;
- (vi) adding clarity in respect of the limitations and restrictions relating to consultants and investor relations persons;
- (vii) adding a cashless exercise feature providing for payment in cash or securities upon the exercise of options;
- (viii) setting out the Corporation's authorizations in respect of tax withholding obligations and options issued pursuant to the 2022 Stock Option Plan;
- (ix) adding a comprehensive provision that sets out certain amendments that may be made to the 2022 Stock Option Plan only upon receipt of requisite regulatory approval or shareholder approval, as applicable; and
- (x) certain other housekeeping amendments.

The full text of the 2022 Option Plan is attached to this Circular as Schedule "C".

#### *Disinterested Shareholder Approval*

At the Meeting, disinterested Shareholders are being asked to consider a resolution approving the 2022 Option Plan. Shareholders of the Corporation excluded from voting their Common Shares in this matter are Vincent Stanton, Jr., Patrice P. Rioux, Brook G. Riggins, W. Hogan Mullally, Christopher M. Starr and Kim R. Tsuchimoto in their respective capacities as insider, officers and directors of the Corporation (the "**Excluded Shareholders**"). As at the date hereof, the Excluded Shareholders hold an aggregate of 12,612,869 Common Shares, representing approximately 44.65% of the issued and outstanding Common Shares, of which 8,612,869 Common Shares, representing approximately 30.49% of the issued and outstanding Common Shares are owned by officers and directors of the Corporation.

For the 2022 Option Plan to be approved, the resolution must be passed by a majority of the votes cast in respect thereof by the disinterested Shareholders present or represented by proxy at the Meeting. The complete text of the

ordinary resolution (the “**Stock Option Plan Resolution**”) to be placed before the Meeting confirming the 2022 Option Plan is as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution that:

1. subject to approval of the TSX Venture Exchange, the 2022 Option Plan, under which the maximum number of common shares of the Corporation (“**Common Shares**”) reserved for issuance will be increased to such number of Common Shares as is equal to 20% of the number of issued and outstanding Common Shares is hereby approved, such number not to exceed 5,648,535;
2. any director or officer be and is hereby authorized to make any and all additions, deletions and modifications to the 2022 Option Plan as may be necessary or advisable to give effect to this ordinary resolution or as may be required by applicable regulatory authorities;
3. any director or officer be and is hereby authorized, to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this resolution; and
4. notwithstanding approval of the shareholders of the Corporation as herein provided, the board of directors may, in its sole discretion, revoke this resolution before it is acted upon without further approval of the shareholders of the Corporation.”

The Board recommends that the disinterested Shareholders vote in favour of the Stock Option Plan Resolution.

**Unless a proxy specifies that the shares it represents are to be voted against the Stock Option Plan Resolution or the proxy is from the Excluded Shareholders name above or an associate, affiliate or holding company related thereto, the persons named in the enclosed form of Proxy (absent contrary directions) intend to vote FOR the Stock Option Plan Resolution.**

If the Stock Option Plan Resolution is approved, the Board retains the power to revoke it at all times without any further approval by the Shareholders. The Board will only exercise such power in the event that it is, in its opinion, in the best interest of the Corporation. If the Stock Option Plan Resolution is not approved then the Existing Option Plan will remain in force.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation for the most recently completed financial year, which are also available on SEDAR. Copies of the Corporation’s financial statements and management’s discussion and analysis may be obtained, without charge, upon request from 4 King Street West, Suite 401, Toronto, Ontario M5H 1B6, Attention: Patrice P. Rioux, or by email request to [prioux@Thiogenesis.com](mailto:prioux@Thiogenesis.com).

#### **BOARD APPROVAL**

The contents of this Circular and the sending hereof to the Shareholders of the Corporation have been approved by the Board.

DATED at Toronto, Ontario as of this 15th day of August, 2022.

(signed) *Patrice P. Rioux*  
Patrice P. Rioux  
Chief Executive Officer

Schedule "A"

**THIOGENESIS THERAPEUTICS, CORP.**

**AUDIT COMMITTEE CHARTER**

**CONSTITUTION AND PURPOSE**

The audit committee (the "Committee") has been established by resolution of the board of directors (the "Board") of Thiogenesis Therapeutics, Corp. (the "Corporation") for the purpose of assisting the Board in fulfilling its oversight responsibilities in relation to the accounting and financial reporting processes of the Corporation, audits of the financial statements of the Corporation, review of the Corporation's systems of internal controls and in relation to risk management matters including:

- (a) the review of the annual and interim financial statements of the Corporation;
- (b) the integrity and quality of the Corporation's financial reporting and systems of internal control, and financial risk management;
- (c) the Corporation's compliance with legal and regulatory requirements;
- (d) the qualifications, independence, engagement, compensation and performance of the Corporation's external auditor (the "Corporation's Auditor"); and
- (e) the exercise of the responsibilities and duties set out in this charter (the "Charter").

