NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on February 12, 2016

and

MANAGEMENT INFORMATION CIRCULAR

with respect to a transaction between DIAGNOCURE INC. and GEN-PROBE INCORPORATED

These materials are important and require your immediate attention. They require shareholders of DiagnoCure Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you have any questions or require more information with regard to voting your shares, please contact DiagnoCure Inc.'s proxy solicitation agent, Shorecrest Group Ltd. by (i) telephone at 1-888-637-5789 (toll free in North America) or 1-647-931-7454 (collect outside North America) or (ii) email at contact@shorecrestgroup.com.

LETTER TO SHAREHOLDERS

January 14, 2016

Dear Shareholders,

You are invited to attend a special meeting of the shareholders (the "**Meeting**") of DiagnoCure Inc. (the "**Corporation**" or "**DiagnoCure**"), which will be held on February 12, 2016, at 10:00 am, Eastern Time, at the offices of McCarthy Tétrault, 1000 de la Gauchetière Street West, Suite 2500, Montréal (Quebec) H3B 0A2.

As was recently announced, DiagnoCure and Hologic, Inc. ("**Hologic**") via its wholly-owned subsidiary Gen-Probe Incorporated ("**Gen-Probe**") have entered, on December 23, 2015, into a definitive agreement whereby Gen-Probe will acquire all assets related to DiagnoCure's PCA3 prostate cancer biomarker (the "**PCA3 Asset Sale**") for a purchase price of $6,534,740. The purchase price will consist of (i) $5,500,000 in cash consideration to DiagnoCure and (ii) the repurchase by the Corporation of 4,900,000 series A convertible preferred shares of DiagnoCure held by Gen-Probe (the "**Share Repurchase**", together with the PCA3 Asset Sale, the "**Transaction**") at a value of $1,034,740. As part of the Transaction, Gen-Probe will obtain a right of first refusal to license the Corporation's new multi-marker prostate cancer test in the field of high-volume *in vitro* diagnostics (IVD) testing under specific conditions. Hologic is a leading developer, manufacturer and supplier of premium diagnostic products, medical imaging systems and surgical products and currently holds exclusive worldwide rights to PCA3 from DiagnoCure via its subsidiary Gen-Probe.

The PCA3 Asset Sale will allow Hologic to control all assets related to the PCA3 biomarker and, upon closing of the Transaction, will result in an immediate cash payment of $5,500,000 to DiagnoCure. Assuming the required shareholder approval is obtained, the Corporation intends to distribute in a timely fashion following closing of the Transaction approximately 95% of the proceeds received in the Transaction ($5,200,000) to its shareholders in a tax-efficient manner, as is more fully outlined in the attached Management Information Circular. In addition, as a result of the Share Repurchase all of the preferred shares issued by the Corporation will be cancelled. The Share Repurchase will enable additional third-party business arrangements that could be pursued by DiagnoCure in relation to the Corporation's remaining assets and activities, such as the Previstage® GCC colorectal cancer test and the PCP multi-marker prostate cancer test.

At the Meeting, DiagnoCure shareholders will be asked to consider and, if deemed advisable, to approve a special resolution approving the Transaction pursuant to sections 271 and 272 of the *Business Corporations Act* (Québec) as well as a special resolution approving a reduction in the stated capital of the Corporation to allow for the distribution of approximately 95% of the cash proceeds of the Transaction to its shareholders.

The Board of directors of the Corporation (the "**Board**"), after careful consideration of, among other things, the Fairness Opinion (as that term is defined in the attached Management Information Circular), has unanimously determined that the Transaction and the ensuing distribution of substantially all of the cash proceeds received in the Transaction to its shareholders are in the best interest of DiagnoCure and its shareholders. Accordingly, the Board unanimously recommends that the shareholders vote in favour of both resolutions to be considered and approved at the Meeting.

Directors, executive officers and a significant shareholder of DiagnoCure owning collectively an aggregate of 10,760,346 common shares representing approximately 25% of the issued and outstanding common shares of the Corporation have entered into lock-up agreements with Gen-Probe where they have agreed to vote their respective common shares in favour of the special resolution approving the Transaction.

The accompanying Notice of Special Meeting of Shareholders and Management Information Circular describe the Transaction and include certain additional information to assist you in considering how to vote on matters to be considered at the Meeting. You are invited to read this information carefully and, if you require assistance, to consult your financial, legal, tax or other professional advisors.

Your vote is important regardless of the number of Shares you own. If you are a registered shareholder (i.e. your name appears on the register of common shares maintained by or on behalf of the Corporation) and you are unable to attend the Meeting in person or even if you plan to attend the Meeting, we encourage you to take the time now to complete, sign, date and return the accompanying form of proxy or to use other means at your disposal to cast your vote so that your common shares can be voted at the Meeting (or at any adjournments or postponements thereof) in accordance with your instructions. To be effective, the enclosed proxy must be received by the Corporation's registrar and transfer agent, Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., Suite 700, Montréal, Quebec, H3A 3S8, no later than 10:00 a.m. (EST) on February 10, 2016 or at least 48 hours (other than a Saturday, Sunday or holiday) prior to the time set for any adjournment or postponement of the Meeting. For further information respecting proxies, reference should be made to the attached Management Information Circular. Registered Shareholders may also use the internet site at www.investorvote.com to transmit their voting instructions. The time limit for the deposit of proxies may be waived by the Chairman of the Meeting at his discretion, without notice.

If you are a non-registered Shareholder and hold your shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary, you should carefully follow the instructions of your intermediary to ensure that your common shares are voted at the Meeting in accordance with your instructions. Most shareholders can vote on the internet or by telephone using information indicated on the enclosed voting form. Please vote in sufficient time for your financial intermediary to submit your vote prior to the proxy deposit deadline of 10:00 a.m. (EST) on February 10, 2016

The accompanying Management Information Circular contains important matter about the Transaction and we ask all shareholders take the time to vote their shares using the enclosed proxy or voting instruction form. If you have any questions or require more information with regard to voting your common shares, please contact DiagnoCure's proxy solicitation agent, Shorecrest Group Ltd., by (i) telephone at 1-888-637-5789 (toll free in North America) or 1-647-931-7454 (collect outside North America) or (ii) email at contact@shorecrestgroup.com.

Sincerely,

(s) Jacques Simoneau

Jacques Simoneau
Chairman of the Board of Directors

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON FEBRUARY 12, 2016

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders of common shares (the "**Shareholders**") of DiagnoCure Inc. (the "**Corporation**") will be held **on February 12 at 10:00 am EST at 1000, de la Gauchetière Street West, Suite 2500, Montréal (Quebec) H3B 0A2,** for the following purposes:

1. to consider, and if deemed advisable, to approve a special resolution, the full text of which is reproduced in Appendix A to the accompanying management information circular (the "**Circular**"), approving the sale of all assets related to the Corporation's PCA3 prostate cancer biomarker to Gen-Probe Incorporated, all as more particularly described in the Circular;

2. to consider, and if deemed advisable, to approve a special resolution, the full text of which is reproduced in Appendix B to the Circular, authorizing the directors of the Corporation to select the appropriate date and time for a stated capital reduction in the amount of CAD$5,200,000 and to proceed with a special cash distribution to the Corporation's shareholders as a redemption of paid-up capital in respect of the common shares of the Corporation, all as more particularly described in the Circular; and

3. to transact such further or other business as may properly be brought before the Meeting or any adjournment thereof.

Registered Shareholders will receive the enclosed form of proxy accompanying this Notice of Special Meeting of Shareholders. Shareholders who hold their shares with their financial intermediary will receive a voting instruction form accompanying this Notice of Special Meeting of Shareholders.

The asset purchase agreement dated December 23, 2015 entered into between the Corporation and Gen-Probe Incorporated is summarized in the Circular which accompanies this Notice of Special Meeting of Shareholders. The Circular contains additional information relating to the other matters to be dealt with at, or relevant to, the Meeting.

The Corporation has set January 13, 2016 as the record date for the determination of the shareholders entitled to receive this Notice of Special Meeting of Shareholders. Only the shareholders whose names have been entered in the register of the holders of common shares as of January 13, 2016 will be entitled to vote at the Meeting in respect of such shareholder's common shares.

In accordance with the by-laws of the Corporation, the quorum for the Meeting will be two (2) persons present in person representing, personally or by proxy, twenty-five percent (25%) of the outstanding shares of the Corporation that carry the right to vote at the Meeting.

DATED in Québec City, Province of Québec, on January 14, 2016

BY ORDER OF THE BOARD OF DIRECTORS OF DIAGNOCURE INC.

(s) Danielle Allard

Danielle Allard
Corporate Secretary

IMPORTANT NOTICE

If you are unable to attend the Meeting, kindly complete and sign the accompanying form of proxy and return same in the enclosed envelope or use other means at your disposal to cast your vote, making sure that it is received by the Corporation's registrar and transfer agent, Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., Suite 700, Montréal, Quebec, H3A 3S8, no later than 10:00 a.m. (EST) on February 10, 2016 or at least 48 hours, excluding Saturdays, Sundays, and holidays, prior to the time set for any adjournment or postponement of the Meeting.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

MANAGEMENT PROXY CIRCULAR

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MANAGEMENT PROXY CIRCULAR

Introduction

This management information circular (this "**Circular**") is provided in connection with the solicitation of proxies by and on behalf of the management of DiagnoCure Inc. (the "**Corporation**" or "**DiagnoCure**") for use at the Meeting and any adjournments or postponements thereof. No person has been authorized to give any information or make any representation in connection with the Transaction or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized and should not be relied upon in making a decision as to how to vote on the resolutions to be considered at the Meeting.

All summaries of, and references to, the Transaction in this Circular are qualified in their entirety by reference to the complete text of the Asset Purchase Agreement, a copy of which is available under DiagnoCure's profile at www.sedar.com. You are invited to carefully read the full text of the Asset Purchase Agreement.

This Circular and the other Meeting materials are being sent to both registered and non-registered shareholders of the Corporation. If you are a non-registered shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding such common shares on your behalf.

Forward-Looking Information and Statements

This Circular contains forward-looking statements and forward-looking information within the meaning of applicable Securities Laws and which are based on the expectations, estimates and projections of management of the Corporation as of the date hereof unless otherwise stated. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this Circular contains forward-looking statements and information concerning: the anticipated benefits of the Transaction to the parties; the timing and anticipated receipt of required shareholder approval for the Transaction; the ability of the parties to satisfy the other conditions to, and to complete, the Transaction; and the anticipated timing for the completion of the Transaction.

Forward-looking statements contained in this Circular have been made in reliance on certain assumptions that the Corporation believes are reasonable at this time, including assumptions as to the ability of the Corporation to receive, in a timely manner and on satisfactory terms, the necessary shareholder approval; the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction; and other expectations and assumptions concerning the Transaction. The anticipated dates provided may change for a number of reasons, such as the inability to secure the necessary shareholder approval for the Transaction in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Transaction. Accordingly, shareholders should not place undue reliance on the forward-looking statements and information contained in this Circular.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Risks and uncertainties inherent in the nature of the Transaction include the failure of the Corporation to obtain the necessary shareholder approval for the Transaction, or to otherwise satisfy the conditions to the completion of the Transaction, in a timely manner, or at all. Failure to obtain such approval or the failure of the parties to otherwise satisfy the conditions to complete the Transaction, may result in the Transaction not being completed on the proposed terms, or at all.

In addition, if the Transaction is not completed, there are risks that the announcement of the Transaction and the dedication of substantial resources of the Corporation to the completion of the Transaction could have an impact on the Corporation's current business relationships (including with Gen-Probe or other commercial partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. Furthermore, the failure of the Corporation to comply with the terms of the Asset Purchase Agreement may, in certain circumstances, result in the Corporation being required to pay a termination fee to Gen-Probe, the result of which could have a material adverse effect on the Corporation's financial position and results of operations and its ability to continue its operations.

Shareholders are cautioned that the foregoing list of factors is not exhaustive. Additional information and other factors that could affect the operations or financial results of the Corporation is included in this Circular under the heading "Risk Factors" and in the Corporation's Annual Information Form for the year ended October 31, 2014 and other filings of the Corporation filed with the securities regulatory authorities which have been filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this Circular are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable Securities Laws and readers should also carefully consider the matters discussed under the heading "Risk Factors".

Currencies

In this Circular, unless otherwise indicated, all references to dollars and currency are to Canadian dollars.

General Voting and Proxy Information

This Circular is provided in connection with the solicitation by and on behalf of the management of DiagnoCure of proxies for use at the special meeting of shareholders (the "**Meeting**") referred to, and for the purposes specified in, the notice of special meeting of shareholders (the "**Notice of Meeting**") attached with this Circular. Unless otherwise indicated, the information contained herein is accurate as of January 14, 2016.

The solicitation of proxies will be made mainly by mail but may also be made by newspaper publication, in person or by telephone, fax or oral communication by directors, officers, employees or agents of the Corporation but without additional compensation. The cost of solicitation will be borne by the Corporation. The Corporation shall send indirectly the proxy documents to beneficial owners of common shares of the Corporation (the "**Shares**") and shall reimburse brokers and other persons holding Shares on their behalf or on behalf of nominees, for reasonable costs incurred in sending the proxy documents to beneficial owners.

In addition, Shorecrest Group Ltd. has also been retained by Hologic as proxy solicitation agent to provide proxy solicitation services at a cost of approximately $20,000 and a fee of $6 per call to shareholders plus reasonable out-of-pocket expenses. All such costs and expenses will be funded by Hologic. Shorecrest Group Ltd.'s contact information is provided on the back cover of this Circular.

Common Shares, Preferred Shares and Principal Holders Thereof

As of January 14, 2016, there are 43,040,471 issued and outstanding Shares entitled to be voted at the Meeting. Each Share entitles the holder thereof to one vote. The directors have set January 13, 2016 as the record date for determining shareholders entitled to receive the Notice of Meeting (the "**Record Date**"). Only the shareholders whose names have been entered in the register of the holders of Shares as of the Record Date will be entitled to vote at the Meeting.

There are also 4,900,000 Series A Convertible Preferred Shares held by Gen-Probe. The Series A Convertible Preferred Shares (the "**Preferred Shares**") are non-voting (except in circumstances where holders of Preferred Shares are entitled to vote pursuant to applicable law or if their rights are affected by a proposed modification to the articles of the Corporation) and may be exchanged for Shares on a one-for-one basis, subject to adjustments as a result of a subdivision or consolidation of the Shares, at any time and from time to time at the option of their holder. DiagnoCure has the option (i) to redeem the Preferred Shares prior to their conversion by the holders thereof at a redemption price per Preferred Share equal to the greater of $1.24 plus interest at 6% per annum from their date of issuance and the average closing price of the Shares during the 30 consecutive trading days on the TSX prior to such redemption, or (ii) to require their conversion into Shares if the closing price per share of the Shares for any 30 consecutive trading days on the TSX is equal or superior to $2.50. When and as the Board of Directors shall declare dividends, the holders of Preferred Shares shall be entitled, from April 29, 2010, to receive a fixed, preferential and non-cumulative dividend of 6% per year on the sum of $1.24 per Preferred Shares before any dividend is declared and paid on the Shares. In the event of any liquidation, dissolution or winding-up of the Corporation or upon a change of control of DiagnoCure, DiagnoCure shall pay to the holders of Preferred Shares an amount of $1.24 per share plus any declared but unpaid dividends, before any payment to the holders of Shares or any shares of the Corporation ranking junior to the Preferred Shares (the "**Liquidation Preference**"). A merger, acquisition, acquisition of voting control or sale or disposition of substantially all of the assets of the Corporation outside the normal course of business in which the holders of Shares of the Corporation immediately prior to the consummation of such event do not own, collectively, a majority of the outstanding voting securities of the surviving corporation or entity immediately following the consummation of such event shall also trigger the payment of the Liquidation Preference. The Corporation shall also have the right, at any time and from time to time, to purchase by mutual agreement with any of the holders of Preferred Shares, all or any part of the Preferred Shares. As of the date hereof, the value of the Liquidation Preference amounted to $6,076,000.

As of January 14, 2016, to the knowledge of the Corporation, the following persons beneficially owned or exercised control or discretion, directly or indirectly, over more than 10% of the issued and outstanding Shares of the Corporation:

Name and place of business	Number of Shares held	Percentage
BlackRock, Inc., New York, NY	6,843,030	15.89%
Todd M. Axelrod, Victoria, BC	8,608,000	19.99%

As a shareholder of the Corporation, you may vote your Shares either in person at the Meeting or appoint another person to vote your Shares at the Meeting (a "Proxyholder"). If you hold your Shares directly, you should appear as a registered shareholder in the registry of shareholders of the Corporation (a "Registered Shareholder"). If you hold your Shares through an intermediary such as a broker, you do not appear as a Registered Shareholder (a "Non-Registered Shareholder"). Non-Registered Shareholders are either "objecting beneficial owners" or "OBOs", who object that intermediaries disclose information about their ownership in the Corporation, or "non-objecting beneficial owners" or "NOBOs", who do not object to such disclosure. The Corporation will send proxy-related materials directly to NOBOs and intends to pay for an intermediary to deliver to OBOs the proxy-related materials. Please refer to corresponding instructions included in this Circular.

