

ANNUAL INFORMATION FORM

For the fiscal year ended July 31, 2025

Dated November 26, 2025



DEVONIAN HEALTH GROUP INC.

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PRELIMINARY COMMENTS

In this annual information form (“**Annual Information Form**”), unless the context otherwise requires, Devonian Health Group Inc. is referred to as the “**Corporation**” or “**Devonian**”. The information in this Annual Information Form is dated as of July 31, 2025, unless indicated otherwise.

Unless otherwise indicated in this Annual Information Form, all references to “\$”, “CAD” or “dollars” refer to Canadian dollars and all references to “US\$” or “USD” refer to United States (“**U.S.**”) dollars.

FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, contained in this Annual Information Form including, but not limited to, those relating to the Corporation’s future results, the Corporation’s development activities, the economic performance and product development efforts, as well as the Corporation’s achievement of milestones, the future outlook, corporate development and strategy of the Corporation, the Corporation’s projected capital expenditures, environmental regulation and compliance, the ability to obtain sufficient financing and the permitting required for the development of the Corporation’s projects, business opportunities that become available to, or are pursued by the Corporation, and any information as to the future plans and outlook for the Corporation, constitute “forward-looking information” or “forward-looking statements” (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian securities legislation, and are based on expectations, estimates and projections as of the time of this Annual Information Form. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect, they are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Moreover, these forward-looking statements are based upon various underlying factors and assumptions, including general business and economic conditions; the limited financial resources available to the Corporation, the availability of financing or financing on favorable terms for the Corporation, the ability of the Corporation to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the uncertainty regarding regional and global financial stability; the dependence of the Corporation’s operations on an uninterrupted supply of production inputs, and other supplies and resources; the supply and demand for, deliveries of, and the level and volatility of prices for pharmaceutical products; changes in production performance; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the Corporation’s ability to protect its intellectual property; the Corporation’s ability to complete research and development work; the Corporation’s ability to obtain and maintain regulatory authorizations to market its product, the general economic conditions associated with global pandemics or any other public health crises, the outbreak of wars in the world; increased costs, delays, suspensions and technical challenges associated with the development of the Corporation’s project; the ability to attract and retain skilled staff; development and production timetables; competition and market risks of the pharmaceutical industry; pricing pressures; the fact that certain business improvement initiatives are still in the early stages of evaluation, and additional engineering and other analysis is required to fully assess their impact; the fact that certain of the initiatives described in this Annual Information Form are still in the early stages and may not materialize; business continuity and crisis management; current technological trends; the business relationship between the Corporation and its stakeholders; the ability to operate in a safe and

effective manner; the timely delivery and installation of the equipment supporting the production; changes in laws and regulations affecting the Corporation's businesses, environmental regulation risk, currency and exchange rate risk, technological developments, capital expenditure, cash flow and capital structure risks, the Corporation's business prospects, opportunities and estimates of the operational performance of the equipment and those factors discussed in the section entitled "Risk Factors" in this Annual Information Form. Unpredictable or unknown factors not discussed in this cautionary statement could also have material adverse effects on forward-looking statements.

The words "may", "would", "could", "will", "should", "expect", "intend", "aim", "attempt", "anticipate", "believe", "study", "target", "estimate", "forecast", "predict", "outlook", "mission", "aspire", "plan", "schedule", "potential", "progress", or the negative of these terms or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could", "would", or "should", "might", or "making progress", "working towards", "will occur" or "will be achieved" and similar expressions identify forward-looking statements.

The above list is non-exhaustive and non-exclusive. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements.

The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

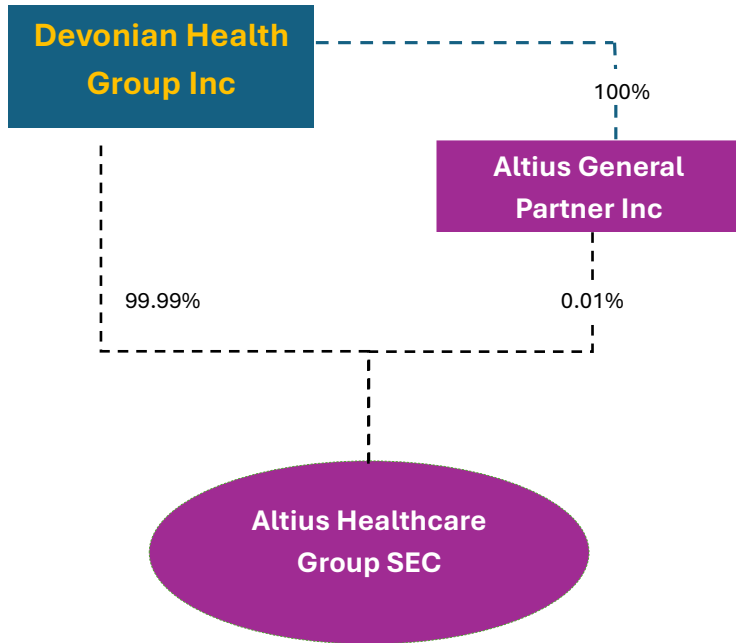
The Corporation was formed on May 12, 2017, pursuant to the *Canada Business Corporation Act* (the "CBCA") under the name "Devonian Health Group Inc. / Groupe Santé Devonian Inc." ("Devonian"), as a result of the amalgamation of "Orletto Capital Inc. / Capital Orletto Inc.", a capital pool company, and "Devonian Health Group Inc. / Groupe Santé Devonian Inc.", a private company located in Montmagny, Québec.