**COMPOSITION**

The members of the Committee shall be appointed by the Board from amongst the directors of the Corporation (the "Directors") and shall be comprised of not less than three members. A majority of the members of the Committee shall be "independent", as that term is defined in National Instrument 52-110 – Audit Committees ("NI 52-110").

All members of the Committee shall be "financially literate", as such term is defined in NI 52-110 or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office. The Board shall appoint a chair for the Committee from its members (the "Chair"). If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

No Director who serves as board member of any other company shall be eligible to serve as a member of the Committee unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the corporate governance committee of the Board. No member of the Committee shall receive from the Corporation or any of its affiliates any compensation other than the fees to which he or she is entitled as a Director of the Corporation or a member of a committee of the Board. Such fees may be paid in cash and/or shares, options or other in-kind consideration ordinarily available to Directors.

## **MEETING PROTOCOLS**

The Committee shall meet at least once every quarter and shall meet at such other times during each year as the Chair of the Committee deems appropriate. The Chair of the Committee, any member of the Committee, the Corporation's Auditor, the Chairman of the Board, the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") may call a meeting of the Committee by notifying the Corporation's corporate secretary, who will notify the members of the Committee. A majority of members of the Committee shall constitute a quorum.

At least five days' notice of any meeting of the Committee shall be given in writing to each member of the Committee by any means of transmitted or recorded communication that produces a written copy, including by email. Notice may be waived or shortened with the consent of all the members of the Committee. Attendance by a member at a meeting notwithstanding any failure to give notice in accordance with this Charter shall be deemed to constitute waiver of notice of such meeting by such member. Notice of each meeting of the Committee shall also be given to the Chairman of the Board, the CEO, and CFO of the Corporation, and the Corporation's Auditor.

The Chairman of the Board, the CEO and CFO of the Corporation, if invited by the Chair of the Committee, attend and speak at meetings of the Committee. Other Board members shall also, if invited by the Chair of the Committee, have the right of attendance. A representative of the Corporation's Auditor shall have the right to attend and speak at any meeting of the Committee, and may attend if invited by the Chair of the Committee, in either case at the expense of the Corporation.

The Committee may also invite any other officers or employees of the Corporation, legal counsel, the Corporation's financial advisors and any other persons to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

At least quarterly, representatives of the Corporation's Auditor shall meet the Committee without any of the executive Directors or other members of management in attendance, except by invitation of the Committee.

The Committee shall at each meeting appoint one of its members or any other attendee to be the secretary of the Committee.

Every question at a Committee meeting shall, if necessary, be decided by a majority of the votes cast.

Subject to any statutory or regulatory requirements or the articles and by-laws of the Corporation, the Committee shall fix its own procedures at meetings, maintain minutes or other records of its proceedings in sufficient detail to convey the substance of all discussions held and report to the Board at the next meeting of the Board. The minutes of the Committee's meetings shall be tabled at the next meeting of the Board.

The Committee shall prepare a report to shareholders or others, concerning the Committee's activities in the discharge of its responsibilities, when and as required by the by-laws of the Corporation or applicable laws or regulations.

The Chair of the Committee shall be available at the annual general meeting of the Corporation to respond to any shareholder questions on the activities and responsibilities of the Committee.

## **AUTHORITY**

The Committee is authorized by the Board to:

- (a) investigate any matter within its Charter;
- (b) have direct communication with the Corporation's Auditor;
- (c) seek any information it requires from any employee of the Corporation; and
- (d) retain, at its discretion, outside legal, accounting or other advisors, at the expense of the Corporation, to

obtain advice and assistance in respect of any matters relating to its duties, responsibilities and powers as provided for or imposed by this Charter or otherwise by law or the by-laws of the Corporation.

## **ROLES & RESPONSIBILITIES**

The Committee shall have the roles and responsibilities set out below, as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these roles and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation.

### **A. Review of Accounting and Financial Reporting Matters**

1. Review the Corporation's interim and annual financial statements and management's discussion & analysis of operations (the "MD&A"); annual information forms and earnings press releases prior to their public disclosure and Board approval, where required, and ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.
2. Following such review with management and the Corporation's Auditor, recommend to the Board whether to approve the annual or interim financial statements and MD&A and any other filings with the securities commissions.
3. Monitor in discussion with the Corporation's Auditor the integrity of the financial statements of the Corporation before submission to the Board, focusing particularly on:
  - (a) significant accounting policies and practices and any changes in such accounting policies and practices;
  - (b) major judgment areas including significant estimates and key assumptions;
  - (c) significant adjustments resulting from the audit;
  - (d) the going concern assumption;
  - (e) compliance with accounting standards including the effects on the financial statements of alternative methods within generally accepted accounting principles;
  - (f) the Corporation's Auditor's judgment about the quality, not just the acceptability, of the accounting principles applied in the Corporation's financial reporting;
  - (g) compliance with stock exchange and legal requirements;
  - (h) the extent to which the financial statements are affected by any unusual transactions;
  - (i) significant off-balance sheet and contingent asset and liabilities and the related disclosures;
  - (j) significant interim review audit findings during the year, including the status of previous audit recommendations; and
  - (k) all related party transactions with the required disclosures in the financial statements.
4. On at least an annual basis, review with the Corporation's legal counsel and management, all legal and regulatory matters and litigation, claims or contingencies, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements.