Voting in Person

Registered Shareholders

If you are a Registered Shareholder and you wish to vote your Shares personally at the Meeting, please appear on the date, at the time and place set forth in the Notice of Meeting and register with the representatives of Computershare who will be at the Meeting. You should then follow the voting instructions given by the Chairperson of the Meeting.

Non-Registered Shareholders

If you are a Non-Registered Shareholder and you wish to vote your Shares personally and attend the Meeting, please insert your name as Proxyholder in the blank space provided for this purpose in the form of proxy or voting instruction form, follow the delivery instruction given for Non-Registered Shareholders under the heading "Non-Registered Shareholders" below and appear on the date, at the time and place set forth in the Notice of Meeting and register with the representatives of Computershare who will be at the Meeting. You should then follow the voting instructions given by the Chairperson of the Meeting.

Voting by Proxy

The Proxyholder you will have duly appointed shall exercise the voting rights attached to your Shares in accordance with the instructions you provided in the form of proxy. In the absence of instructions, the voting rights attached to the Shares referred to in your form of proxy will be exercised IN FAVOR of the matters mentioned in the Notice of Meeting.

Furthermore, the enclosed form of proxy confers upon the Proxyholder a discretionary authority with regard to amendments of the matters set forth in the Notice of Meeting and with regard to all other matters that may be properly brought before the Meeting. However, to the knowledge of the Corporation, all matters to be brought before the Meeting are mentioned in the Notice of Meeting.

Appointing the Proposed Proxyholders

The Proxyholders proposed by DiagnoCure on the enclosed form of proxy are directors or officers of the Corporation. If you wish to appoint the Proxyholders proposed on the enclosed form of proxy, please complete the form of proxy and follow the appropriate delivery instructions set forth below.

Appointing a Proxyholder of your Choice

You have the right to appoint a Proxyholder of your choice, other than the Proxyholders proposed by DiagnoCure in the enclosed form of proxy, who is not required to be a shareholder, to attend and vote on your behalf at the Meeting.

To carry this out, please:

- insert the name of the Proxyholder of your choice in the blank space appearing on the enclosed form of proxy, strike out the names printed thereon and follow the appropriate delivery instructions set forth below; or
- complete another form of proxy and follow the appropriate delivery instructions set forth below.

Delivery Instructions

Registered Shareholders

If you are a Registered Shareholder, please return a completed form of proxy to the Secretary of the Corporation c/o Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., Suite 700, Montréal, Quebec, H3A 3S8, no later than 10:00 a.m. (EST) on February 10, 2016 or at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the time set for any adjournment or postponement of the Meeting.

Non-Registered Shareholders

If you are a Non-Registered Shareholder, please return a completed form of proxy in accordance with the instructions provided by your intermediary.

Revocation of Proxy

Registered Shareholders

If you are a Registered Shareholder and you wish to revoke a proxy, please:

- send a written notice bearing your signature or the one of your Proxyholder (or that of a representative of your Proxyholder if the Proxyholder is a company) to the Secretary of the Corporation c/o Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., Suite 700, Montréal, Québec, H3A 3S8, at any time up to, and including, the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
- make a request to that effect to the Secretary of the Corporation directly at the Meeting.

Non-Registered Shareholders

If you are a Non-Registered Shareholder and you wish to revoke a proxy, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein.

Proxy Solicitation Agent

If you have any questions or require any assistance regarding the procedure for voting of your Shares, please contact DiagnoCure's proxy solicitation agent, Shorecrest Group Ltd., by (i) telephone at 1-888-637-5789 (toll free in North America) or 1-647-931-7454 (collect outside North America) or (ii) email at contact@shorecrestgroup.com.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and executive officers of the Corporation may have interests in the matters to be approved at the Meeting that are, or may be, different from, or in addition to, the interests of other Shareholders. The board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") was aware of these interests and considered them, among other matters, when recommending approval of the matters to be approved at the Meeting. These interests include those described below:

As at January 14, 2016, the current and former directors and executive officers of the Corporation beneficially owned, or exercised control or direction, directly or indirectly, over Shares representing in the aggregate 5.1% of all issued and outstanding Shares. The directors and executive officers of the Corporation who are shareholders will be treated in the same fashion with respect to the matters to be approved at the Meeting as the other shareholders.

SUMMARY INFORMATION

The following is a summary of certain information pertaining to the Meeting, and is provided for convenience only and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular or in the Asset Purchase Agreement available on SEDAR at www.sedar.com

Purpose of Meeting

The Meeting will be held in Montréal at McCarthy Tétrault LLP's office located at 1000 de la Gauchetière Street West, Suite 2500, Montréal, Québec, H3B 0A2, on February 12, 2016 at 10:00 a.m. (EST) for the purposes set forth in the accompanying Notice of Meeting.

The purpose of the Meeting will be for the Shareholders to consider and, if deemed advisable, to approve, the special resolution approving the Transaction (the "**PCA3 Asset Sale Resolution**"), the special resolution regarding the stated capital reduction and other ancillary matters, as the case may be.

The Record Date

The Record Date for determining shareholders entitled to receive notice of and to vote at the Meeting is January 13, 2016.

Summary of the Transaction

On December 23, 2015, the Corporation entered into an asset purchase agreement (the "**Asset Purchase Agreement**") with Gen-Probe Incorporated ("**Gen-Probe**") (a wholly-owned subsidiary of Hologic, Inc.). The Asset Purchase Agreement provides for a transaction that involves, among other things, for the sale, assignment and transfer by DiagnoCure in favour of Gen-Probe of all of the rights, titles, interests, assets, privileges, benefits and property of whatever nature or kind and wherever situated, owned, or used by DiagnoCure or held by it for use primarily in, or primarily with respect to DiagnoCure's PCA3 technology, including all books and records, contracts (including, without limitation, the Nijmegen License Agreement and the Hopkins License Agreement (as such terms are defined in the Asset Purchase Agreement), in each case as amended through the date of the Transaction), intellectual property, permits, patents and patent applications owned by or exclusively licensed by DiagnoCure (the "**PCA3 Asset Sale**") for a purchase price of $6,534,740. The purchase price consists of (i) cash consideration of $5,500,000 payable to DiagnoCure and (ii) the repurchase by the Corporation of the 4,900,000 Preferred Shares held by Gen-Probe (the "**Share Repurchase**", together with the PCA3 Asset Sale, the "**Transaction**") at a value of $1,034,740. As part of the arrangement, Gen-Probe will obtain a right of first refusal to license the Corporation's new multi-marker prostate cancer test in the field of high-volume *in vitro* diagnostics (IVD) testing under specific conditions.

If the Meeting is held as scheduled and not adjourned, the Corporation expects the Transaction to close by the end of February 2016, subject to the satisfaction of, or waiver of, all conditions in the Asset Purchase Agreement, including the receipt of shareholder approval in accordance with the provisions of this Circular.

Gen-Probe

Hologic, Inc. ("**Hologic**") is a leading developer, manufacturer and supplier of premium diagnostic products, medical imaging systems and surgical products. Hologic's core business units focus on diagnostics, breast health, GYN surgical, and skeletal health. On August 1, 2012, Hologic acquired Gen-Probe. Gen-Probe holds the rights to the Gen-Probe Agreement (as defined below) and commercializes, among other molecular diagnostic assays, the Progensa® PCA3 assay. The Progensa® PCA3 assay is an in vitro nucleic acid amplification test that is indicated for use in conjunction with other patient information to aid in the decision for repeat biopsy in men 50 years of age or older who have had one or more previous negative prostate biopsies and for whom a repeat biopsy would be recommended by a urologist based on the current standard of care, before consideration of the Progensa® PCA3 assay results.

KPMG Fairness Opinion

In connection with the Transaction, KPMG LLP ("**KPMG**") delivered to the Board a verbal opinion on December 18, 2015, followed by a written opinion dated December 23, 2015 (the "**Fairness Opinion**").

The Fairness Opinion states that based upon and subject to the analyses, assumptions and qualifications set out in the Fairness Opinion, KPMG is of the opinion that the Purchase Price offered under the terms of the Transaction is fair from a financial point of view to the shareholders of DiagnoCure. The full text of the Fairness Opinion is attached as Appendix C and shareholders are encouraged to review carefully in its entirety the Fairness Opinion.

The Fairness Opinion was provided to the Board in consideration of their evaluation of the Transaction, does not address any other aspect of the Transaction or the other matters to be considered at the Meeting and does not constitute a recommendation as to how shareholders should vote or not with respect to the PCA3 Asset Sale Resolution.

Approval of the Transaction and Recommendation of the Board

The Board, after careful consideration of several factors, determined that the Transaction is in the best interest of the Corporation and its shareholders and unanimously approved the Transaction on December 18, 2015. The Board unanimously recommends that the shareholders vote in favour of the PCA3 Asset Sale Resolution at the Meeting. See "Recommendation of the Board".

The Asset Purchase Agreement

The following is a summary of certain material terms of the Asset Purchase Agreement and is qualified in its entirety by the more detailed summary included in the main body of the Circular and by the full text of the Asset Purchase Agreement. See "The Asset Purchase Agreement". The full text of the Asset Purchase Agreement is available under the profile of the Corporation at www.sedar.com.

Covenants, Representations and Warranties

The Asset Purchase Agreement contains customary representations and warranties for an agreement of this nature. In addition, DiagnoCure has provided certain non-solicitation covenants in favour of Gen-Probe. A summary of the covenants, representations and warranties is provided in the main body of the Circular under the heading "The Asset Purchase Agreement".

Conditions to the Transaction

The obligations of the parties to complete the Transaction are subject to the satisfaction of, or waiver of, certain conditions set out in the Asset Purchase Agreement. These conditions include, among others, the approval by the shareholders of the PCA3 Asset Sale Resolution and the consent of certain contractual parties. A summary of the conditions is provided in the main body of the Circular under the heading "The Asset Purchase Agreement".

Termination of the Asset Purchase Agreement

The Asset Purchase Agreement may be terminated at any time prior to closing by mutual written agreement of the parties and by either DiagnoCure or Gen-Probe in certain other specific circumstances. A summary of the termination provisions is provided in the main body of the Circular under the heading "The Asset Purchase Agreement".

Termination Payment and Expense Reimbursement

If the Asset Purchase Agreement is terminated in certain circumstances, including in the event the Board of Directors authorizes DiagnoCure to enter into an agreement with respect to a Superior Proposal (as defined in

the Asset Purchase Agreement), or if the Board of Directors withdraws or modifies its recommendation in relation to the Transaction, Gen-Probe will be entitled to a termination payment in the amount of $250,000 as well as reimbursement of expenses. See "Termination Payment and Reimbursement of Expenses".

Lock-up Agreements

Significant shareholders of DiagnoCure, holding collectively approximately 25% of all issued and outstanding Shares, have entered into lock-up agreements with Gen-Probe where they have agreed to vote in favour of the PCA3 Asset Sale Resolution. These shareholders are Mr. Todd M. Axelrod, holding 8,608,000 Shares and all officers and directors of the Corporation, holding collectively 2,152,346 Shares.

Distribution to the Shareholders and Stated Capital Reduction

Provided the Transaction is completed, the Corporation intends to distribute to its shareholders, in a tax-efficient manner and in accordance with its governing laws and the policies of the Toronto Stock Exchange, approximately 95% of the proceeds received from the Transaction for an amount of $5,200,000. Accordingly, the Board of Directors is seeking the approval and unanimously recommends to the shareholders to vote in favour of the special resolution authorizing the Corporation to reduce its stated capital to allow for such a distribution and to proceed with the proposed distribution, as more fully explained under the heading "Distribution to the Shareholders and Stated Capital Reduction".

Completion of the Transaction is not conditional upon the approval of the special resolution authorizing the Corporation to reduce its stated capital and proceed with a cash distribution; however, the Corporation will only proceed to the stated capital reduction and the ensuing cash distribution to its shareholders if the Transaction is completed.

Approval of the Circular

On January 14, 2016, the Board met to approve this Circular and certain procedural matters relating to the Transaction and the Meeting.

BACKGROUND OF THE TRANSACTION

The following is a summary of the efforts, discussions and actions surrounding the efforts of the Corporation to enhance shareholder value that preceded the execution of the Asset Purchase Agreement and the public announcement of the Transaction.

DiagnoCure Portfolio

DiagnoCure is a Canadian life sciences corporation founded in 1994 whose mission is to develop and provide molecular and genomic diagnostic tests to support effective clinical decisions enabling personalized medicine in oncology.

DiagnoCure commercialized its first diagnostic test, ImmunoCyt/uCyt+ for bladder cancer in Europe in 1998, and then in the United States in 2000 as a FDA-cleared product. This test was divested to Scimedx Corporation in 2008.

The Corporation's second diagnostic product, uPM3, was designed to measure the gene expression in urine of its proprietary prostate cancer specific marker, PCA3. The uPM3 assay reagents were first sold in 2005 in the United States as analyte specific reagents (ASRs). However, in accordance with the license on diagnostic applications of PCA3 granted to Gen-Probe Incorporated in 2003 (subsequently acquired by Hologic), DiagnoCure ceased to market uPM3 soon after its worldwide exclusive licensee introduced its Progensa® PCA3 test in Europe.

In August 2008, DiagnoCure's subsidiary, DiagnoCure Oncology Laboratory, launched Previstage® GCC as a laboratory-developed test. The Previstage® GCC colorectal cancer staging test is well suited for the earliest steps of the decision-making process for the care of patients diagnosed with colorectal cancer. On June 28, 2011, DiagnoCure granted a worldwide exclusive license on Previstage® GCC to Signal Genetics which acquired the Corporation's U.S. CLIA service laboratory. The license was later terminated and DiagnoCure regained all commercial rights and intellectual property on its GCC biomarker on January 11, 2013.

In 2013, building on its proprietary sample stabilizer and extraction method, DiagnoCure's R&D team conducted gene expression profiling in post-DRE urine and came forth with the Prostate Cancer Panel Risk Score ("PCP Risk Score"), a novel prostate cancer screening tool relying on the gene expression levels of several markers involved in the development and progression of prostate cancer. This effort led to the development of a new multi-marker prostate cancer test which can be performed in reference laboratory settings but could also be adapted to the field of high-volume *in vitro* diagnostics. The association of these markers within a multigene signature was achieved through a leading approach using the latest advances in bioinformatics. Change in the expression pattern of these markers was associated with a high probability of detecting cancer before the first biopsy. A validation study performed in 2014 showed that the PCP Risk Score appears to be more suited for risk stratification of high-grade prostate cancers or cancers with a Gleason score equal to or higher than 7.

Efforts to Enhance Shareholder Value

Since 2013, management of the Corporation had been examining numerous opportunities to enhance shareholder value by completing strategic mergers or acquisitions or otherwise leveraging the Corporation's expertise while continuously maintaining contact with Hologic, its exclusive worldwide licensee for PCA3, following its acquisition of Gen-Probe in 2012. The following is an overview of these efforts made over the last 2 years. Most of these opportunities required resources in excess of those available to the Corporation or were not attractive to potential partners because of the deterrent effect of the Liquidation Preference.

On August 20, 2013, DiagnoCure announced the appointment of Mr. Richard Bordeleau as Senior Advisor to the Corporation, effective September 1, 2013. Mr. Bordeleau's initial mandate as Senior Advisor reporting directly to the Board of Directors was to identify short-term actions aimed at increasing the value of DiagnoCure

assets and to evaluate mid- to long-term scenarios optimizing corporate value of the Preferred Shares held by Gen-Probe.

(a) Offering Laboratory Services and Expanding Product Portfolio

The Corporation investigated the possibility of building on DiagnoCure's laboratory facilities to develop and offer a robust portfolio of high value diagnostic tests in oncology, starting initially with Previstage® GCC and Progensa® PCA3. In parallel, other opportunities to in-license, acquire new technologies or establish partnerships to develop new products or offer new services, focusing on the urology sector were also considered. A broad market analysis conducted internally led to more than 40 different tests and technologies being reviewed and no less than 20 partners were contacted to discuss shared interest and eventually establish potential terms for in-licensing or acquisition. However, all these opportunities required significant investments, exceeding the resources available to the Corporation at that time for these underlying development projects, not to mention the deterrent effect of the Liquidation Preference of the Preferred Shares held by Gen-Probe for potential partners.