**B. Relationship with the Corporation's Auditor**

1. Consider and make recommendations to the Board, for it to put to the shareholders for their approval in a general or special meeting, in relation to the appointment, re-appointment and removal of the Corporation's Auditor and to approve the compensation and terms of engagement of the Corporation's Auditor for the annual audit, interim reviews and any other audit related services.
2. Require the Corporation's Auditor to report directly to the Committee.
3. Discuss with the Corporation's Auditor, before an audit commences, the nature and scope of the audit, and other relevant matters.
4. Review and monitor the independence, objectivity and performance of the Corporation's Auditor and the effectiveness of the audit process taking into consideration relevant professional and regulatory requirements.
5. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Corporation.
6. Discuss problems and reservations arising from an audit, and any matters the Corporation's Auditor may wish to discuss (in the absence of management where necessary).
7. Review the Corporation's Auditor's management letter and management's response.
8. Develop and implement a pre-approval policy on the engagement of the Corporation's Auditor to supply non-audit services to the Corporation and its subsidiaries, taking into account relevant ethical guidance regarding the provision of non-audit services by the Corporation's Auditor and the preservation of their independence.
9. Consider the major findings of the Corporation's Auditor and management's response, including the resolution of disagreements between management and the Corporation's Auditor regarding financial reporting.

**C. Review of Disclosure Controls & Procedures ("DC&P") and Internal Controls Over Financial Reporting ("ICFR")**

1. Monitor and review the Corporation's disclosure policy on an annual basis.
2. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of Corporation's DC&P including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
3. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of the Corporation's ICFR including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
4. Review and discuss any fraud or alleged fraud involving management or other employees who have a role in the Corporation's ICFR and the related corrective and disciplinary action to be taken.
5. Discuss with management any significant changes in the ICFR that are disclosed, or considered for disclosure, in the MD&A, on a quarterly basis.
6. Review and discuss with the CEO and the CFO the procedures undertaken in connection with CEO and CFO certifications for the annual and interim filings with the securities commissions.

7. Review the adequacy of internal controls and procedures related to any corporate transactions in which directors or officers of the Corporation have a personal interest, including the expense accounts of senior officers of the Corporation and officers' use of corporate assets.

**D. Review of the Corporation's Financing and Insurance**

1. Review the adequacy of the Corporation's insurance policies.
2. Review all major financings of the Corporation and its subsidiaries and annually review the Corporation's financing plans and strategies.

**E. Financial Risk Management**

1. Review with the CEO and CFO and the Corporation's Auditor their assessment of the significant financial risks and exposures of the Corporation and discuss with management the steps which the Corporation has taken to monitor and control such exposures.
2. Review current and expected future compliance with covenants under any financing agreements.
3. Review any other significant financial exposures including such things as tax audits, government audits or any other activities that expose the Corporation to the risk of a material financial loss.
4. Report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the businesses of the Corporation.

**F. Establishment of Procedures for the Receipt and Treatment of Complaints regarding Accounting, Internal Accounting Controls, or Auditing Matters**

Establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (c) the investigation of such matters with appropriate follow-up action.

**G. Corporate Governance**

The Committee may, if requested:

- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to insurance, accounting, management reporting and risk management; and
- (b) review with management and the external auditor their assessment of the significant financial risks and exposures of the Corporation and discuss with management the steps which the Corporation has taken to monitor and control such exposures.

**H. Complaints and Employee Submissions**

The Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

### **COMMITTEE EFFECTIVENESS PROCEDURES**

The Committee shall review its Charter on an annual basis, or more often as required, to ensure that they remain adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Corporation's business environment.

The procedures outlined in this Charter are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

In setting the agenda for a meeting, the Chair of the Committee shall encourage the Committee members, management, the Corporation's Auditor and other members of the Board to provide input in order to address emerging issues.

Prior to the beginning of a fiscal year, the Committee shall submit an annual planner for the meetings to be held during the upcoming fiscal year, for review and approval by the Board to ensure compliance with the requirements of the Committee's Charter.

Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed at least five business days in advance of the respective meeting to allow Committee members sufficient time to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and this charter, and shall make recommendations to the Board with respect thereto.

Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Corporation.

New Committee members shall be provided with an orientation program to educate them on the Corporation, their responsibilities and the Corporation's financial reporting and accounting practices.

### **ADOPTION AND EFFECTIVENESS**

This Charter was adopted effective April 3, 2019.

## Schedule “B”

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices.