(b) Out-Licensing Opportunities

Development efforts were also focused on out-licensing the Previstage® GCC colon cancer test. Following the termination of the agreement with Signal Genetics, building on the body of data on GCC continuing to grow, close to 100 potential partners were targeted for GCC out-licensing. Management reached out to in-vitro diagnostics makers, clinical laboratories, healthcare ventures, pharmaceutical companies and other service providers across the world. Contacts were established with more than 40 of them and in-depth discussions undertaken with no less than 25 potential partners. As a result of these efforts, an exclusive license was granted to Shuwen Biotech in June 2014 for the marketing and sale of the GCC test in China.

Disclosure late in 2014 of positive results from a 500-patient clinical trial on DiagnoCure's new multi-marker prostate cancer test (PCP) showing that the PCP Risk Score appears to be more suited for risk stratification of high-grade prostate cancers or cancers with a Gleason score higher than 7 triggered interest from third parties. Discussions were undertaken and are still ongoing with potential partners to assess their interest in this new test.

(c) Potential Strategic Merger Possibilities

Management also actively explored potential strategic merger possibilities for its business with parties whose assets combined with those of DiagnoCure would have been expected to lead to a strengthening of market position for both partners. This possibility was explored both internally and with the assistance of financial advisors. More than 100 profiles were reviewed and discussions took place with more than 20 potential partners. The interest of potential partners contacted was often mitigated by the deterrent effect of the Liquidation Preference of the Preferred Shares held by Gen-Probe.

In the course of the Corporation's efforts, the possibility of regaining all commercial PCA3 rights and exploiting their potential was considered by the Board of Directors. Following the design of an integration plan and after securing the necessary financial backup to complete such a transaction, offers to purchase Hologic's entire prostate oncology business unit were made in 2014. Hologic declined the offers and, in 2015, showed a strong interest in further developing the market for PCA3 which ultimately led to the Transaction as more fully described below.

PCA3 Prostate Cancer Biomarker

(d) Gen-Probe Contractual Relationship

On May 1, 2000, DiagnoCure obtained an exclusive worldwide license from the University of Nijmegen, the Netherlands, to exploit the PCA3 molecular biomarker in prostate cancer, which had been discovered by Dr. Marion Bussemakers from Dr. Jack Schalken's laboratory at the University of Nijmegen while performing post-

doctoral studies with Dr. William Isaacs at the Johns Hopkins University. Further rights, title and interests in the PCA3 biomarker were secured on April 18, 2007, when DiagnoCure obtained an exclusive worldwide license on PCA3 from Johns Hopkins University.

On November 19, 2003, DiagnoCure entered into a license, development and collaboration agreement with Gen-Probe for the joint development and commercialization of a molecular test for the detection of the PCA3 gene for the diagnosis of prostate cancer (the "**Gen-Probe Agreement**") and, on May 24, 2006, the terms of the Gen-Probe Agreement were amended and a new timeline agreed upon regarding Gen-Probe's submission of a Premarket Approval application to the U.S. Food and Drug administration (FDA) for a PCA3 in vitro diagnostic product. The Gen-Probe Agreement was further amended on April 28, 2009 to establish new FDA submission milestones and modify terms relating to distribution arrangements in order to leverage the marker's potential in the United States, Europe and elsewhere around the world.

As part of this second amendment, Gen-Probe subscribed to 4,900,000 Preferred Shares and was granted a security interest by DiagnoCure over certain intellectual property assets relating to PCA3 to secure certain obligations under the Gen-Probe Agreement (the "**Gen-Probe Hypothec**").

(e) Commercialization

In November 2006, Gen-Probe obtained the European CE Mark and undertook the commercialization in Europe of its Progensa® PCA3 prostate cancer test. Analyte specific reagents (ASRs) were sold in the United States until Gen-Probe obtained FDA approval in February 2012. Health Canada approval for the molecular urine test intended for use in conjunction with other patient information to aid in the decision for repeat biopsy in men 50 years of age or older who have had one or more previous negative prostate biopsies was obtained in August 2011.

The acquisition of Gen-Probe by Hologic was announced at the end of April 2012 and the transaction closed on August 1, 2012. Since then, royalties received by DiagnoCure from the sale of Progensa® PCA3 have gone from $587,615 in fiscal 2012; $671,228 in fiscal 2013; $531,267 in fiscal 2014; to $510,364 in fiscal 2015.

Path to the Transaction

On April 27, 2015, Mr. Allan Harris, Hologic's newly appointed Vice President, Strategy and Business Development for the Diagnostic Solutions division, was introduced to the management of the Corporation. Numerous conversations took place aimed at boosting Hologic's interest in PCA3 and better understanding the intentions of Hologic with respect to their PCA3 asset. The Corporation was told Hologic was continuing to work on commercial collaboration and were scheduling an internal review of the PCA3 asset. Their initial target was to have internal alignment by the end of May 2015 in order to revert back to the Corporation with a proposal.

Hologic's internal review was slightly delayed to June 2015 and, following it, they requested a meeting which took place in Montreal on July 1, 2015. Mr. Thomas West, President of Hologic's Diagnostic Solutions division attended that meeting together with Mr. Harris. Dr. Yves Fradet and Mr. Bordeleau were present for DiagnoCure. In preparation for that meeting, several alternatives were discussed, ranging from a royalty reduction plan to an acquisition of DiagnoCure or of some of its assets. Hologic conducted additional due diligence on PCA3 related IP as well as on assets other than PCA3 such as the PCP multi-marker test for prostate cancer and the colorectal staging test GCC during June 2015. The possibility for DiagnoCure to produce PCA3 kits for PCR platforms in Quebec City was also considered.

During the July 1 meeting, all the above mentioned alternatives were discussed. While Hologic had a renewed interest to fully exploit PCA3, the level of royalty of 8%, which was due to increase to 16%, was negatively affecting the potential return of any commercial project Hologic could pursue. Soon after that meeting, Hologic notified DiagnoCure that an asset purchase was its preferred scenario.

A transaction-specific confidentiality agreement was executed between the Corporation and Hologic on July 29, 2015. A draft letter of intent was received by DiagnoCure on August 14, 2015. The initial offer included $5,500,000 in cash for all assets of DiagnoCure related to the field of prostate cancer, including but not limited to PCA3 and PCP, and did not include the repurchase of the Preferred Shares by DiagnoCure. As this initial offer was not acceptable to DiagnoCure, discussions between the parties led to a revised offer received by DiagnoCure on October 16, 2015 in which (i) the cash consideration was reduced from $5,500,000 to $5,000,000, (ii) the assets to be purchased included all assets of DiagnoCure related to the field of prostate cancer, including but not limited to PCA3, but excluding assets related specifically to PCP, (iii) Hologic would be granted a right of first refusal for a license on PCP intellectual property and (iv) Hologic would agree to surrender for cancellation the 4,900,000 Preferred Shares currently held by Gen-Probe. This confidential non-binding offer was presented to DiagnoCure's Board of Directors and executed by the Corporation on October 21, 2015.

The formal due diligence started during the following week and a first draft of the Asset Purchase Agreement was received by DiagnoCure on November 6, 2015.

During the course of the negotiation of the terms of the Asset Purchase Agreement, the proposed consideration and its allocation were revisited by the parties which resulted in an increase in the total cash consideration to DiagnoCure by $500,000 to $5,500,000.

The parties and their counsel then negotiated the terms of the Asset Purchase Agreement during the course of the following weeks while Hologic was completing its due diligence. Once the principal business terms had been addressed satisfactorily, the Corporation reached out, under confidentiality undertakings, to its principal shareholders to assess their support of the Transaction as the execution of lock-up agreements was a condition to the execution of the Asset Purchase Agreement. Mr. Todd Axelrod, as well as all directors and officers of DiagnoCure, agreed to execute lock-up agreements, indicating that they will vote their Shares in favour of the PCA3 Asset Sale Resolution at the Meeting.

The Corporation also retained the services of KPMG on December 2, 2015 to provide a fairness opinion in relation to the Transaction.

Once the Asset Purchase Agreement was in almost final form, the Board of Directors met on December 18, 2015 to review same and receive the verbal fairness opinion of KPMG. The Transaction and Asset Purchase Agreement were then unanimously approved, subject to the execution of lock-up agreements and the finalization of the Asset Purchase Agreement, which was executed and the Transaction announced both on December 23, 2015. The Board also unanimously resolved that a recommendation be made to shareholders that they vote in favour of the PCA3 Asset Sale Resolution at the Meeting.

On January 14, 2016, the Board approved this Circular and certain procedural matters relating to the Transaction and the Meeting.

REASONS FOR THE BOARD RECOMMENDATION

The Board has considered a number of factors concerning the Transaction, including those set out below, and received the benefit of advice from its financial and legal advisors to unanimously determine that the Transaction is in the best interests of the Corporation and its shareholders and to unanimously recommend to the shareholders to approve the PCA3 Asset Sale Resolution at the Meeting.

- The Transaction arose following a comprehensive and rigorous process conducted by the Corporation, in which numerous alternatives were carefully examined and considered in view of maximizing shareholder value in a manner consistent with the best interests of the Corporation and, following this process, it was determined that the Transaction represented the best alternative available to the Corporation and its shareholders for maximizing shareholder value;

- Certain shareholders, which beneficially own or exercise control or direction over approximately 25% of the issued and outstanding Shares, entered into lock-up agreements with Gen Probe, concurrently with the execution of the Asset Purchase Agreement providing for, among other things, their irrevocable commitment to vote their Shares in favour of the PCA3 Asset Sale Resolution;
- The Fairness Opinion concluding that, as of December 23, 2015, in the opinion of KPMG, and based upon and subject to the analysis, assumptions, limitations and qualifications set out therein, the consideration to be received by the Corporation pursuant to the terms of the Transaction is fair from a financial point of view to the common shareholders of DiagnoCure;
- The distribution of approximately 95% of the proceeds of the Transaction to the shareholders pursuant to the Transaction will provide shareholders with certainty of value and immediate liquidity;
- The deterrent effect of the Liquidation Preference on other possible transactions examined by the Corporation since 2013 or otherwise now available to the Corporation will no longer affect other potential transactions the Corporation may choose to pursue following the cancellation of the Preferred Shares in connection with the Transaction;
- The internal analyses conducted on the net present value of the expected future revenues to DiagnoCure under the Gen-Probe Agreement;
- The fact that completion of the Transaction is not subject to a financing condition in favour of Gen-Probe;
- The likelihood that the conditions to complete the Transaction will be satisfied considering that there are no material regulatory or consent issues which are expected in connection with the Transaction;
- The fact that the termination fee payable by the Corporation under the Asset Purchase Agreement is only payable in certain limited circumstances and would be applied, in certain circumstances, against royalty amounts payable to the Corporation by Gen-Probe under the Gen-Probe Agreement;
- The fact that the terms and conditions of the Asset Purchase Agreement, including representations, warranties and covenants of the Corporation and Gen-Probe and the conditions to their respective obligations, were negotiated at arm's length with the oversight and participation of the Corporation's legal counsel and are, in the judgment of the Corporation, after consultation with its legal counsel, reasonable;
- The fact that the Asset Purchase Agreement does not preclude a third party from making a *bona fide* unsolicited written proposal for an alternative transaction and that, under certain circumstances set forth in the Asset Purchase Agreement, the Corporation may provide information to, and negotiate with, such a third party and the Board may, subject to Gen-Probe's right to match, approve a Superior Proposal (as defined in the Asset Purchase Agreement) and terminate the Asset Purchase Agreement in certain circumstances;
- The shareholders will have the opportunity to vote on the PCA3 Asset Sale Resolution which requires the approval of at least 66⅔% of the votes cast by shareholders entitled to vote pursuant to the *Business Corporation Act* (Québec) ("**QBCA**");
- Shareholders who do not vote in favour of the PCA3 Asset Sale Resolution will have the right to require a judicial appraisal of their Shares and obtain "fair value" pursuant to the proper exercise of their right to demand repurchase of shares under the QBCA (the "**Dissent Right**"); and
- The Board also considered a number of potential risks and other factors resulting from the Transaction, including:
  - (a) the fact that, following the Transaction, the Corporation and its shareholders will forego any future increase in value that might result from the PCA3 asset;
  - (b) the conditions to the parties' obligations to complete the Transaction and the right of Gen-Probe to terminate the Asset Purchase Agreement under certain limited circumstances;

(c) the limitations contained in the Asset Purchase Agreement on the Corporation's ability to solicit additional interest from third parties, as well as the fact that if the Asset Purchase Agreement is terminated under certain circumstances, the Corporation must pay a termination fee to Gen-Probe.

BOARD RECOMMENDATION

Accordingly, the Board of Directors unanimously recommends that the shareholders vote in favour of the PCA3 Asset Sale Resolution at the Meeting.

SUMMARY OF KPMG FAIRNESS OPINION

The Board of Directors retained KPMG to provide its professional opinion as to the fairness of the Transaction, from a financial point of view, to the common shareholders of DiagnoCure, as at December 23, 2015.

Engagement of KPMG and Scope of Review

KPMG initially held discussions with a representative of the Board of Directors in November 2015 to discuss its qualifications as an independent valuator and its ability to provide valuation advice in connection with the Transaction. KPMG was formally engaged by the Board of Directors by letter dated December 2, 2015 (the "**Engagement Agreement**") to provide the Fairness Opinion. The terms of the Engagement Agreement specify that KPMG is to be paid a fixed fee and is to be reimbursed for its reasonable out-of-pocket expenses to complete the Fairness Opinion. KPMG is also being indemnified by DiagnoCure in respect of certain liabilities which may be incurred by KPMG in connection with the provision of its services. No part of KPMG's fee is contingent upon the conclusions reached in this Fairness Opinion or on the successful execution of the Transaction.

The Fairness Opinion expresses the opinion of KPMG as a firm and its form and content has been approved for release by selected partners, each of whom is a member of the Canadian Institute of Chartered Business Valuators and experienced in mergers, acquisitions, divestitures and valuation matters. The members of the engagement team assigned to KPMG's engagement have no present or contemplated interest in DiagnoCure, Gen-Probe or Hologic, nor are they insiders or associates of DiagnoCure, Gen-Probe or Hologic.

KPMG has relied upon the completeness, accuracy and fair representation of all financial and other information, data, advice, opinions or representations obtained by it from public sources, and from the management of DiagnoCure. The validity of KPMG's conclusions is conditional upon the completeness, accuracy and fair representation of such information. Subject to the exercise of professional judgment, KPMG has not attempted to verify independently the completeness, accuracy or fair representation of any of such information. In addition, KPMG has presumed that the budgets and estimates of a financial nature obtained were prepared in good faith.

The conclusions of KPMG are based upon the state of the financial markets and the economic conditions as of December 23, 2015, as well as the financial information and forecasts of DiagnoCure, as reflected in the information presented to KPMG. For the purposes of its analyses and of the rendering of the Fairness Opinion, KPMG has made several assumptions with respect to the performance of PCA3, DiagnoCure and its sector, the general economic conditions and other matters; many such factors are not within the control of KPMG or of DiagnoCure.

KPMG is a registered Limited Liability Partnership established under the laws of the Province of Ontario and registered in Quebec as an extra-provincial entity. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of KPMG that arise from a negligent act or omission by another partner or any person under that other partner's direct supervision or control.

KPMG Analyses

The assessment of fairness from a financial point of view must be determined in the context of the Transaction. KPMG has based its analyses and conclusion in connection with the Fairness Opinion on methods and techniques that KPMG considered appropriate in the circumstances.

In order to assess the fairness of the Transaction from a financial point of view to the common shareholders of DiagnoCure, KPMG reviewed and considered the following, amongst other things:

- *Analysis by KPMG of the net present value of PCA3 under the Gen-Probe Agreement and comparison to the Purchase Price and terms of the Transaction:*

The discounted cash flow approach has been used to determine the net present value ("**NPV**") of PCA3 under the Gen-Probe Agreement. The DCF approach seeks to discount after-tax cash flows at an appropriate discount rate which reflects the business risk associated to the cash flows.

Subject to the restrictions, limitations and assumptions contained herein, KPMG concluded that the Purchase Price offered under the terms of the Transaction is equivalent or higher than the NPV of the cash flows associated to PCA3 under the Gen-Probe Agreement in place as of December 23, 2015. In KPMG's analysis of the Purchase Price, it has considered the fact that the Share Repurchase will be realized for an amount that is significantly lower than the liquidation value of the series A convertible preferred shares of DiagnoCure held by Gen-Probe. This is, in the opinion of KPMG, a significant advantage for the shareholders of DiagnoCure.

- *A comparison of the fair market value ("**FMV**") per common share of DiagnoCure prior to the Transaction and the fair market value per common share of DiagnoCure following the Transaction:*

In order to determine whether the common shareholders of DiagnoCure are, from a financial point of view, in the same or in a better position as a result of the Transaction, KPMG compared the FMV per Share of DiagnoCure prior to the Transaction to its implied FMV per Share following the Transaction. KPMG determined that the FMV of a Share following the Transaction is equal to or exceeds the FMV of a Share prior to the Transaction. In order to reach that conclusion, the adjusted net asset approach was used to determine the value of a Share prior and after the Transaction.

The Fairness Opinion states that, based upon and subject to the analyses, assumptions and qualifications set out in the Fairness Opinion, KPMG is of the opinion that the Purchase Price offered under the terms of the Transaction is fair from a financial point of view to the common shareholders of DiagnoCure. The full text of the Fairness Opinion is attached as Appendix C and shareholders are encouraged to review carefully in its entirety the Fairness Opinion. The Board unanimously concurs with the views of KPMG as set forth in the Fairness Opinion. The views of KPMG were an important consideration in the Board's decision to proceed with the Transaction.

The Fairness Opinion was provided to the Board in consideration of their evaluation of the Transaction, does not address any other aspect of the Transaction or the other matters to be considered at the Meeting and does not constitute a recommendation as to how shareholders should vote or not with respect to the PCA3 Asset Sale Resolution.

THE ASSET PURCHASE AGREEMENT

The following is a summary only of the material terms of the Asset Purchase Agreement and is qualified in its entirety by the full text of the Asset Purchase Agreement. Shareholders are urged to read the Asset Purchase Agreement in its entirety. The full text of the Asset Purchase Agreement is available under the profile of the Corporation at www.sedar.com. Capitalized terms used in the below summary but not otherwise defined shall have the meaning attributed thereto in the Asset Purchase Agreement.

Asset Purchase and Purchase Price

The Asset Purchase Agreement provides for a transaction that involves, among other things, for the sale, assignment and transfer by DiagnoCure in favour of Gen-Probe (the "**PCA3 Asset Sale**") of all of the rights, titles, interests, assets, privileges, benefits and property of whatever nature or kind and wherever situated, owned, or used by DiagnoCure or held by it for use primarily in, or primarily with respect to the PCA3 Technology, including all books and records, contracts (including, without limitation, the Nijmegen License Agreement and the Hopkins License Agreement, in each case as amended through the date of the Transaction), intellectual property, permits, patents and patent applications owned by or exclusively licensed by DiagnoCure (collectively, the "**Purchased Assets**") for a purchase price of $6,534,740. The purchase price consists of a (i) cash consideration of $5,500,000 payable to DiagnoCure and (ii) the repurchase by the Corporation of the 4,900,000 Preferred Shares held by Gen-Probe (the "**Share Repurchase**", together with the PCA3 Asset Sale, the "**Transaction**") at a value of $1,034,740.

Mutual Covenants Regarding the Transaction

Each of the parties has given usual and customary mutual covenants for an agreement of the nature of the Asset Purchase Agreement, including, but not limited to, a mutual covenant to take all actions that are within its power to control, and to make all commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure its compliance with, and satisfaction of, all closing conditions under the Asset Purchase Agreement that are for the benefit of the other party.

Covenants of the Corporation

The Corporation has given, in favour of Gen-Probe, usual and customary covenants for an agreement of the nature of the Asset Purchase Agreement, including, but not limited to, covenants to: (a) use the PCA3 Technology diligently as currently used in the normal course of business and prudently between the date of the Asset Purchase Agreement and the Closing Time; and (b) to continue to maintain insurance policies as well as any registrations relating to the PCA3 Technology in good standing until the Closing Time.

The Asset Purchase Agreement also provides for certain restrictions on the conduct of the Corporation between the date of the Asset Purchase Agreement and the Closing Time (subject to certain exceptions, including in cases where the written consent of Gen-Probe is obtained), including, without limitation, covenants of the Corporation not to, directly or indirectly: (a) amend, modify, assign any rights under, waive, or terminate the Nijmegen License Agreement, the Hopkins License Agreement or the Gen-Probe Agreement; (b) transfer, sell, lease, assign, license, mortgage, pledge, impair, surrender, divest, cancel, abandon or allow to lapse or expire or otherwise dispose of any of the Purchased Assets; (c) grant any Encumbrance (other than Permitted Encumbrances) on any Purchased Assets; (d) assign or grant an exclusive license of any right in any Seller Intellectual Property; (e) amend, waive, terminate or enter into any Contract the primary subject of which is the licensing of Seller Intellectual Property, under which the Corporation has obtained or granted any express license or other right to use, or which by their terms expressly restrict the Corporation's right to use any Seller Intellectual Property; (f) enter into or consummate any tax planning or restructuring transaction which involves any transfer, assignment or other disposition of any Seller Intellectual Property; (g) (A) waive or amend (except in the course of diligently prosecuting the Seller Intellectual Property) the Corporation's rights in or to any Seller Intellectual Property that is registered or the subject of an application for registration, (B) fail to diligently prosecute or maintain any material Seller Intellectual Property that is registered or the subject of an application for registration,

or (C) fail to make any required payments in accordance with the terms of any License Agreement; or (h) authorize, commit or enter into any Contract to do any of the foregoing.

Covenants of the Corporation Regarding Non-Solicitation

The Corporation has provided certain non-solicitation covenants in favour of Gen-Probe, as set forth below.

(a) Except as expressly provided in the Asset Purchase Agreement, the Corporation shall not, directly or indirectly, through any Representative or otherwise:

(i) solicit, or encourage or in any way facilitate (or take any action to solicit, encourage or in any way facilitate) (including, without limitation, by way of furnishing information) the initiation or submission of, any expression of interest, inquiry, proposal, discussion or offer from any Person or entity (other than Gen-Probe or any of its Representatives) regarding, constituting or that could reasonably be expected to lead to, an Acquisition Proposal (whether from a Person or entity with whom the Corporation has previously been in discussions or not).

For the purposes of the Asset Purchase Agreement, an "Acquisition Proposal" means any offer, proposal or inquiry, whether written or oral, from any person or group of persons acting jointly or in concert (other than Gen-Probe and its Affiliates) relating to, that constitutes, or which could reasonably be expected to lead to, in each case whether in a single transaction or a series of related transactions:

1. any sale of any or all of the Purchased Assets or any other transaction(s) involving, directly or indirectly, any or all of the Purchased Assets;

2. any amalgamation, take-over bid, tender offer, arrangement, recapitalization, liquidation, dissolution or share exchange involving the Corporation;

3. any sale of 20% or more of any class of equity securities of the Corporation (or rights or interests therein or thereto) that would prevent, interfere with, hinder or delay the completion of the Transaction;

4. any transaction that would prevent, interfere with, hinder or delay the completion of the Transaction; or

5. any proposal or offer to do, proposed amendment of, or public announcement of an intention to do, any of the foregoing, directly or indirectly;

(ii) engage in, participate in, or otherwise facilitate any discussions or negotiations or enter into any agreement, understanding or arrangement with, or provide any non-public information to, any Person or entity (other than Gen-Probe or any of its Representatives) relating to or in connection with an Acquisition Proposal (whether or not such discussions had commenced prior to the date of the Asset Purchase Agreement and whether or not such discussions were initiated by a third party);

(iii) entertain, consider or accept any proposal or offer from any Person or entity (other than Gen-Probe or any of its Representatives) relating to an Acquisition Proposal;

(iv) make a Change in Recommendation.

For the purposes of the Asset Purchase Agreement, a "Change of Recommendation" means:

1. any withholding, amendment, withdrawal, modification or qualification in any manner adverse to Gen-Probe and/or the consummation of the Transaction of the Seller

Recommendation, including any failure to include the Seller Recommendation in this Circular;

2. any approval, acceptance, recommendation or endorsement by the Board of Directors of, or public proposal by the Board of Directors to approve, accept, recommend or endorse, or publicly taking no position or a neutral position with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to, or failing to recommend that Shareholders reject, an Acquisition Proposal until the tenth Business Day after the earlier of the receipt and the public announcement of an Acquisition Proposal will not be deemed to be a Change in Recommendation);

3. the Corporation enters into a written agreement in respect of an Acquisition Proposal (other than a confidentiality and standstill agreement expressly permitted by the Asset Purchase Agreement);

4. the Corporation will have publicly announced the intention to, or the Board of Directors will have resolved to, do any of the foregoing; or

(v) publicly propose to do any of the foregoing.

Notification of Acquisition Proposals

The Corporation has agreed to promptly (and, in any event, within two Business Days) notify Gen-Probe (orally and in writing) if any inquiries, proposals or offers with respect to an Acquisition Proposal are received by, any such information is requested from, or any such discussions or negotiation are sought to be initiated or continued with, the Corporation or any of its Representatives indicating, in connection with such notice, the name of such Person and the material terms and conditions of any proposals or offers (including, if applicable, copies of any written requests, proposals or offers, including proposed agreements) and thereafter will keep Gen-Probe informed, on a current basis, of the status and terms of any such proposals or offers (including any amendments thereto) and the status of any such discussions or negotiations.

Responding to an Acquisition Proposal

Notwithstanding the non-solicitation covenants agreed to by the Corporation under the Asset Purchase Agreement, if at any time prior to the approval of the PCA3 Asset Sale Resolution at the Meeting, the Corporation receives a *bona fide* unsolicited written Acquisition Proposal, the Corporation may engage in or participate in discussions or negotiations with the person making the Acquisition Proposal regarding such Acquisition Proposal, and may provide non-public information and data concerning the Corporation in response to a request thereof by the person making such Acquisition Proposal, if and only if:

(a) the Board unanimously determines in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal is, or is reasonably likely to lead to, a Superior Proposal, and that the failure to take the relevant action would constitute a breach of its fiduciary duties;

(b) the Corporation (including its Representatives) has been, and continues to be, in compliance with its obligations under the non-solicitation provisions of the Asset Purchase Agreement;

(c) prior to providing any such copies, access, or disclosure, the Corporation enters into a confidentiality and standstill agreement that is no less favourable in the aggregate to the Corporation than the confidentiality agreement entered into by the Corporation and Gen-Probe and that contains a standstill provision on market standard terms and conditions; and

(d) the Corporation concurrently provides Gen-Probe with (i) a true, complete and final executed copy of the confidentiality and standstill agreement referred to in Item (c) above) (with the identity of the

parties redacted); and, (ii) any non-public information and data concerning the Corporation that the Corporation provides pursuant to such confidentiality and standstill agreement that has not been made previously available to Gen-Probe.

For the purposes of the Asset Purchase Agreement, a Superior Proposal is defined as:

(i) a *bona fide* Acquisition Proposal to purchase or otherwise acquire directly or indirectly, including by means of a merger, takeover bid, amalgamation, plan of arrangement, business combination or similar transaction, (i) not less than all of the Common Shares (other than Common Shares beneficially owned by the party making such Acquisition Proposal), or (ii) not less than all or substantially all of the assets of the Corporation taken as a whole, that, in either case:

(ii) complies with all applicable Laws;

(iii) did not result from a breach of any agreement between any one or more of the persons making such Superior Proposal and its affiliates and the Corporation or a breach of provisions of the Asset Purchase Agreement relating to non-solicitation, superior proposal, right to match and notice;

(iv) is made in writing after the date of the Asset Purchase Agreement;

(v) is not subject to any due diligence condition;

(vi) the Board of Directors has determined in good faith (after consultation with its financial advisors and outside legal counsel) (A) is reasonably capable of being completed in accordance with its terms without undue delay taking into account, to the extent considered appropriate by the Board of Directors, all legal, financial, regulatory and other aspects of such Superior Proposal (including, without limitation, other issues that may delay or restrict the consummation of such Superior Proposal) and the person or persons making such Superior Proposal, and (B) would, if consummated in accordance with its terms (but expressly taking into account any risk of non-completion), result in a transaction more favourable from a financial point of view to the Shareholders than the Transaction (taking into consideration any adjustment to the terms and conditions of the Transaction proposed by Gen-Probe); and

(vii) in respect of which any required financing to complete such Superior Proposal is available or committed and subject to conditions that the Board of Directors determines in its good faith judgment, after consultation with its financial advisors and its outside counsel are more likely than not to be satisfied.

Right to Match

If the Corporation receives an Acquisition Proposal that constitutes a Superior Proposal as determined by the Board of Directors in good faith, after consultation with its outside legal counsel and financial advisors and that any failure to act would constitute a breach of its fiduciary duties, the Board may, subject to compliance with the Asset Purchase Agreement, enter into a definitive agreement with respect to such Acquisition Proposal prior to the approval of the PCA3 Asset Sale Resolution, if and only if:

(i) the person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing standstill or similar restriction;

(ii) the Corporation (including its Representatives) has been, and continues to be, in compliance with its obligations under the non-solicitation provisions of the Asset Purchase Agreement;

(iii) the Corporation has delivered written notice to Gen-Probe of the determination of the Board that the Acquisition Proposal is a Superior Proposal and of the intention of the Board to accept, approve or recommend such Superior Proposal and/or of the Corporation to enter

into an agreement with respect to such Superior Proposal, together with a description of all material terms and conditions of the Superior Proposal that is the basis for such action (collectively, the "**Superior Proposal Notice**");

(iv) at least ten Business Days (the "**Right to Match Period**") have elapsed from the date that is the later of the date on which Gen-Probe received the Superior Proposal Notice;

(v) during any Right to Match Period, Gen-Probe has had the opportunity (but not the obligation), to offer to amend the Asset Purchase Agreement in order for such Superior Proposal to cease to be a Superior Proposal and the Corporation will have negotiated, and will have caused its financial and legal advisors and other Representatives to negotiate, with Gen-Probe to make such amendments;

(vi) following the end of the Right to Match Period, if Gen-Probe has offered to amend the Asset Purchase Agreement, the Board has unanimously determined in good faith, taking into account any changes to the terms of the Asset Purchase Agreement proposed by Gen-Probe to the Corporation in response to the Superior Proposal Notice, that the Superior Proposal giving rise to the Superior Proposal Notice continues to constitute a Superior Proposal; and

(vii) prior to or concurrently with entering into such definitive agreement the Corporation terminates the Asset Purchase Agreement and pays the Termination Payment described under the heading "Termination of Asset Purchase Agreement" below.

(b) Any amendment or modification to the terms of the Superior Proposal described in a Superior Proposal Notice will constitute a new Superior Proposal and require a new Superior Proposal Notice and an additional Right to Match Period.

Additional Covenants of the Corporation

The Corporation has agreed to perform all obligations required or desirable to be performed by the Corporation under the Asset Purchase Agreement in order to consummate and make effective, as soon as reasonably practicable, the Transaction, including, without limitation, to use best efforts to obtain, prior the Closing Time, the consent of each of the University of Nijmegen and the John Hopkins University to the assignment by the Corporation to Gen-Probe of the Nijmegen License and Hopkins License, respectively, together with, in each case, all rights, title and interest held by the Corporation therein.

Representations and Warranties

Each of the Corporation and Gen-Probe made certain customary representations and warranties in the Asset Purchase Agreement, including representations and warranties related to their due organization and qualification and authorization to enter into the Asset Purchase Agreement and carry out its obligations thereunder. In addition, the Corporation and Gen-Probe have each made certain representations and warranties particular to such party including, in the case of the Corporation, representations and warranties in respect of the Corporation's business, operations and assets (including, without limitation, intellectual property).

The representations and warranties made by the Corporation and Gen-Probe were made by and for the benefit of the Corporation and Gen-Probe, as applicable, for the purposes of the Asset Purchase Agreement and are subject to qualifications and limitations agreed to by the Corporation and Gen-Probe in connection with negotiating and entering into the Asset Purchase Agreement. In addition, these representations and warranties may be subject to a contractual standard of materiality different from what may be viewed as material to Shareholders, or may have been used for the purpose of allocating risk between the Corporation and Gen-Probe instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this Circular, may have changed since the date of the Asset Purchase Agreement.

Conditions of Closing

Mutual Conditions

The Asset Purchase Agreement provides that the respective obligations of the parties to complete the Transaction are subject to the fulfillment of certain conditions on or before the Closing Time, which include, but are not limited to:

- No order of any Governmental Entity will be in force, and no action or proceeding will be pending or threatened by any Person to restrain or prohibit the completion of the Transaction;
- The parties will have entered into a mutual purchase agreement, pursuant to Section 5 of Schedule I of the Articles of Amendment of the Corporation filed with the Registraire des enterprises (Québec) on May 4, 2009, under which Gen-Probe will have agreed to sell to the Corporation, and the Corporation will have agreed to purchase from Gen-Probe, effective as of the Closing Time, the 4,900,000 Preferred Shares for the total consideration of $1,034,740, to be satisfied by the issuance by the Corporation in favour of Gen-Probe of a non-interest bearing promissory note in the principal amount of $1,034,740;
- the PCA3 Asset Sale Resolution will have been approved at the Meeting in the manner required under applicable laws and will not have been amended, modified or rescinded in any respect; and
- The parties will have executed all documents necessary to evidence the termination of the Gen-Probe Agreement, together with an irrevocable full, final and mutual release in relation thereto.