#### **1. Board of Directors**

The Board presently consists of five (5) members. The Board believes that a group of five directors is sufficiently large to allow for the breadth of experience critical to the Board’s understanding of the issues facing the Corporation, while still small enough to allow for effective decision-making.

The term of office of each of the present directors expires at the Meeting. Each director elected holds office until the next annual general meeting of the Corporation or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Corporation and the *Business Corporations Act* (Ontario).

The members of the Board of Directors have been chosen on the basis of their skill, expertise and experience in the operation of commercial enterprises, as well as their ability to actively contribute on the broad range of issues with which the Board of Directors must consider.

The Corporation does not have a detailed written description of powers and responsibilities of the members of management or the Board. The Board’s independent directors are of the view that no such descriptions are necessary in the Corporation’s circumstances. The non-management directors believe that their majority representation on the Board, their knowledge of the Corporation’s business and their independence are sufficient to facilitate the functioning of the Board independently of management.

#### **2. Director Independence, Directorships and Other Reporting Issuer Experience**

Of the current Board of Directors of the Corporation, Patrice P. Rioux and Brook G. Riggins are not independent directors by virtue of their positions as officers of the Corporation. All other Directors of the Corporation are considered independent.

The following directors of the Corporation are also directors and/or senior officers in the following reporting issuers:

<b>Director</b>	<b>Position Held at the Corporation</b>	<b>Independence</b>	<b>Involvement with Other Reporting Issuer(s)</b>	<b>Positions Held with Other Reporting Issuer(s)</b>	<b>Name of Exchange or Market</b>
Patrice P. Rioux	CEO and Director	Not Independent	Monopar Therapeutics Inc.	Acting Chief Medical Officer	NASDAQ
Brook G. Riggins	CFO and Director	Not Independent	None	N/A	N/A
W. Hogan Mullally	Director	Independent	None	N/A	N/A
Christopher Starr	Director and Chairman of the Board	Independent	Monopar Therapeutics Inc.	Chairman of the Board	NASDAQ
Kim R. Tsuchimoto	Director	Independent	Monopar Therapeutics Inc.	C.F.O., Secretary and Treasurer	NASDAQ

#### **3. Orientation and Continuing Education**

The Board ensures that each new nominee has the competencies, skills and personal qualities required to perform his

duty properly, and management does provide informal orientation and education to new directors respecting the history, business, corporate strategy, and current issues with the Corporation. However, the Board does not have any formal policies with respect to the orientation of new directors, nor does it take any measures to provide continuing education for the directors. At this stage of the Corporation's development, and having regard to the background and experience of its directors, the Board does not feel it necessary to have such policies or programs in place. The Board provides continuing education to the directors through open discussions at all meetings including discussion with the Corporation's management to give the remaining directors additional information on the Corporation's business.

#### **4. Ethical Business Conduct**

The Board of Directors has not adopted a formal written code of ethics. The Board expects that fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as provisions under corporate legislation for required disclosures by directors and senior officers to the Corporation of transactions with the Corporation in which they may have an interest and of any other conflicts of duties and interests, are sufficient to ensure that these persons conduct themselves in the best interests of the Corporation.

#### **5. Nomination of Directors**

The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual meeting of Shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

#### **6. Compensation**

The Board is of the view that the Corporation's present practice of compensating directors through the issuance of stock options and the payment of directors' fees, is appropriate in the Corporation's circumstances and effective in synchronizing the interests of the directors with those of the shareholders. The rate of compensation is determined by all board members.

The Board of Directors as a whole periodically reviews the adequacy and form of compensation of the directors and the President and CEO to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and officer, respectively.

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of Directors with the return to shareholders.

#### **7. Other Board Committees**

The Company currently has no committees other than the Audit Committee.

#### **8. Assessments**

The effectiveness of the Board of Directors as a whole, any committee of the Board and individual directors is assessed on an ongoing basis by both the Board and senior management.

Schedule “C”

**THIOGENESIS THERAPEUTICS, CORP.**  
(the “Corporation”)

**2022 STOCK OPTION PLAN**

The stock option plan of the Corporation was first adopted, approved and effective as of July 16, 2019 and amended on September 3, 2021 (the “Existing Plan”) and formally approved by the TSX Venture Exchange (“Exchange”) on **1**, 2022. This 2022 Stock Option Plan (this “Plan”) amends and restates the Existing Plan in its entirety as of the Effective Date (as defined Section 1.9 below).