Additional Conditions Precedent to the Obligations of Gen-Probe

The Asset Purchase Agreement provides that the obligations of Gen-Probe to complete the Transaction are subject to the fulfillment of a number of additional conditions, including those set out below, each of which is for the benefit of Gen-Probe:

- The representations and warranties of the Corporation made in the Asset Purchase Agreement, and in any other agreement or document delivered pursuant to the Asset Purchase Agreement, will be true and accurate at the Closing Time with the same force and effect as though those representations and warranties had been made as of the Closing Time, and for certainty, any representations and warranties made as at a date before the Closing Time will be deemed to be made as at the Closing Time. The Corporation will have complied with all covenants and agreements to be performed or caused to be performed by it under the Asset Purchase Agreement, and in any other agreement or document delivered pursuant to the Asset Purchase Agreement, at or before the Closing Time. In addition, the Corporation will have delivered to Gen-Probe a certificate of a senior officer of the Corporation confirming the same. The receipt of that certificate and the completion of the Closing will not be deemed to constitute a waiver of any of the representations, warranties or covenants of the Corporation contained in the Asset Purchase Agreement, or in any other agreement or document delivered pursuant to the Asset Purchase Agreement.
- All pre-Closing filings, notifications, approvals and consents with, to or from Governmental Entities and Regulatory Authorities will have been made or obtained and the consent of each of the University of Nijmegen and of Johns Hopkins University to assign to Gen-Probe the Nijmegen License Agreement and Hopkins License Agreement, respectively, together with, in each case, all rights, title and interest held by the Corporation therein, will have been made, given or obtained on terms acceptable to Gen-Probe.
- The Corporation will have delivered to Gen-Probe (a) the consents referred to immediately above, (b) customary corporate documents regarding the due authorization and completion of the Transaction, (c) all Books and Records of and related to the PCA3 Technology, (d) copies of all

Insurance Policies, and (e) all required instruments, transfers and assignments to effect and document the transfer of the Purchased Assets to Gen-Probe with a good title, free and clear of all Encumbrances other than Permitted Encumbrances.

Additional Conditions Precedent to the Obligations of the Corporation

The Asset Purchase Agreement provides that the obligations of the Corporation to complete the Transaction are subject to the fulfillment of a number of additional conditions, each of which is for the benefit of the Corporation:

- The representations and warranties of Gen-Probe made in the Asset Purchase Agreement, and in any other agreement or document delivered pursuant to the Asset Purchase Agreement, will be true and accurate at the Closing Time with the same force and effect as though those representations and warranties had been made as of the Closing Time, and for certainty, any representations and warranties made as at a date before the Closing Time will be deemed to be made as at the Closing Time. Gen-Probe will have complied with all covenants and agreements to be performed or caused to be performed by it under the Asset Purchase Agreement, and in any other agreement or document delivered pursuant to the Asset Purchase Agreement, at or before the Closing Time. In addition, Gen-Probe will have delivered to the Corporation a certificate of a senior officer of Gen-Probe confirming the same. The receipt of that certificate and the completion of the Closing will not be deemed to constitute a waiver of any of the representations, warranties or covenants of Gen-Probe contained in the Asset Purchase Agreement, or in any other agreement or document delivered pursuant to the Asset Purchase Agreement.
- Gen-Probe will have delivered to the Corporation, in form and substance satisfactory to the Corporation, documents evidencing the release of the Gen-Probe Hypothec.

Termination of Asset Purchase Agreement

The Asset Purchase Agreement may be terminated at any time prior to the Closing Time (notwithstanding any approval of the Asset Purchase Agreement or the PCA3 Asset Sale Resolution or the Transaction by the Shareholders) in the following circumstances:

(a) By the mutual written agreement of the parties;

(b) By either the Corporation or Gen-Probe if:

(i) after the date of the Asset Purchase Agreement, there is enacted, issued, promulgated, made, enforced or amended any law (which applicable law will have become final and non-appealable) that restrains, enjoins or otherwise prevents the completion of the Transaction; or

(ii) the PCA3 Asset Sale Resolution fails to receive the requisite shareholder approval at the Meeting (including any adjournment or postponement thereof);

(c) By the Corporation if:

(i) prior to obtaining the approval of the PCA3 Asset Sale Resolution, the Board authorizes the Corporation, subject to complying with the provisions of the Asset Purchase Agreement, to approve, accept and enter into a definitive agreement (other than a confidentiality agreement) with respect to a Superior Proposal; or

(ii) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Gen-Probe set forth in the Asset Purchase Agreement occurs that causes the conditions set forth under the heading "Additional Conditions Precedent to the Obligations of the Corporation" above not to be satisfied at such time; provided that the Corporation is not then in breach of the Asset Purchase Agreement so as to cause any of the conditions set forth under the heading "Additional Conditions Precedent to the Obligations of the Corporation" above not to be satisfied; or

(d) By Gen-Probe if:

(i) prior to obtaining the approval of the PCA3 Asset Sale Resolution by the Shareholders, (A) the Board effects a Change in Recommendation, (B) the Corporation breaches the provisions of the Asset Purchase Agreement relating to non-solicitation, superior proposal, right to match and notice in any material respect, or (C) Gen-Probe requests in writing that the Board unconditionally reaffirm its Seller Recommendation and the Board does not do so by the earlier to occur of (x) the tenth Business Day following receipt of such request and (y) two Business Days prior to the Meeting; or

(ii) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Corporation under the Asset Purchase Agreement occurs that would cause any condition under the heading "Additional Conditions Precedent to the Obligations of Gen-Probe" not to be satisfied at such time; provided that Gen-Probe is not then in breach of the Asset Purchase Agreement so as to cause any condition under the heading "Additional Conditions Precedent to the Obligations of Gen-Probe" above not to be satisfied.

In the event of termination, the Asset Purchase Agreement will forthwith become void and of no further force or effect without liability of any Party to any other Party to the Asset Purchase Agreement, except as expressly provided in the Asset Purchase Agreement.

Termination Payment and Reimbursement of Expenses

The Asset Purchase Agreement provides that the Corporation shall pay Gen-Probe a termination fee of $250,000 (the "**Termination Payment**"), as well as an expense reimbursement fee for the expenses reasonably incurred by Gen-Probe in connection with the Asset Purchase Agreement and the Transaction, in certain limited circumstances, upon termination of the Asset Purchase Agreement:

- by Gen-Probe pursuant to Item (d)(i) under the heading "Termination of Asset Purchase Agreement" above;
- by the Corporation pursuant to Item (c)(i) under the heading "Termination of Asset Purchase Agreement" above;
- by Gen-Probe, pursuant to Item (d)(ii) under the heading "Termination of Asset Purchase Agreement" above, but only if (a) following the date of the Asset Purchase Agreement and prior to the termination of the Asset Purchase Agreement, an Acquisition Proposal has been communicated or otherwise made known to the Corporation by any person other than Gen-Probe or any Affiliate thereof, and (b) a definitive agreement providing for an Acquisition Proposal is entered into within 12 months of termination of the Asset Purchase Agreement, and provided that all references to "20% or more" in the definition of Acquisition Proposal will be changed to "more than 50%" for purposes of this paragraph.

The expense reimbursement and the Termination Payment following a termination by Gen-Probe of the Asset Purchase Agreement (pursuant to Item (d)(i) under the heading "Termination of Asset Purchase Agreement" above) will be paid by DiagnoCure in accordance with the timing set forth in the Asset Purchase Agreement by reducing by 50% any amount payable to the Corporation by Gen-Probe as royalty payments under the Gen-Probe Agreement until such expense reimbursement and Termination Payment have been paid in full.

If the Asset Purchase Agreement is terminated by Gen-Probe pursuant to Items (d)(i) or (d)(ii) under the heading "Termination of Asset Purchase Agreement" above, then payment of the expense reimbursement or the Termination Payment will be in addition to and not in lieu of, or replacement or substitution for, any right, power, or remedy that may be available to Gen-Probe (whether at law, in equity, in contract, in tort or otherwise).

Right of First Refusal for License Regarding PCP

The Asset Purchase Agreement provides that if the Corporation proposes to grant to a third party a right and license to any of its Intellectual Property rights relating to the Corporation's PCP technology in the field of high-volume *in vitro* diagnostics (IVD) testing (a "**PCP License**"), the Corporation will first provide Gen-Probe with written notice of such proposal, including all material terms and conditions thereof (including, without limitation, licenses fees, required milestones and terms of payment) (the "**PCP License Notice**").

For 60 days following receipt of the PCP License Notice, Gen-Probe will have the right to enter into the PCP License upon the terms and conditions contained in the PCP License Notice. In the event Gen-Probe elects to enter into the PCP License, Gen-Probe will give written notice of its election to the Corporation within such 60-day period and the parties will enter into the PCP License on the terms and conditions set out in the PCP License Notice.

If Gen-Probe does not elect to enter into the PCP License, the Corporation will have the right, within the 60-day period following the expiration of the right granted to Gen-Probe, to enter into a PCP License with the proposed third party licensee, provided that this license shall not be on terms and conditions more favorable to the licensee than those contained in the PCP License Notice.

The provisions in the Asset Purchase Agreement relating to the foregoing right of first refusal will terminate upon the later of the 5th anniversary of the Closing Date and 2 years after the Corporation's first commercialization of a PCP product (including a commercial offering of such PCP product as a service through a laboratory).

LOCK-UP AGREEMENTS

Mr. Todd M. Axelrod and all directors and officers of the Corporation, which collectively hold, or exercise control over, 10,760,346 Shares representing approximately 25% of the issued and outstanding Shares as of the date hereof (the "**Locked-up Shareholders**"), have signed lock-up agreements where they have irrevocably agreed, at the Meeting, and at any adjournment or postponement thereof, to: (a) cause the Shares owned by the Locked-up Shareholder to be counted as present thereat for purposes of calculating a quorum; and (b) to vote (or cause to be voted) their Shares in favour of the PCA3 Asset Sale Resolution. Each of the lock-up agreements include customary representations on the part of the Locked-up Shareholders as well as, in addition to the covenants to vote in favour of the PCA3 Asset Sale Resolution, to vote (or cause to be voted) their Shares in favour of all other matters that would reasonably be expected to facilitate the Transaction.

In addition, each Locked-up Shareholder has agreed under the lock-up agreement not to directly or indirectly: (i) alienate or otherwise transfer the Shares subject to the lock-up agreements; (ii) solicit, assist, initiate, knowingly encourage or knowingly facilitate any inquiries, proposals or offers regarding any Acquisition Proposal (as defined in the Asset Purchase Agreement); (iii) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal; (iv) exercise any Dissent Rights; (v) engage or participate in any discussions or negotiations regarding, or provide any confidential information with respect to any Acquisition Proposal or any potential Acquisition Proposal; or (vi) otherwise take any action of any kind that is intended or which might reasonably be expected to, or regarded as likely to, reduce the success of, or interfere, impede, postpone, discourage or delay the completion of the Transaction.

The lock-up agreements shall remain in effect until the earliest to occur of: (a) the Closing Time (as defined in the Asset Purchase Agreement); (b) the termination of the Asset Purchase Agreement in accordance with its terms; or (c) the mutual written consent of the Locked-up Shareholder and Gen-Probe.

The lock-up agreements can be found on SEDAR at www.sedar.com. The foregoing is only a summary of the lock-up agreements and is qualified in its entirety by reference to the full text of each of the Lock-Up Agreements.

PCA3 ASSET SALE RESOLUTION TO BE APPROVED AT THE MEETING

Given the PCA3 related assets represent a significant part of its business activity, the Corporation, in accordance with sections 271 and 272 of the *Business Corporations Act* (Québec) needs such alienation by the Corporation to be authorized by its shareholders. Accordingly, the Board of Directors, at its meeting held on December 18, 2015, adopted a resolution approving the Transaction and, subject to confirmation by the shareholders of the Corporation, authorizing the Corporation to enter into the Asset Purchase Agreement.

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, approve the PCA3 Asset Sale Resolution attached as Appendix A to the Circular. Each shareholder, as at the Record Date, shall be entitled to vote on the PCA3 Asset Sale Resolution. The approval of the PCA3 Asset Sale Resolution will require the affirmative vote of two-thirds (66 2/3 %) of the votes cast in person or by proxy on the matter at the Meeting by shareholders entitled to vote.

The Board, after careful consideration of several factors, unanimously recommends that the shareholders vote in favour of the PCA3 Asset Sale Resolution at the Meeting. See “Reasons for the Board Recommendation”.

Unless the shareholder having executed the proxy has decided otherwise or specifically instructed on the form of proxy to vote against the PCA3 Asset Sale Resolution, the persons named in the accompanying form of proxy intend to vote IN FAVOR of the PCA3 Asset Sale Resolution.

DIAGNOCURE GOING FORWARD

Following the Transaction, DiagnoCure will continue to seek business opportunities to value all the remaining assets of the Corporation which include the newly developed prostate cancer multi-marker test PCP, the colon cancer staging test Previstage® GCC, as well as other valuable assets such as bio-repositories of samples from various clinical trials and a proprietary method of RNA extraction, stabilization and amplification. DiagnoCure will consider all possible options including the licensing or sale of its remaining assets as well as a merger, acquisition or other reorganization, if any, of these transactions are beneficial for the Corporation and its shareholders.

DiagnoCure expects that the cancellation of the Preferred Shares may facilitate discussions with potential partners since following the Transaction DiagnoCure will only have common shares outstanding and will no longer have to deal with the deterrent effect of the Liquidation Preference associated with the Preferred Shares.

To ensure the sustainability of its operations post-Transaction, the Corporation made further cuts in its operating expenses and will take any additional actions it may deem appropriate to enhance shareholder value.

STOCK EXCHANGE LISTINGS AND STATUS AS A REPORTING ISSUER

The sale of all assets to the Corporation's PCA3 prostate cancer biomarker to Gen-Probe may be considered a change of business by the Toronto Stock Exchange (the "**TSX**") and as a result, TSX will require the Corporation to meet the original listing requirements of TSX. If the Transaction is completed, the Corporation expects that it would no longer meet the original listing requirements of the TSX in order to remain listed. At the appropriate time and depending on the outcome of any future discussions held by management to optimize the value of its remaining assets, the Corporation would take the appropriate steps to delist from the TSX and list its common shares on another stock exchange. In the event of a substantial delay between the time the Transaction is completed and any future transaction to be entered into by, or other corporate decision regarding the future of, the Corporation, the TSX may take steps to delist the Shares of the Corporation as a result of a failure to meet original listing requirements. In such event and if no alternative listing is sought by the Corporation, the liquidity of the Shares will be materially affected and shareholders may have difficulties or be unable to sell their Shares. The Corporation also expects that its shares will be removed from the OTCQX on or before the Closing of the Transaction.

Until the conditions are met and an application is made pursuant to which an order is issued by the Canadian securities regulatory authorities deeming the Corporation to be no longer a "reporting issuer", the Corporation will continue to be subject to ongoing disclosure and other obligations as a reporting issuer under applicable securities legislation in Canada and will incur the costs relating thereto.

DISSENTING SHAREHOLDERS RIGHTS

A registered Shareholder may exercise rights of repurchase with respect to the Transaction pursuant to and in the manner provided in Chapter XIV — Division 1 of the *Business Corporations Act* (Québec) (the "**QBCA**").

The following description of the right to dissent (the "**Dissent Rights**") is not a comprehensive statement of the procedures to be followed by a dissenting shareholder and is qualified in its entirety by the provisions of Chapter XIV — Division 1 of the QBCA. If you are a registered shareholder and wish to dissent (a "**Dissenting Shareholder**"), you should obtain your own legal advice and carefully read the provisions of the provisions of Chapter XIV — Division 1 of the QBCA. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder.

Anyone who is a beneficial owner of Shares registered in the name of a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary and who wishes to dissent should be aware that only registered shareholders are entitled to exercise Dissent Rights. A registered shareholder who holds Shares as a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary for one or more beneficial owners, one or more of whom wish to exercise Dissent Rights, must exercise such Dissent Rights on behalf of such holder(s). In such case, the Dissent Notice should specify the number of dissenting Shares. A dissenting shareholder may only dissent with respect to all the Shares held on behalf of any one beneficial owner and registered in the name of the Dissenting Shareholder. A Non-Registered Shareholder who wishes to exercise Dissent Rights should communicate with its broker, investment dealer, bank, trust company, custodian, nominee or other intermediary in whose name the Shares over which he or she has a beneficial interest are registered as of the Record Date as to the procedure for instructing such Registered Shareholder to exercise Dissent Rights on behalf of the Non-Registered Shareholder. Note that sections 393 to 397 of the QBCA, the text of which is included in Appendix D to the Circular, set forth special provisions which are required to be followed with respect to the exercise of Dissent Rights by Non-Registered Shareholders.