**SECTION 1 GENERAL PROVISIONS**

**1.1 Interpretation**

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “**Affiliate**” means any person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation;
- (b) “**Associate**” has the meaning ascribed to that term under Section 1 of the *Securities Act* (Ontario);
- (c) “**Associated Companies**”, “**Affiliated Companies**”, “**Controlled Companies**” and “**Subsidiary Companies**” have the meanings ascribed to such terms under Section 1 of the *Securities Act* (Ontario);
- (d) “**Board**” means the board of directors of the Corporation or, if established and duly authorized to act with respect to this Plan, any committee of the board of directors of the Corporation;
- (e) “**Business Day**” means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Toronto, Ontario, on which the Exchange is open for trading;
- (f) “**Cause**” means (i) if the Participant has a written agreement with the Corporation or Subsidiary Companies in which “cause” is defined, “cause” as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Corporation’s reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
- (g) “**Certificate**” has the meaning given to that term in Section 1.3(c);
- (h) “**Change of Control Event**” means:
  - (i) the sale by the Corporation of all or substantially all of its assets;
  - (ii) the acceptance by the Shareholders, representing in the aggregate thirty percent (30%) or more of all of the issued Common Shares, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Common Shares; provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were

members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;

- (iii) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of beneficial ownership of such number of Common Shares or rights to Common Shares, which together with such person's then-owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights) thirty percent (30%) or more of the combined voting rights attached to the then-outstanding Common Shares;
  - (iv) the entering into of any agreement by the Corporation to merge, consolidate, restructure, amalgamate, initiate an arrangement or be absorbed by, into or with another corporation; provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;
  - (v) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
  - (vi) individuals who were members of the Board immediately prior to a meeting of the Shareholders involving a contest for the election of directors no longer constitute a majority of the Board following such election;
- (i) "**Common Shares**" means the common shares in the share capital of the Corporation;
  - (j) "**Consultant**" means a corporate entity or an individual, other than an employee, executive officer or director of the Corporation or any of its Subsidiary Companies, that:
    - (i) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation or any of its Subsidiary Companies, other than services provided in relation to a distribution of the Corporation's securities;
    - (ii) provides the services under a written contract with the Corporation or any of its Subsidiary Companies; and
    - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or any of its Subsidiary Companies; and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;
  - (k) "**Corporation**" means Thiogenesis Therapeutics, Corp. and any successor thereto;
  - (l) "**Disinterested Shareholder**" means a Shareholder who is not an "insider" to whom an Option may be granted under the Plan (including associates of such insiders). For the purposes of this definition, "insider" has the meaning set out under applicable Stock Exchange policies, as may be amended from time to time, and generally includes directors and senior officers of the Corporation and its subsidiaries and/or holders of greater than 10% of the voting securities of the Corporation;
  - (m) "**Eligible Person**" means, subject to all applicable laws:

- (i) any director, officer, employee or Consultant of the Corporation or any of its Subsidiary Companies; and
- (ii) any Personal Holding Company of any of the persons listed in section 1.1(m)(i) above;

who is designated by the Board as a *bona fide* director, officer, employee or Consultant of the Corporation, as the case may be, and eligible to participate in the Plan;

- (n) “**Exchange**” means the TSX Venture Exchange, or, if the Common Shares are not listed on the TSX Venture Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
- (o) “**Exercise Price**” has the meaning given to that term in Section 2.2;
- (p) “**Expiry Date**” has the meaning given to that term in Section 2.3(a)(i);
- (q) “**Insider**” means a reporting insider, as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* as may be amended from time to time;
- (r) “**Investor Relations Activities**” has the meaning set out in Policy 1.1 – *Interpretation* of the Exchange Corporate Finance Manual;
- (s) “**Investor Relations Service Provider**” means any Consultant that performs Investor Relations Activities and any director, officer or employee whose role and duties primarily consist of Investor Relations Activities;
- (t) “**Market Price**” means, with respect to any particular date, the higher of the closing price and the VWAP;
- (u) “**Option**” means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (v) “**Option Period**” has the meaning given to that term in Section 2.3(a);
- (w) “**Participant**” means an Eligible Person to whom Options have been granted and are outstanding;
- (x) “**Personal Holding Company**” means a personal holding corporation that is either wholly owned, or controlled by, a director, executive officer, employee or Consultant of the Corporation or its Affiliates, and the shares of which are held directly or indirectly by any such person or the person’s spouse, minor children and/or minor grandchildren;
- (y) “**Plan**” means this stock option plan of the Corporation, as amended from time to time;
- (z) “**Share Compensation Arrangement**” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, including, without limitation, this Plan;
- (aa) “**Shareholder**” means a holder of a Common Share;
- (bb) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person; and
- (cc) “**VWAP**” means the volume weighted average trading price of the Common Shares on the Exchange, calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the grant or exercise, as the case may be, of the subject Option. Where appropriate, the Exchange may exclude internal crosses and certain other special terms trades from such calculation.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

## **1.2 Purpose**

The purpose of the Plan is to advance the interests of the Corporation by (i) providing Eligible Persons with additional incentives, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation, and (iv) enhancing the Corporation's ability to attract, retain and motivate Eligible Persons.