Dissenting Shareholders must provide a written objection to the PCA3 Asset Sale Resolution to the Corporation prior to the Meeting. A Dissenting Shareholder may dissent only with respect to all of the Shares of the Corporation held by such Dissenting Shareholder or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. No shareholder of the Corporation who has voted in favour of the PCA3 Asset Sale Resolution shall be entitled to dissent with respect to the Transaction.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Shares of the Corporation. Chapter XIV — Division 1 of the QBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, Dissenting Shareholders who might desire to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of Chapter XIV — Division 1 of the QBCA and consult their own legal advisors.

A registered Shareholder may exercise rights of repurchase with respect to its Shares pursuant to and in the manner provided in Chapter XIV – Division 1 of the QBCA. The following description of Dissent Rights is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder and is qualified in its entirety by the provisions of Chapter XIV — Division 1 of the QBCA. If you are a registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the provisions of Chapter XIV — Division 1 of the QBCA.

Anyone who is a beneficial owner of Shares registered in the name of a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary and who wishes to dissent should be aware that only registered Shareholders are entitled to exercise Dissent Rights. A registered Shareholder, who holds Shares as a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary for one or more beneficial owners, one or more of whom wish to exercise Dissent Rights, must exercise such Dissent Rights on behalf of such holder(s). In such case, the Dissent Notice should specify the number of dissenting Shares. A

Dissenting Shareholder may only dissent with respect to all the Shares held on behalf of any one beneficial owner and registered in the name of the Dissenting Shareholder. A Non-Registered Shareholder who wishes to exercise Dissent Rights should communicate with its broker, investment dealer, bank, trust company, custodian, nominee or other intermediary in whose name the Shares over which he or she has a beneficial interest are registered as of the Record Date as to the procedure for instructing such Registered Shareholder to exercise Dissent Rights on behalf of the Non-Registered Shareholder. Note that sections 393 to 397 of the QBCA, the text of which is included in Appendix D to this Circular, set forth special provisions which are required to be followed with respect to the exercise of Dissent Rights by Non-Registered Shareholders.

Registered Shareholders who duly exercise Dissent Rights will cease to be shareholders of the Corporation and will ultimately only be entitled to be paid fair value for their Shares as of the close of the offices of the Corporation on the day before the PCA3 Asset Sale Resolution is adopted and will not be entitled to any other payment or consideration (including any amount that would be distributed following the Transaction following the stated capital reduction by the Corporation as more fully explained in the Circular had they not exercised their Dissent Rights); provided, however, that Registered Shareholders who duly exercise Dissent Rights but are ultimately not entitled, for any reason, to be paid fair value for their Shares, will retain the same rights as any non-dissenting Shareholder on a going forward basis after the Transaction.

There can be no assurance that a Dissenting Shareholder will receive consideration for its Shares of equal or greater value to the consideration that such Dissenting Shareholder would have received from the proposed cash distribution following the reduction in stated capital as more fully described in the Circular.

The repurchase procedures require that a registered Shareholder who wishes to dissent must send to the secretary of the Corporation at 4535, Wilfrid-Hamel Boulevard, Suite 250, Québec, Québec, G1P 2J7, fax : 418-527-0240, a written notice (the "Dissent Notice"), which Dissent Notice must be received by the secretary of the Corporation not later than 10:00 a.m. (EST) on February 10, 2016 (or 5:00 p.m. (EST) on the day that is two business days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be) and vote against the PCA3 Asset Sale Resolution.

The giving of a Dissent Notice does not deprive a registered Shareholder of the right to vote at the Meeting; however, a registered Shareholder who has submitted a Dissent Notice and who does not vote against the PCA3 Asset Sale Resolution will no longer be considered a Dissenting Shareholder with respect to Shares not voted against the Sale Resolution. If such Dissenting Shareholder votes against the PCA3 Asset Sale Resolution in respect of a portion of the Shares registered in his, her or its name, such vote against the PCA3 Asset Sale Resolution will be deemed to apply to the entirety of the Shares held by such Dissenting Shareholder, subject to sections 393 to 397 of the QBCA, given that Chapter XIV — Division 1 of the QBCA provides there is no right of partial dissent. **A vote either in person or by proxy against the PCA3 Asset Sale Resolution will not by itself constitute a Dissent Notice.**

Promptly after the Closing Time of the Transaction, DiagnoCure is required to give notice (the "**Repurchase Notice**") to each Dissenting Shareholder, which notice shall mention the repurchase price being offered for the Shares held by all Dissenting Shareholders and an explanation of how such price was determined. Within 30 days after receiving the Repurchase Notice, each Dissenting Shareholder is required, if the Dissenting Shareholder wishes to proceed with exercising its Dissent Rights, to deliver to DiagnoCure a written statement:

(i) confirming that the Dissenting Shareholder wishes to exercise his or her Dissent Rights and have all of his or her Shares repurchased at the repurchase price indicated in the Repurchase Notice (in such case, a "**Notice of Confirmation**"); or

(ii) that the Dissenting Shareholder contests the repurchase price indicated in the Repurchase Notice and demands an increase in the repurchase price offered (in such case, a "**Notice of Contestation**").

A Dissenting Shareholder who fails to send to DiagnoCure, within the required timeframe, a Notice of Confirmation or a Notice of Contestation, as the case may be, shall be deemed to have renounced his or her Dissent Rights.

Upon receiving a Notice of Confirmation within the required timeframe, DiagnoCure shall pay the Dissenting Shareholder, within 10 days of receiving such Notice of Confirmation, the repurchase price indicated in the Repurchase Notice for all of his or her Shares. However, if DiagnoCure is unable to pay the full repurchase price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, DiagnoCure is only required to pay the maximum amount it may legally pay the relevant Dissenting Shareholder. In such a case, such Dissenting Shareholders remain creditors of DiagnoCure for the unpaid balance of the repurchase price and are entitled to be paid as soon as DiagnoCure is legally able to do so or, in the event of the liquidation of DiagnoCure, are entitled to be collocated after the other creditors but by preference over the other shareholders of DiagnoCure.

Upon receiving a Notice of Contestation within the required timeframe, DiagnoCure may propose an increased repurchase price within 30 days of receiving such Notice of Contestation, which increased repurchase price must be the same for all Dissenting Shareholders who duly submitted a Notice of Contestation. If (a) DiagnoCure does not follow up on a Dissenting Shareholder's contestation within 30 days after receiving its Notice of Contestation or (b) the Dissenting Shareholder contests the increase in the repurchase price offered by DiagnoCure, such Dissenting Shareholder may ask a Court to determine the increase in the repurchase price. However, any such application to the Court must be made within 90 days after receiving the Repurchase Notice. As soon as any such application is filed with the Court by any Dissenting Shareholder, DiagnoCure must notify this fact (a "**Notice of Application**") to all the other Dissenting Shareholders who are still contesting the repurchase price, or the increase in the repurchase price, offered by DiagnoCure.

All Dissenting Shareholders who received the Notice of Application are bound by the judgment of the Court hearing the application as to the fair value of the Shares (which Court may entrust the appraisal of the fair value to an expert). Within 10 days after such Court judgment, DiagnoCure must pay the repurchase price determined by the Court to all Dissenting Shareholders who received the Notice of Application, and pay the increase in the repurchase price to all Dissenting Shareholders who submitted a Notice of Contestation but did not contest the increase in the repurchase price offered by DiagnoCure. However, if DiagnoCure is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, DiagnoCure would only be required to pay the maximum amount it may legally pay the relevant Dissenting Shareholder. In such a case, such Dissenting Shareholders remain creditors of DiagnoCure for the unpaid balance of the repurchase price and are entitled to be paid as soon as DiagnoCure is legally able to do so or, in the event of the liquidation of DiagnoCure, are entitled to be collocated after the other creditors but by preference over the other shareholders of DiagnoCure.

Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Shares as determined under Chapter XIV of the QBCA will be more than or equal to any cash distribution to be made to the shareholders following the Transaction as contemplated under the heading "Distribution to the Shareholders ".

The above is only a summary of the provisions of the QBCA pertaining to Dissent Rights. If you are a Shareholder and wish to directly or indirectly exercise Dissent Rights, you should seek your own legal advice as failure to strictly comply with the provisions of the QBCA may result in the loss of all rights thereunder.

DISTRIBUTION TO THE SHAREHOLDERS AND STATED CAPITAL REDUCTION

Given the result achieved following the significant efforts undertaken by management to enhance corporate value over the last few years and the level of financial resources that would be required to reposition the activities of the Corporation for which the proceeds of the Transaction are likely to be sufficient; the Board of Directors is of the view that distributing substantially all of the cash proceeds of the Transaction to the shareholders is the most efficient way to provide them with liquidity for their investment in the Corporation.

Accordingly, in order to conduct such distribution in a tax efficient manner, the Board of Directors recommends that shareholders authorize the Corporation's directors to proceed with a special distribution to the Corporation's shareholders in an amount of $5,200,000, in cash, forthwith upon completion of the Transaction, by way of return of capital and corresponding reduction of the stated capital held in respect of the Corporation's common shares.

The directors may fix the exact amount of the return of capital and stated capital reduction per Share, determine the precise date, in compliance with the requirements of the TSX, when such reductions take effect, perform the reduction of stated capital and distribution of the cash proceeds of same to the shareholders of the Corporation. If appropriate, this proposed cash distribution would be made to the shareholders of record on the day selected by the Board of Directors.

Shareholders of the Corporation are being asked to approve a special resolution, based on the draft special resolution attached to this circular as Appendix B, to authorize the Corporation's directors to choose the appropriate date for, provided that such date is forthwith upon completion of the Transaction and in compliance with the requirements of the TSX, and fix the amount of a return in capital and corresponding reduction in stated capital and if appropriate to proceed with a special cash distribution. In order for the special resolution regarding the eventual reduction of the stated capital of the Corporation and eventual cash distribution, to be approved, two-thirds (66 2/3) of Shares of the Corporation represented at the Meeting in person or by proxy must vote in favour of the adoption of this special resolution.

The Board of Directors recommend that shareholders of the Corporation vote in favour of the special resolution on the return of capital and corresponding reduction of stated capital and the cash distribution of the Shares to the shareholders of the Corporation.

The persons named in the attached proxy form intend to vote in favour of the special resolution attached as Appendix B, unless the shareholder who signed the proxy has indicated his intention to abstain from voting or to vote against this resolution.

Certain Canadian Federal Income Tax Considerations

In the opinion of McCarthy Tétrault, counsel to the Corporation, the following summary, as at the date of this Circular, fairly presents the principal Canadian federal income tax considerations with respect to the cash distribution made by way of return of capital and corresponding reduction in the stated capital of the Shares (the "**Cash Distribution**") generally applicable to common shareholders who, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and at all relevant times, deal at arm's length with and are not affiliated with the Corporation and hold their common shares as capital property.

The Shares will constitute capital property to a common shareholder unless any such shares are held in the course of carrying on a business of trading or dealing in shares or otherwise as part of a business of buying and selling securities, or such common shareholder has acquired such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain common shareholders who are resident in Canada for the purposes of the Tax Act whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such shares, and any other "Canadian security" (as defined in the Tax Act) owned in the taxation year of the election and all

subsequent taxation years, deemed to be capital property. Common shareholders contemplating making such an election should first consult their own tax advisors as such an election will affect the tax treatment for other Canadian securities held. Common shareholders who do not hold their Shares as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to common shareholders that are financial institutions for purposes of the mark-to-market provisions of the Tax Act. This summary also is not applicable to common shareholders an interest in which would be a "tax shelter investment" (as defined in the Tax Act). Any such common shareholders should consult their own tax advisors with respect to the Canadian federal income tax considerations of the return of capital that are applicable to such common shareholders.

This summary is based on the enacted provisions of the Tax Act and the regulations thereunder in force as at the date hereof, specific proposals to amend the Tax Act and the regulations thereunder that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency. This summary assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted in their present form, if at all, or that changes to the Canada Revenue Agency's administrative policy will not modify or change the statements expressed herein. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law, whether by legislative, regulatory, administrative or judicial action, nor does it take into account other federal tax legislation or provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described in this summary. No advance income tax ruling has been sought or obtained from the Canada Revenue Agency to confirm the tax consequences of the return of capital to common shareholders.

This summary does not address provincial tax matters or tax matters of any jurisdiction outside of Canada. Common shareholders who may be subject to tax in a foreign jurisdiction should consult their own tax advisors with respect to tax matters in that jurisdiction.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Cash Distribution. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal, business or tax advice to any particular common shareholder. No representations with respect to any tax consequences and considerations to any particular common shareholder are made.

The tax consequences and considerations to any particular common shareholder will depend on a variety of factors, including the common shareholder's own particular circumstances. Common shareholders should consult their own tax advisor regarding the tax consequences and considerations applicable to them with respect to the Cash Distribution.

Return of Capital by Public Corporations

Management has advised counsel that the anticipated paid-up capital of the Shares as at the date of the Cash Distribution will be not less than $92,105,510 for the Shares. Accordingly, this summary is based upon the assumption that the amount that will be paid by the Corporation to the common shareholders on the Cash Distribution will not exceed the paid-up capital for the purposes of the Tax Act of the common shares, and further that such amount will not be deemed to be a dividend for the purposes of the Tax Act. Subsection 84(4.1) normally deems a return of capital made by a public corporation to be a dividend unless the return of capital is derived from proceeds of disposition realized by the public corporation from a transaction that occurred outside the ordinary course of business of the Corporation and within the 24-month period preceding the payment. This exception should apply to the Cash Distribution provided that the PCA3 Asset Sale is outside the ordinary course of the Corporation's business and the Cash Distribution is paid to the common shareholders within 24 months from the date on which the PCA3 Asset Sale takes place.

If the Cash Distribution is deemed to be a dividend pursuant to the Tax Act, the provisions of the Tax Act regarding taxable dividends from taxable Canadian corporations would apply and the summary below would not be applicable.

Assuming that subsection 84(4.1) is inapplicable and does not apply to deem the Cash Distribution to be a dividend for the reasons discussed above and provided that the amount of the Cash Distribution will not exceed the paid-up capital per common share, a dividend should not be deemed to arise by virtue of such payment for purposes of the Tax Act.

Resident Shareholders

This portion of the summary is applicable to common shareholders who, at all relevant times and for the purposes of the Tax Act, are or are deemed to be residents of Canada (each, a "**Resident Shareholder**").

The amount received by a Resident Shareholder on the Cash Distribution must be deducted in computing the adjusted cost base to a Resident Shareholder of such Resident Shareholder's Shares, except to the extent the distribution is deemed to be a dividend. If the amount so required to be deducted from the adjusted cost base of Shares to a particular Resident Shareholder exceeds the adjusted cost base of such Shares to such Resident Shareholder immediately before such deduction, the excess will be deemed to be a capital gain of such Resident Shareholder from a disposition of such Shares.

The adjusted cost base of Shares to a Resident Shareholder is generally determined based on the total amount paid for all the Shares held by the Resident Shareholder (including any sales charges paid) minus the adjusted cost base of any Shares that the Resident Shareholder has previously disposed of.

Where the adjusted cost base of Shares to a Resident Shareholder is greater than the Cash Distribution on such Shares, the Resident Shareholder will not realize a capital gain or capital loss as a result of the distribution. However, the adjusted cost base of such Resident Shareholder's Shares must be reduced by the amount of the return of capital on such Shares.

A capital gain realized by a Resident Shareholder who is an individual may give rise to a liability for minimum tax. A Resident Shareholder that is throughout the year a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including taxable capital gains. However, on December 9, 2015, the Minister of Finance of Canada tabled Bill C-2 which proposes to increase the rate from 6 2/3% to 10 2/3% for all taxation years that end after 2015 (and such rate will be prorated for taxation years beginning before 2016 according to the number of days in the taxation year that are after 2015). This Bill has not yet been enacted.

Non-Resident Shareholders

This portion of the summary is applicable to common shareholders who, at all relevant times and for the purposes of the Tax Act, are not and are not deemed to be residents of Canada (each, a "**Non-Resident Shareholder**").

The amount received by a Non-Resident Shareholder on the Cash Distribution must be deducted in computing the adjusted cost base to a Non-Resident Shareholder of such Non-Resident Shareholder's Shares. Where the adjusted cost base of Shares to a Non-Resident Shareholder is greater than the Cash Distribution on such Shares, the Resident Shareholder will not realize a capital gain or capital loss as a result of the distribution. If the amount so required to be deducted from the adjusted cost base of Shares to a particular Non-Resident Shareholder exceeds the adjusted cost base of such Shares to such Non-Resident Shareholder immediately before such deduction, the excess will be deemed to be a capital gain of such Non-Resident Shareholder from a disposition of such Shares.