## **1.3 Administration**

- (a) This Plan shall be administered by the Board.
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (c) An Option shall be evidenced by a stock option agreement certificate (“**Certificate**”), signed on behalf of the Corporation, which Certificate shall be in such form as the Board shall approve from time to time.
- (d) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Certificate or any Option issued pursuant to this Plan.

## **1.4 Shares Subject to the Plan**

- (a) Subject to Section 1.4(d), the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares.
- (b) The Corporation shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.
- (c) The maximum number of Common Shares available for issuance under this Plan shall not exceed in the aggregate of 5,648,535, being 20% of the issued and outstanding Common Shares as of August 15, 2022, on a non-diluted basis. Provided that such maximum number of Common Shares is not exceeded, following the expiration, cancellation or other termination of any Options under the Plan, a number of Common Shares equal to the number of Options so expired, cancelled or terminated shall automatically become available for issuance in respect of Options that may subsequently be granted under the Plan. Fractional shares will not be issued and will be treated as specified in Section 1.12(d).
- (d) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Exchange if required, appropriate substitution or adjustment in:
  - (i) the number or kind of Common Shares or other securities available for issuance pursuant to the Plan; and

- (ii) the number and kind of Common Shares or other securities subject to unexercised Options theretofore granted and in the Exercise Price of such securities,

without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Common Share covered by the Option; provided, however, that no substitution or adjustment shall obligate the Corporation to issue or sell fractional shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

### **1.5 Limits on Issuance**

- (a) The maximum aggregate number of Options granted to any one Eligible Person in a 12 month period must not exceed 5% of the issued Common Shares of the Corporation, calculated on the date an Option is granted to the Eligible Person.
- (b) The maximum aggregate number of Options granted to any one Consultant in a 12 month period must not exceed 2% of the issued Common Shares of the Corporation, calculated on the date an Option is granted to the Consultant.
- (c) The maximum aggregate number of Options granted to Investor Relations Service Providers must not exceed 2% of the issued Common Shares of the Corporation in any 12 month period, calculated at the date an Option is granted to any such Eligible Person.

### **1.6 Limits With Respect to Insiders**

- (a) The maximum number of Common Shares issuable to Insiders and their Associates, at any time, pursuant to the exercise of Options granted under this Plan and any other Share Compensation Arrangement of the Corporation shall not exceed 10% of the then issued and outstanding Common Shares (calculated on a non-diluted basis).
- (b) The maximum number of Common Shares which may be issued to Insiders and their Associates, within any one year period, pursuant to the exercise of Options granted under this Plan and any other Share Compensation Arrangement of the Corporation shall not exceed 10% of the then issued and outstanding Common Shares (calculated on a non- diluted basis).
- (c) The maximum number of Common Shares which may be issued to any one Insider and its Associates, within a one year period, pursuant to the exercise of Options granted under this Plan and any other Share Compensation Arrangement of the Corporation shall not exceed 5% of the then issued and outstanding Common Shares (calculated on a non- diluted basis).

### **1.7 Amendment and Termination**

- (a) The Board may suspend or terminate the Plan at any time, or from time to time amend or revise the terms of the Plan or of any Option granted under the Plan and any option agreement relating thereto, provided that no such suspension, termination, amendment or revision will be made:
  - (i) except in compliance with applicable law and with the prior approval, if required, of the Exchange or any other regulatory body having authority over the Corporation, the Plan or the Shareholders; and
  - (ii) in the case of an amendment or revision, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.
- (b) If the Plan is terminated or suspended, the provisions of the Plan and any administrative guidelines and

other rules and regulations adopted by the Board and in force on the date of termination or suspension will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination or suspension of the Plan, the Board will remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

- (c) Subject to any applicable rules of the Exchange and to Section 1.7(d), the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make the following amendments to the Plan or any Option:
- (i) amend the vesting provisions of the Plan;
  - (ii) amend the terms of any Options;
  - (iii) amend the Plan or an Option as necessary to comply with applicable law or the requirements of the Exchange or any other regulatory body having authority over the Corporation, the Plan or the Shareholders;
  - (iv) amend the “cashless exercise” or “net exercise” procedures set out in Section 2.3(i);
  - (v) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
  - (vi) any amendment respecting the administration of the Plan; and
  - (vii) any other amendment to the Plan or an Option that does not require the approval of Disinterested Shareholders under Section 1.7(d).
- (d) Disinterested Shareholder approval is required for the following amendments to the Plan:
- (i) any amendment to the definition of Eligible Person set out in Section 1.1(m);
  - (ii) any increase in the maximum number of Common Shares that may be issuable pursuant to Options granted under the Plan set out in Section 1.4(c) (except any such action taken under Section 1.4(d));
  - (iii) any amendment to the method for determining the exercise price of the Options;
  - (iv) any reduction in the Exercise Price of any Option (except any such action taken under Section 1.4(d)), including, in particular, any reduction in the Exercise Price of Options held by Insiders or the extension of the term of Options held by Insiders;
  - (v) any extension of the maximum term of an Option;
  - (vi) any amendment to the expiry and termination provisions applicable to an Option;
  - (vii) any amendment to the participation limits set out in Sections 1.5(a) and 1.6;
  - (viii) any amendment to the amendment provisions of the Plan set out in this Section 1.7;
  - (ix) permitting the grant of an Option with Expiry Date of more than 10 years from the grant date; and
  - (x) any amendment to Section 2.3(b).

## **1.8 Compliance with Legislation**

- (a) The Plan, the terms of the issue or grant of, and the exercise of Options hereunder, and the Corporation's obligation to sell and deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (b) No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void.
- (c) The Corporation shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Exchange. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to restrictions or limitations on sale or resale under applicable securities laws.
- (d) If Common Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Common Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.
- (e) Without limiting any other provision of this Section 1.8, the Corporation may condition the grant of any Option or the issue or sale of any Common Shares hereunder to any person that is a "U.S. person" as defined in Regulation S under the U.S. Securities Act of 1933, as amended, upon receipt of such representations, warranties and undertakings from such person as the Corporation may determine to be necessary or convenient for compliance with U.S. laws and U.S. tax requirements, including for example the matters set forth on Appendix "A" to this Plan.

## **1.9 Effective Date**

The Plan shall be effective upon the approval of the Plan by:

- (a) the Exchange; and
- (b) the Shareholders, given by the affirmative vote of a majority of the votes attached to the Common Shares entitled to vote and be represented and voted at an annual or special meeting of the holders of such Common Shares held in accordance with the rules of the Exchange, among other things, to consider and approve the Plan.

## **1.10 Proceeds from Exercise of Options**

The proceeds from any sale of Common Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

## **1.11 Tax Withholdings**

The Corporation shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified under applicable laws as a result of the Participant's participation in the Plan. The

Corporation shall not be responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan. Notwithstanding the foregoing, no Common Shares will be issued on the exercise of Options until an amount sufficient to cover any applicable withholding taxes payable on the exercise of such Options has been received by the Corporation.

#### **1.12 Miscellaneous**

- (a) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- (b) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (c) The Plan does not give any Participant or any employee of the Corporation or any of its Associated Companies, Affiliated Companies, Subsidiary Companies or Controlled Companies the right or obligation to or to continue to serve as a Consultant, director, officer or employee, as the case may be, of the Corporation or any of its Associated Companies, Affiliated Companies, Subsidiary Companies or Controlled Companies. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Corporation or any of its Subsidiary Companies other than as specifically provided for in the Plan.
- (d) No fractional Common Shares shall be issued upon the exercise of Options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, or from an adjustment pursuant to Section 1.4(d), such Participant shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

## **SECTION 2 OPTIONS**

#### **2.1 Grants**

- (a) Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions, terms and conditions, if any, in addition to those set forth in Section 1.3(b) and Section 2.3 hereof, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited.
- (b) An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.
- (c) The Board may, in its discretion, select any directors, officers, employees or Consultants of the Corporation or any of its Subsidiary Companies to participate in this Plan.
- (d) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth herein and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Eligible Person shall be approved by the Shareholders or Disinterested Shareholders (as the case may be) if the rules of the Exchange require such approval.

#### **2.2 Exercise Price**

An Option may be exercised at a price (the "**Exercise Price**") that shall be fixed by the Board at the time that the

Option is granted, but in no event shall it be less than the Market Price. The Exercise Price shall be subject to adjustment in accordance with the provisions of Section 1.4(c) hereof.

### **2.3 Exercise of Options**

- (a) The period during which an Option may be exercised (the “**Option Period**”) shall be determined by the Board at the time the Option is granted, subject to any vesting limitations that may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, provided that:
  - (i) all Options expire on the date (the “**Expiry Date**”) set out by the Board on the date of the grant and as described in the applicable Certificate, provided that no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
  - (ii) the Option Period shall be automatically reduced in accordance with Section 2.3(e) below upon the occurrence of any of the events referred to therein; and
  - (iii) no Option in respect of which Shareholder or Disinterested Shareholder approval is required under the rules of the Exchange shall be exercisable until such time as such Option has been so approved.
- (b) Notwithstanding any other provision of the Plan, if the Expiry Date falls on a date upon which such Participant is prohibited from exercising any vested Option due to a black-out period or other trading restriction imposed by the Corporation, then the Expiry Date of such Option shall be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed. The foregoing extension applies to all Options regardless of the date of grant and shall not be considered an extension of the term thereof as otherwise referred to in the Plan.
- (c) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant:
  - (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Option;
  - (ii) permit the conditional exercise of any Option, on such terms as it sees fit;
  - (iii) otherwise amend or modify the terms of the Option, including for greater certainty permitting Participants to exercise any Option, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event, including, for greater certainty, permitting such Participants to exercise their Options on a “cashless” or “net exercise” basis in accordance with Section 2.3(i); and
  - (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the Options not exercised prior to the successful completion of such Change of Control Event. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.
- (d) Options shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant’s legal representative.
- (e) Subject to Section 2.3(a) and except as otherwise determined by the Board:
  - (i) if a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable on the earlier of the original Expiry