The adjusted cost base of the Shares to a Non-Resident Shareholder is generally determined based on the total amount paid for all the Shares held by the Non-Resident Shareholder (including any sales charges paid) minus the adjusted cost base of any Shares that the Non-Resident Shareholder has previously disposed of.

A Non-Resident Shareholder should not be subject to Canadian income tax under the Tax Act on any capital gain realized on any deemed disposition of Shares that results from the Cash Distribution unless such Shares constitute "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Shareholder.

The Shares generally will not constitute "taxable Canadian property" to a Non-Resident Shareholder unless, (A) at any time during the 60 month period immediately preceding the disposition, the following two conditions are met concurrently: (i) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length partnership in which the Non-Resident Shareholder or any such person holds an interest directly or by or through one or more partnerships, or the Non-Resident Shareholder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of the Corporation; and (ii) at such time, more than 50% of the fair market value of the common Shares of the Corporation was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act) or portions in respect of, or interests or rights in such property, whether or not such property exists, or (B) the Shares are otherwise deemed to be "taxable Canadian property".

Non-Resident Shareholders whose Shares are or may be taxable Canadian property should consult their own tax advisors regarding the tax consequences and considerations applicable to them of the Cash Distribution.

RISKS FACTORS

In evaluating whether to approve the Transaction, shareholders should carefully consider the following risk factors. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Corporation may also adversely affect the Transaction. The following risk factors are not a definitive list of all risk factors associated with the Transaction.

Risks relating to the Transaction

Completion of the Transaction is subject to several conditions that must be satisfied or waived

The completion of the Transaction is subject to a number of conditions precedents, some of which are outside of the control of the Corporation and Gen-Probe, including the shareholder approval. There can be no certainty, nor can the Corporation or Gen-Probe provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Transaction not being completed. If the Transaction is not completed for any reason, there are risks that the announcement of the Transaction and the dedication of substantial resources of the Corporation to the completion thereof could have a negative impact on the Corporation's current business relationships (including with future and prospective employees and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. In addition, failure to complete the Transaction for any reason could materially negatively impact the trading price of the Shares.

The Asset Purchase Agreement may be terminated by the Parties, in which case an alternative transaction may not be available to the Corporation.

Each of the Corporation and Gen-Probe has the right to terminate the Asset Purchase Agreement in certain circumstances. Accordingly, there is no certainty that the Asset Purchase Agreement will not be terminated before the completion of the Transaction. If the Asset Purchase Agreement is terminated, there is no guarantee that the potential of the PCA3 asset will be fully exploited. If the Transaction is not completed for any reason, there are risks that the announcement of the Transaction and the dedication of substantial resources of the Corporation to the completion thereof could have a negative impact on the Corporation's current business relationships (including with future and prospective employees and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. In addition, failure to complete the Transaction for any reason could materially negatively impact the trading price of the Shares.

The Corporation will incur costs and may have to pay a termination fee

Certain costs relating to the Asset Purchase Agreement, such as legal, accounting and certain financial advisor fees, must be paid by the Corporation even if the Transaction is not completed. If the Transaction is not completed, the Corporation may also be required to pay a termination fee to Gen-Probe under certain circumstances. If the Corporation is required to pay the Termination Payment under the Asset Purchase Agreement, the financial condition of the Corporation could be materially adversely affected.

There can be no assurance that the Corporation will continue to meet the continued listing requirements of the TSX following completion of the Transaction.

The Shares currently trade on the TSX. Following the completion of the Transaction, DiagnoCure's remaining operations will not meet the original listing requirements of the TSX. DiagnoCure will be required to meet the original listing requirements of the TSX and its capacity to meet same are contingent on future discussions held by the Corporation to optimize the value of its remaining assets. If the Corporation fails to meet these requirements or is unable to enter into another transaction or takes any other decision regarding the future of the Corporation, the Shares will be delisted from the TSX. If the Shares are not listed on the TSX or on an alternative exchange, there will be no public market through

which the Shares may be sold and traded and Shareholders may not be able to dispose of their Shares. This can be expected to affect the liquidity of Shares and the transparency and availability of trading prices.

Risks Relating to the Corporation

If the Transaction is not completed, the Corporation will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the Corporation's Annual Information Form for the year ended October 31, 2014 and other filings of the Corporation filed with the securities regulatory authorities which have been filed on SEDAR at www.sedar.com.

AUDITOR

DiagnoCure's auditor is Ernst & Young LLP, 2875 Laurier Blvd., Suite 410, Québec (Québec) G1V 0C7. The partners and employees of Ernst & Young LLP do not hold any of the issued and outstanding shares of the Corporation.

LEGAL MATTERS

Certain legal matters in connection with the Transaction will be passed upon for the Corporation by McCarthy Tétrault LLP.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed under "Interest of Certain Persons in Matters to be Acted Upon", no informed person (as defined in *Regulation 51-201 Respecting Continuous Disclosure Obligations*) of the Corporation, or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect the Corporation since November 1, 2014.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's comparative consolidated financial statements and the Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended October 31, 2014, which are contained in the Corporation's 2014 Annual Report, as well as in the 2014 Annual Information Form of the Corporation. The Annual Information Form also includes, under the heading "Audit and Risk Management Committee", additional information on the Audit and Risk Management Committee of the Corporation. Copies of these documents and additional copies of this Circular may be obtained on SEDAR at www.sedar.com or upon request to the Corporation at:

4535 Wilfrid-Hamel Blvd.
Suite 250,
Québec, Quebec G1P 2J7
Tel: (418) 527-6100
Fax: (418) 527-0240
Email: communications@diagnocure.com

APPROVAL OF THE CIRCULAR

The content and the transmission of this Circular have been approved by the Board of Directors of the Corporation on January 14, 2016.

DATED at Québec, Quebec, January 14, 2016

(s) Danielle Allard

Danielle Allard
Corporate Secretary

CONSENT OF MCCARTHY TÉTRAULT LLP

We have read the management information circular (the "**Circular**") of DiagnoCure Inc. (the "**Corporation**") dated January 14, 2016 relating to the special meeting of the shareholders of the Corporation to approve the Transaction and other ancillary matters. We consent to the inclusion in the Circular of our opinion contained under "Certain Canadian Federal Income Tax Considerations" and references to our firm name and our opinion therein.

(s) "*McCarthy Tétrault LLP*"
Québec City, Canada
January 14, 2016

CONSENT OF KPMG LLP

We refer to the Fairness Opinion of our firm dated December 23, 2015 (the "**Fairness Opinion**") forming part of the management information circular (the "**Circular**") of DiagnoCure Inc. (the "**Corporation**") dated January 14, 2016 relating to the special meeting of the shareholders of the Corporation to approve the Transaction and other ancillary matters. We prepared the Fairness Opinion for the Board of Directors of the Corporation and we hereby consent to its inclusion in the Circular and references to our firm name and our opinion therein. The Fairness Opinion was given as at December 23, 2015 and remains subject to the assumptions, qualifications and limitations contained therein.

(s) "KPMP LLP"
Montreal, Canada
January 14, 2016

APPENDIX A -
SPECIAL RESOLUTION APPROVING THE TRANSACTION

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT**:

(a) the execution and delivery by the Corporation of the asset purchase agreement entered into between the Corporation and Gen-Probe Incorporated as of December 23, 2015 (the "**Asset Purchase Agreement**"), the performance by the Corporation of its obligations under the Asset Purchase Agreement, the consummation by the Corporation of all transactions contemplated by the Asset Purchase Agreement (including, without limitation, the sale by the Corporation to Gen-Probe Incorporated of all of the Corporation's right, title and interest in and to the Purchased Assets, as that term is defined and determined in the Asset Purchase Agreement (the "**PCA3 Asset Sale**")), and the actions of the officers of the Corporation in executing and delivering the Asset Purchase Agreement and any amendments thereto be and are hereby ratified, approved and confirmed;

(b) the execution, delivery and performance by the Corporation of all other agreements, documents, certificates and instruments contemplated by the Asset Purchase Agreement (the "**Related Documents**"), and the actions of the officers of the Corporation in executing and delivering the Related Documents and any amendments thereto be and are hereby ratified, approved and confirmed;

(c) notwithstanding that this resolution has been duly passed by the shareholders, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Corporation to amend the Asset Purchase Agreement to the extent permitted thereby, or, subject to the terms of the Asset Purchase Agreement, not to proceed with the PCA3 Asset Sale; and

(d) any one or more directors or officers of the Corporation is hereby authorized and directed to perform all such acts, deeds and things and to execute, under corporate seal of the Corporation or otherwise, and deliver all such documents and other writings as may be required to give effect to the true intent of this resolution."

In order to be adopted, the above special resolution must be approved by two-thirds (66 2/3 %) of the votes cast in person or by proxy on the matter at the Meeting by shareholders entitled to vote.

APPENDIX B -

SPECIAL RESOLUTION REGARDING THE REDUCTION OF STATED CAPITAL

"**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

(a) The directors of the Corporation are hereby authorized, without further action by the shareholders and provided that the Transaction contemplated pursuant to the asset purchase agreement entered into between the Corporation and Gen-Probe Incorporated as of December 23, 2015 is completed, to pay a special distribution to shareholders of $5,200,000, in cash, by way of a return of capital and corresponding reduction in the stated capital of the common shares of the Corporation. The directors may fix the exact amount of the return of capital and corresponding reduction of the stated capital in respect of the common shares of the Corporation, determine the precise date when such reductions take effect, perform the reduction of stated capital and distribute cash proceeds of the return of capital and corresponding reduction of stated capital;

(b) If appropriate, this proposed cash distribution will be made to the shareholders of record of the Corporation on the day selected by the directors in accordance with the requirements of the Toronto Stock Exchange;

(c) Any director or officer of the Corporation is authorized, on behalf of the Corporation, to sign or have signed or to deliver or have delivered all documents and instruments, or to take or have taken any other measures, as such director or officer considers necessary or desirable to give effect to this resolution; and

(d) The Board of Directors of the Corporation is hereby authorized to revoke this resolution, at its own discretion, before it is acted upon, without it being necessary to seek further shareholder approval."

In order to be adopted, the above special resolution must be approved by two-thirds (66 2/3 %) of the votes cast in person or by proxy on the matter at the Meeting by shareholders entitled to vote.

APPENDIX C -
KPMG FAIRNESS OPINION

KPMG LLP
Chartered Accountants
600 de Maisonneuve Blvd. West
Suite 1500
Montréal, Québec H3A 0A3

PRIVATE & CONFIDENTIAL

December 23, 2015

Board of Directors
DiagnoCure Inc.
4535 Wilfrid-Hamel Blvd, Suite 250
Québec (QC) G1P 2J7

Object: Proposed transaction with Hologic, Inc. – Fairness Opinion

1. Introduction

We, KPMG LLP ("**KPMG**"), understand that DiagnoCure Inc. ("**DiagnoCure**") announced on December 23, 2015 the execution of an asset purchase agreement with Gen-Probe Incorporated ("**Gen-Probe**"), a wholly-owned subsidiary of Hologic, Inc. ("**Hologic**"), pursuant to which Gen-Probe has agreed to acquire all assets related to DiagnoCure's PCA3 prostate cancer biomarker (the "**PCA3 Asset Sale**") for CAD$ 6,534,740 (the "**Purchase Price**").

We further understand that:

- The Purchase Price will consist of:

    i. CAD$ 5,500,000 in cash consideration to DiagnoCure; and

    ii. The repurchase by DiagnoCure of 4,900,000 series A convertible preferred shares of DiagnoCure held by Gen-Probe (the "**Share Repurchase**", together with the PCA3 Asset Sale, the "**Transaction**") at a value of CAD$ 1,034,740.

- As part of the arrangement, Gen-Probe will obtain a right of first refusal to license DiagnoCure's new multi-marker prostate cancer test ("**PCP**") in the field of high-volume *in vitro* diagnostic ("**IVD**") testing under specific conditions.

The Board of Directors of DiagnoCure ("**Board of Directors**") retained KPMG to provide its professional opinion as to the fairness of the Transaction, from a financial point of view ("**Fairness Opinion**"), to the common shareholders of DiagnoCure, as at December 23, 2015 (the "**Opinion Date**").

2. Fairness Opinion

A "fairness opinion" is a special opinion letter addressed by a financial advisor to a committee or a board of directors (or any similar group) of an entity, which contemplates an important transaction, which letter attests as to the fairness of a transaction from a financial point of view. The examination is limited to the adequacy of the consideration, i.e. to the equitable nature of the exchange and not as to the sufficiency of the consideration from a strategic or legal point of view.

A fairness opinion does not ensure that the best price was obtained; it constitutes the impartial judgment of an expert and is not a statement of facts.

3. Engagement of KPMG

KPMG initially held discussions with a representative of the Board of Directors in November 2015 to discuss its qualifications as an independent valuator and its ability to provide valuation advice in connection with the Transaction. KPMG was formally engaged by the Board of Directors by letter dated December 2, 2015 (the "**Engagement Agreement**") to provide the Fairness Opinion. The terms of the Engagement Agreement specify that KPMG is to be paid a fixed fee and is to be reimbursed for its reasonable out-of-pocket expenses to complete the Fairness Opinion. KPMG is also being indemnified by DiagnoCure in respect of certain liabilities which may be incurred by KPMG in connection with the provision of its services. No part of KPMG's fee is contingent upon the conclusions reached in this Fairness Opinion or on the successful execution of the Transaction.

4. Independence and Credentials of KPMG

KPMG is one of the world's largest professional services organizations, offering a broad range of professional services. KPMG's corporate finance and valuation professionals have significant experience in advising companies for various purposes, including securities law compliance, fairness opinions, mergers and acquisitions, business valuation and litigation matters, amongst other things. The Fairness Opinion expresses the opinion of KPMG as a firm and the form and content herein has been approved for release by selected partners, each of whom is a member of the Canadian Institute of Chartered Business Valuators and experienced in mergers, acquisitions, divestitures and valuation matters.

We believe that the engagement team assigned to this engagement is independent of DiagnoCure and Gen-Probe, and is acting objectively. The members of the engagement team assigned to this engagement have no present or contemplated interest in DiagnoCure, Gen-Probe or Hologic, nor are they insiders or associates of DiagnoCure, Gen-Probe or Hologic.

5. Scope of Review

In connection with preparing and rendering the Fairness Opinion, KPMG has reviewed, and where it considered appropriate, relied upon, the following information:

- DiagnoCure's annual reports, including audited consolidated financial statements for the fiscal years ("**FY**") ended October 31, 2011 through 2014, as reported upon by Ernst & Young, LLP;
- DiagnoCure's draft financial statements for FY2015;
- Budget prepared by DiagnoCure for FY2016;
- DiagnoCure's income tax return for FY 2014;
- Draft version of the Asset Purchase Agreement pertaining to the Transaction, dated December 16, 2015;
- Various presentations prepared by DiagnoCure for Board of Directors meetings for FY2013 to FY2015;

- Minutes and resolutions from board of directors meetings for FY2013 to FY2015;
- Various email exchanges between DiagnoCure and Hologic/Gen-Probe pertaining to the Transaction;
- Copy of the license, development and cooperation agreement between DiagnoCure and Gen-Probe pertaining to PCA3 (the "**License**"), dated November 19, 2003;
- Amendment No. 1 to the License, dated May 24, 2006;
- Amendment No. 2 to the License, dated April 28, 2009; and
- Various financial analyses prepared by DiagnoCure related to the expected future cash flows to be generated under the License if the Transaction is not completed, including various scenarios and supporting assumptions.

In arriving at our conclusions, we have held discussions with the following individuals to gain a better understanding of the operations of DiagnoCure, as well as to obtain additional information and confirm various assumptions:

- Frédéric Boivin, Senior Director, Finances and Administration (Interim Chief Financial Officer), DiagnoCure; and
- Richard Bordeleau, Special Advisor to the Board of Directors, DiagnoCure.

Finally, we have obtained and relied upon additional information and analysis relating to the industry, financial markets and economic activity in markets where DiagnoCure is active, as we have determined necessary and appropriate under the circumstances.

6. Restrictions, limitations and assumptions

The Fairness Opinion has been provided for the use of the Board of Directors and for inclusion in an information circular (the "**Information Circular**" or "**Circular**") to be sent to the shareholders of DiagnoCure in connection with the Transaction, and may not be used by any other person or relied upon by any other person without the express prior written consent of KPMG. KPMG will assume no responsibility for losses incurred by DiagnoCure, Gen-Probe, their shareholders, directors, or any other parties as a result of the circulation, publication, reproduction or use of this letter contrary to the provisions of this paragraph.