Date and, if the Participant is a director, officer or employee, 90 days after the Termination Date or, if the Participant is a consultant, 30 days after the Termination Date. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not under any circumstances be exercised by the Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without Cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant; and

- (ii) if a Participant dies, the legal representative of the Participant may exercise the Participant's Options on the earlier of the original Expiry Date and within 12 months after the date of the Participant's death, but only to the extent the Options were by their terms exercisable on the date of death.
- (f) Subject to Section 2.3(i), the Exercise Price of each Common Share purchased under an Option shall be paid in full in cash, by bank draft or certified cheque, or by wire transfer at the time of such exercise, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- (g) Subject to Section 1.11 and any other provisions of this Plan to the contrary, upon the exercise of Options pursuant to this Section, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Common Shares to deliver, to the relevant Participant (or his or her legal or personal representative) or to the order thereof, (a) evidence of book entry Common Shares credited to the account of the Participant, or (b) a certificate representing the number of Common Shares with respect to which Options have been exercised.
- (h) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by written notice given to the Corporation as required by the Board from time to time.
- (i) Subject to the other provisions of this Plan, and provided the Corporation has prior arrangement set up with a brokerage firm facilitating the exercise of a stock option, once an Option has vested and become exercisable, a Participant may elect in an Exercise Notice to undertake subject to Board approval:
  - (i) a broker-assisted "cashless exercise," pursuant to which the Corporation or its designee (including any third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Common Shares otherwise deliverable upon the exercise of the Options, and to deliver promptly to the Corporation an amount equal to the Exercise Price and all applicable required withholding obligations contemplated by Section 1.11, against delivery of the Common Shares to settle the applicable trade; or
  - (ii) a "net exercise" procedure effected by the Participant (other than Investor Relations Service Providers) surrendering the Options to the Corporation in consideration for the Corporation delivering Common Shares to the Participant equal to the quotient obtained by dividing:
    - (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the Exercise Price of the subject Options; by
    - (B) the VWAP of the Common Shares,but withholding the minimum number of Common Shares otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and any other withholding obligations contemplated by Section 1.11.

In all events of a "cashless exercise" or "net exercise" pursuant to this Section 2.3(i), the

Participant shall comply with: (A) Section 1.11 with regards to any applicable withholding obligations; and (B) all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time.

#### **2.4 Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in Toronto, Ontario, Attention: Chief Financial Officer; or, if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

#### **2.5 Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon exercise of such Option until such Common Shares have been paid for in full and issued to such person.

#### **2.6 Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

## APPENDIX “A” – U.S. RESIDENTS

### U.S. SECURITIES LAW MATTERS

#### 1. Restricted Securities.

The Participant understands and acknowledges that neither the Option nor the Common Shares have been registered under the *United States Securities Act of 1933*, as amended (the “**Securities Act**”), that the Option has been issued to it in reliance on an exemption from the registration requirements of the Securities Act, and that the Option and the Common Shares are, or will be, as applicable, “restricted securities” as defined in Rule 144 under the Securities Act.

#### 2. Accredited Investor, and Investment Intent.

The Participant represents that (a) it is an “accredited investor” within the meaning of Rule 501(a) under the Securities Act and (b) it is acquiring the Option and any Common Shares for investment purposes and not for the purposes of making any distribution of the same.

#### 3. Restrictions on Exercise.

The Participant understands and acknowledges that the Option may be exercised only pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws, and that at the time of any proposed exercise, the Corporation may require an opinion of counsel or other evidence satisfactory to it to the effect that the Common Shares may be issued pursuant to such exercise without registration under the Securities Act or applicable state securities laws.

#### 4. Resale Restrictions.

The Participant understands and acknowledges that notwithstanding anything to the contrary contained in this Plan, the Option and the Common Shares may be offered, sold, pledged or otherwise transferred only:

- (a) to the Corporation;
- (b) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act and in compliance with applicable Canadian local laws and regulations; or
- (c) within the United States, in a transaction that is exempt from the registration requirements of the Securities Act or any applicable state securities laws.

In connection with any proposed sale, pledge or other transfer of the Common Shares, the Corporation may require an opinion of counsel or other evidence satisfactory to it to the effect that the proposed sale, pledge or other transfer may be effected without registration under the Securities Act or applicable state securities laws.

#### 5. Legend.

The Participant understands and acknowledges that upon the original issuance of the Common Shares, and until such time as the same is no longer required under applicable requirements of the Securities Act or state securities laws, the certificates representing the Common Shares, and all certificates issued in exchange therefor or in substitution thereof, may bear a legend with respect to the transfer restrictions set forth above.