KPMG has relied upon the completeness, accuracy and fair representation of all financial and other information, data, advice, opinions or representations obtained by it from public sources, and from the management of DiagnoCure (collectively, the "**Information**"). The validity of our conclusions is conditional upon the completeness, accuracy and fair representation of such Information. Subject to the exercise of professional judgment, KPMG has not attempted to verify independently the completeness, accuracy or fair representation of any of the Information. In addition, KPMG has presumed that the budgets and estimates of a financial nature obtained were prepared in good faith.

The conclusions of KPMG are based upon the state of the financial markets and the economic conditions as at the Opinion Date, as well as the financial information and forecasts of DiagnoCure, as reflected in the Information presented to KPMG. For the purposes of its analyses and of the

rendering of the Fairness Opinion, KPMG has made several assumptions with respect to the performance of PCA3, DiagnoCure and its sector, the general economic conditions and other matters; many such factors are not within the control of KPMG or of DiagnoCure.

The Fairness Opinion is given as at December 23, 2015 with respect to the Transaction. KPMG disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion, which would have been known or expected to be known as of that date, but may come or be brought to KPMG's attention after such date. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, KPMG reserves the right to change, modify or withdraw the Fairness Opinion at any time prior to completion of the Transaction. Moreover, KPMG reserves the right, but will be under no obligation, to complete any additional analyses that might subsequently be required, following the receipt of such additional information.

KPMG believes that the Fairness Opinion should be considered as a whole and that selecting portions of our analyses could create a misleading view of the methodologies and approaches underlying our conclusion. The preparation of a Fairness Opinion is a complex process and not necessarily susceptible to a partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

No opinion, consultation or interpretation is given on any factor requiring appropriate legal or professional advice. We assume that the reader will obtain or has obtained any such advice, consultation or interpretation from appropriate professional sources. KPMG assumes no liability in connection with any legal issues relating to assets, properties or business interests or compliance with applicable laws, regulations or policies.

Our letter cannot be construed as a recommendation to invest, sell or otherwise finance DiagnoCure.

KPMG is a registered Limited Liability Partnership established under the laws of the Province of Ontario and registered in Quebec as an extra-provincial entity. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of KPMG that arise from a negligent act or omission by another partner or any person under that other partner's direct supervision or control.

In connection with our mandate, we have, in addition, assumed the following:

- The historical results of DiagnoCure and PCA3 are accurate representations of their financial contribution during the corresponding periods. All information, financial and otherwise, which we have received over the course of this engagement is accurate and reasonable;
- Since the date at which the Information has been provided, there has been no material change, financial or otherwise, in the financial position of DiagnoCure or its assets (redundant or otherwise), liabilities (contingent or otherwise), business, operations or prospects;
- There has been no change in any material fact that could render the Information untrue or mislead our analysis, or which could reasonably be expected to have a material effect on the conclusion expressed in the current Fairness Opinion;
- DiagnoCure had no significant contingent liabilities, unusual contractual obligations or substantial commitments, other than in the ordinary course of business, or litigation pending or threatened, other than as noted herein, as at the Opinion Date. All potential liabilities and

provisions (warranties, work in progress, employee related costs, etc.) related to discontinued operations have been accounted for in the books and records of DiagnoCure or have been disclosed to KPMG; and

- The management of DiagnoCure ("**Management**") is not aware of any material information, which was not disclosed to us, that could significantly affect the conclusion of the Fairness Opinion.

The decision to complete or to recommend the Transaction or not is strictly the responsibility of the Board of Directors. Our Fairness Opinion cannot, in any way, be perceived as a recommendation to DiagnoCure or to the members of its Board of Directors to complete the Transaction or not. The Fairness Opinion was provided to the Board of Directors in consideration of their evaluation of the Transaction and does not address any other aspect of the Transaction or the other matters to be considered at the special meeting of the shareholders of Diagnocure to be called and held to consider and vote on a special resolution approving the Transaction. The Fairness Opinion does not constitute a recommendation as to how shareholders should vote or not with respect to the Transaction.

7. DiagnoCure and PCA3

DiagnoCure was founded in 1994 and is headquartered in Quebec City, Canada. DiagnoCure is a biotechnology company that develops and commercializes cancer diagnostic tests for the detection and management of cancer.

DiagnoCure primarily focuses on molecular and genomic diagnostic tests to support effective clinical decisions enabling personalized medicine in oncology. It has developed the Previstage GCC colorectal cancer staging test for use in colon cancer management, and is currently developing its PCP multimarker prostate cancer diagnostic test. DiagnoCure granted to Gen-Probe under the License a worldwide exclusive license for the development and commercialization of a molecular test for the detection and measurement of PCA3 as a marker for prostate cancer.

Shares of DiagnoCure have been traded on the Toronto Stock Exchange ("**TSX**") since 1999.

Between FY2011 and FY2015 DiagnoCure's revenues fell by $726,409 from $1,241,781 to $515,372.

Since FY2013, DiagnoCure's revenues have been mainly associated to PCA3 royalties paid by Gen-Probe under the License. We understand that the decrease in revenues since FY2013 has been mainly attributable to the decrease in PCA3 U.S. and Europe-based royalty revenues. As a result, revenues associated to PCA3 decreased by 24.0% from $671,228 to $510,382 between FY2013 and FY2015.

8. KPMG Analyses

The assessment of fairness from a financial point of view must be determined in the context of the Transaction. KPMG has based its analyses and conclusion in connection with the Fairness Opinion on methods and techniques that KPMG considered appropriate in the circumstances.

In order to assess the fairness of the Transaction from a financial point of view to the common shareholders of DiagnoCure, KPMG reviewed and considered the following, amongst other things:

- *Analysis by KPMG of the net present value of PCA3 under the License and comparison to the Purchase Price and terms of the Transaction:*

  The discounted cash flow approach has been used to determine the net present value ("**NPV**") of PCA3 under the License. The DCF approach seeks to discount after-tax cash flows at an appropriate discount rate which reflects the business risk associated to the cash flows.

  Subject to the restrictions, limitations and assumptions contained herein, we have concluded that the Purchase Price offered under the terms of the Transaction is equivalent or higher than the NPV of the cash flows associated to PCA3 under the License in place at the Opinion Date. In our analysis of the Purchase Price, we have considered the fact that the Share Repurchase will be realized for an amount that is significantly lower than the liquidation value of the series A convertible preferred shares of DiagnoCure held by Gen-Probe. This is a significant advantage for the common shareholders of DiagnoCure.

- *A comparison of the fair market value ("**FMV**") per common share of DiagnoCure prior to the Transaction and the fair market value per common share of DiagnoCure following the Transaction*:

  In order to determine whether the common shareholders of DiagnoCure are, from a financial point of view, in the same or in a better position as a result of the Transaction, KPMG compared the FMV per common share of DiagnoCure prior to the Transaction to its implied FMV per common share following the Transaction. KPMG determined that the FMV of a common share of Diagnocure following the Transaction is equal to or exceeds the FMV of a common share prior to the Transaction. In order to reach that conclusion, the adjusted net asset approach was used to determine the value of a DiagnoCure common share prior and after the Transaction.

9. Conclusion

Based upon and subject to the foregoing, KPMG is of the opinion that, as at the Opinion Date, the Purchase Price offered under the terms of the Transaction is fair from a financial point of view to the common shareholders of DiagnoCure.

(s) "*KPMP LLP*"

KPMG LLP

APPENDIX D -

PROVISIONS RELATING TO THE RIGHT TO DEMAND REPURCHASE OF SHARES AT CHAPTER XIV OF THE BUSINESS CORPORATIONS ACT (QUÉBEC)

CHAPTER XIV

RIGHT TO DEMAND REPURCHASE OF SHARES

DIVISION I

GENERAL PROVISIONS

§ 1. — Conditions giving rise to right

372. The adoption of any of the resolutions listed below confers on a shareholder the right to demand that the corporation repurchase all of the person's shares if the person exercised all the voting rights carried by those shares against the resolution:

(1) an ordinary resolution authorizing the corporation to carry out a squeeze-out transaction;
(2) a special resolution authorizing an amendment to the articles to add, change or remove a restriction on the corporation's business activity or on the transfer of the corporation's shares;
(3) a special resolution authorizing an alienation of corporation property if, as a result of the alienation, the corporation is unable to retain a significant part of its business activity;
(4) a special resolution authorizing the corporation to permit the alienation of property of its subsidiary;
(5) a special resolution approving an amalgamation agreement;
(6) a special resolution authorizing the continuance of the corporation under the laws of a jurisdiction other than Québec; or
(7) a resolution by which consent to the dissolution of the corporation is withdrawn if, as a result of the alienation of property begun during the liquidation of the corporation, the corporation is unable to retain a significant part of its business activity.

The adoption of a resolution referred to in any of subparagraphs 3 to 7 of the first paragraph confers on a shareholder whose shares do not carry voting rights the right to demand that the corporation repurchase all of the person's shares.

373. The adoption of a special resolution described in section 191 confers on a shareholder holding shares of the class or series specified in that section the right to demand that the corporation repurchase all of the person's shares of that class or series. That right is subject to the shareholder having exercised all the person's available voting rights against the adoption and approval of the special resolution.

That right also exists if all the shares held by the shareholders are of the same class; in that case, the right is subject to the shareholder having exercised all of the person's available voting rights against the adoption of the special resolution.

373.1. Despite section 93, non-fully paid shares also confer the right to demand a repurchase.

374. The right to demand a repurchase conferred by the adoption of a resolution is subject to the corporation carrying out the action approved by the resolution.

375. A notice of a shareholders meeting at which a special resolution that could confer the right to demand a repurchase may be adopted must mention that fact.

The action approved by the resolution is not invalidated solely because of the absence of such a mention in the notice of meeting.

Moreover, if the meeting is called to adopt a resolution described in section 191 or in any of subparagraphs 3 to 7 of the first paragraph of section 372, the corporation notifies the shareholders whose shares do not carry voting rights of the possible adoption of a resolution that could give rise to the right to demand a repurchase of shares.

§ 2. — Conditions for exercise of right and terms of repurchase

I. — Prior notices

376. Shareholders intending to exercise the right to demand the repurchase of their shares must so inform the corporation; otherwise, they are deemed to renounce their right, subject to Division II.

To inform the corporation of the intention to exercise the right to demand the repurchase of shares, a shareholder must send a notice to the corporation before the shareholders meeting or advise the chair of the meeting during the meeting. In the case of a shareholder described in the second paragraph of section 372 none of whose shares carry voting rights, the notice must be sent to the corporation not later than 48 hours before the shareholders meeting.

377. As soon as a corporation takes the action approved by a resolution giving rise to the right to demand a repurchase of shares, it must give notice to all shareholders who informed the corporation of their intention to exercise that right.

The repurchase notice must mention the repurchase price offered by the corporation for the shares held by each shareholder and explain how the price was determined.

If the corporation is unable to pay the full redemption price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, the repurchase notice must mention that fact and indicate the maximum amount of the price offered the corporation will legally be able to pay.

378. The repurchase price is the fair value of the shares as of the close of the offices of the corporation on the day before the resolution conferring the right to demand a repurchase is adopted.

When the action approved by the resolution is taken following a take-over bid with respect to all the shares of a class of shares issued by a corporation that is a reporting issuer and the bid is closed within 120 days before the resolution is adopted, the repurchase price may be determined to be the fair value of the shares on the day before the take-over bid closed if the offeror informed the shareholders, on making the take-over bid, that the action would be submitted to shareholder authorization or approval.

379. The repurchase price of all shares of the same class or series must be the same, regardless of the shareholder holding them.

However, in the case of a shareholder holding non-fully paid shares, the corporation must subtract the unpaid portion of the shares from the repurchase price offered or, if it cannot pay the full repurchase price offered, the maximum amount that it can legally pay for those shares.

The repurchase notice must mention the subtraction and show the amount that can be paid to the shareholder.

380. Within 30 days after receiving a repurchase notice, shareholders must confirm to the corporation that they wish to exercise their right to demand a repurchase. Otherwise, they are deemed to have renounced their right.

The confirmation may not be limited to only part of the repurchasable shares. It does not affect a shareholder's right to demand an increase in the repurchase price offered.

II. —Payment of repurchase price

381. A corporation must pay the offered repurchase price to all shareholders who confirmed their decision to exercise their right to demand the repurchase of their shares within 10 days after such confirmation.

However, a corporation that is unable to pay the full repurchase price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In that case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

III. — Increase in repurchase price

382. To contest a corporation's appraisal of the fair value of their shares, shareholders must notify the corporation within the time given to confirm their decision to exercise their right to demand a repurchase.

Such contestation is a confirmation of a shareholder's decision to exercise the right to demand a repurchase.

383. A corporation may increase the repurchase price offered within 30 days after receiving a notice of contestation.

The increase in the repurchase price of the shares of the same class or series must be the same, regardless the shareholder holding them.

384. If a corporation does not follow up on a shareholder's contestation within 30 days after receiving a notice of contestation, the shareholder may ask the court to determine the increase in the repurchase price. The same applies when a shareholder contests the increase in the repurchase price offered by the corporation.

The shareholder must, however, make the application within 90 days after receiving the repurchase notice.

385. As soon as an application is filed under section 384, it must be notified by the corporation to all the other shareholders who are still contesting the appraisal of the fair value of their shares or the increase in the repurchase price offered by the corporation.

386. All shareholders to whom the corporation notified the application are bound by the court judgment.

387. The court may entrust the appraisal of the fair value of the shares to an expert.

388. The corporation must, without delay, pay the increase in the repurchase price to all shareholders who did not contest the increase offered. It must pay the increase determined by the court to all shareholders who, under section 386, are bound by the court judgment, within 10 days after the judgment.

However, a corporation that is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In such a case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

DIVISION II

SPECIAL PROVISIONS FOLLOWING FAILURE TO NOTIFY SHAREHOLDERS

389. If shareholders were unable to inform the corporation of their intention to exercise the right to demand the repurchase of their shares within the period prescribed by section 376 because the corporation failed to notify

them of the possible adoption of a resolution giving rise to that demand, they may demand the repurchase of their shares as though they had informed the corporation and had voted against the resolution.

Shareholders entitled to vote may not exercise the right to demand the repurchase of their shares if they voted in favour of the resolution or were present at the meeting but abstained from voting on the resolution.

A shareholder is presumed to have been notified of the proposed adoption of the resolution if notice of the shareholders meeting was sent to the address entered in the security register for that shareholder.

390. A shareholder must demand the repurchase of shares within 30 days after becoming aware that the action approved by the resolution conferring the right to demand a repurchase has been taken. However, the repurchase demand may not be made later than 90 days after that action is taken.

391. As soon as the corporation receives a repurchase demand, it must notify the shareholder of the repurchase price it is offering for the shareholder's shares. The repurchase price offered for the shares of a class or series must be the same as that offered to shareholders, if any, who exercised their right to demand a repurchase after informing the corporation of their intention to do so in accordance with Division I.

392. The corporation may not pay the repurchase price offered to the shareholder if such payment would make it unable to pay the maximum amount mentioned in the repurchase notice sent to the shareholders who informed the corporation, in accordance with section 376, of their intention to exercise their right to demand the repurchase of their shares.

If the corporation cannot pay to the shareholder the full amount offered to the shareholder, the directors are solidarily liable for payment to the shareholder of the sums needed to complete the payment of that amount. The directors are subrogated to the shareholder's rights against the corporation, up to the sums they have paid.

DIVISION III

SPECIAL PROVISIONS WITH RESPECT TO BENEFICIARY

393. A beneficiary who may give instructions to a shareholder as to the exercise of rights attaching to a share has the right to demand the repurchase of that share as though the beneficiary were a shareholder; however, the beneficiary may only exercise that right by giving instructions for that purpose to the shareholder. The beneficiary's instructions must allow the shareholder to exercise the right in accordance with this chapter.

394. A shareholder is required to notify the beneficiary of the calling of any shareholders meeting at which a resolution that could give rise to the right to demand a repurchase may be adopted, specifying that the beneficiary may exercise that right as though the beneficiary were a shareholder.

The shareholder is presumed to have fulfilled that obligation if the beneficiary is notified in accordance with any applicable regulations under the Securities Act (chapter V-1.1).

395. A shareholder must inform the corporation of the identity of a beneficiary who intends to demand the repurchase of shares, and of the number of shares to be repurchased, within the period prescribed by section 376.

396. A shareholder who demands the repurchase of shares in accordance with the instructions of a beneficiary may demand the repurchase of part of the shares to which that right is attached.

397. The beneficiary's claim with respect to shares for which the full repurchase price could not be paid, as well as the other rights granted to a beneficiary under this chapter, may be exercised directly against the corporation. Likewise, after the repurchase price has been fully paid, the rights granted to a beneficiary under this chapter regarding an increase in the repurchase price may be exercised directly against the corporation.

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITOR

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