The Corporation's head and registered office is located at 360 rue des Entrepreneurs, Montmagny, Québec, G5V 4T1 and our telephone number is 1 (581) 632-0692.

INTERCORPORATE RELATIONSHIPS

As of the date of this Annual Information Form, the Corporation beneficially owns 99.9% of the voting shares of Altius Healthcare Group L.P. ("Altius"), a limited partnership formed under the *Civil Code of Québec*. Altius's mission is to provide healthcare products designed to help people of all ages live healthier lives.

The following diagram illustrates the intercorporate relationships between the Corporation and its material subsidiary as at the date of this Annual Information Form:



GENERAL DEVELOPMENT OF THE BUSINESS

INTRODUCTION AND GENERAL OUTLOOK

Devonian is a biopharmaceutical company focused on developing and commercializing immunomodulatory treatments for inflammatory diseases with high unmet medical needs. Our current portfolio is comprised of treatment candidates with significant potential to address immune-mediated inflammatory diseases. Although inflammation is at the root of several known chronic health conditions^{1,2,3}, we focus on conditions in the areas of dermatology, gastroenterology, hepatology and fibrosis.

Our strategy is to identify and develop treatments against validated biological targets in inflammation and fibrosis that deliver a differentiated clinical profile that addresses major shortcomings of existing therapies in our targeted indications. We believe this strategy uniquely helps us to accelerate the development of our immunomodulatory drug candidate, targeting a significant and underserved market within inflammatory diseases. By addressing a critical innovation gap with a scalable therapeutic platform, we aim to maximize our probability of technical success while delivering strong capital efficiency and long-term returns for investors.

¹) Chen L., Deng H., Cui H., et al. Inflammatory responses and inflammation associated diseases in organs. *Oncotarget*, 9 (6):7204-7218, 2017.

² Hunter P. The inflammation theory of disease. *EMBO*, 13(11):968-970, 2012.

³ Bennett JM, Reeves G, Billman GE and Sturmborg JP. Inflammation-Nature’s way to efficiently respond to all types of challenges: Implications for understanding and managing the epidemic of chronic diseases. *Frontier in Medicine*, Vol 5: art 318, 2018.

OBJECTIVES

The Corporation's main commercial business objectives from the date of this Annual Information Form and for the current fiscal year ending July 31, 2026, subject to proper financing being secured in a timely manner, are, in no particular order, the following:

- We plan to conduct a 12-week Phase 2/3 clinical study of a topical formulation of Thykamine™ for the treatment of pediatric atopic dermatitis or eczema (for 3 months up to 17 years old);
- We are also planning a pivotal clinical study to evaluate a Thykamine™ formulation for the prevention of radiodermatitis associated with radiation therapy in patients with breast cancer;
- In the area of Gastroenterology, based on adequate funding levels, the Corporation could conduct a Phase 2b clinical study in mild-to-moderate distal Ulcerative Colitis. In the future, the Corporation is also planning to conduct a Phase 2 clinical study for the treatment of Eosinophilic Esophagitis;
- In the area of Liver Disease, specifically Metabolic Dysfunction-associated Steatohepatitis (MASH), our near-term strategy involves conducting additional preclinical studies to bridge Thykamine™'s observed effects from mouse models to human biology. Positive outcomes from these studies would support the advancement of Thykamine™ into a Phase 2 clinical trial;
- In the field of fibrosis, our immediate strategy involves performing additional preclinical studies to better characterize the potential impact of Thykamine™ on fibrosis-associated genes;
- Continuing the current distribution of two (2) products through Altius, namely the Pantoprazole Magnesium, until April 2026 and Cléo-35® ("Cléo-35®"). The license agreement with Takeda for the distribution of Dexlansoprazole was not renewed on April 17, 2025. In addition, the Corporation has been informed that the distribution contract for Pantoprazole magnesium will not be renewed after April 23, 2026. Given that Dexlansoprazole contributed over 90% of Altius' total revenues for fiscal 2025, the Corporation is currently assessing strategic options to mitigate the impact of this change. These options include the pursuit of partnerships with established pharmaceutical companies for the commercialization of other authorized generic molecules, as well as the potential divestment of its operations in this segment. A divestment from the generic pharmaceutical distribution sector would allow the Corporation to completely focus resources and focus on its core area of expertise — namely, the research and development of novel and innovative pharmaceutical therapies.

THREE-YEAR HISTORY

The events described below have influenced the general development of the business of the Corporation during the last three fiscal years of the Corporation ended July 31, 2023, 2024 and 2025 and up to the date of this Annual Information Form.

Fiscal Year Ended July 31, 2025, and up to the date of this Annual Information Form

Board and Management

Following the resignation of the Interim CFO Ms. Colette Laurin announced on October 7, 2024, and effective on January 5, 2025, the Corporation appointed Ms. Viktoria Krasteva as its new CFO on January 21, 2025. Ms. Krasteva took the position on February 17, 2025.

On March 20, 2025, Dennis Turpin was elected as director of the Corporation.

On March 20, 2025, MNP LLP (“**MNP**”) was appointed as the independent auditor of the Corporation for the fiscal year ending July 31, 2025.

On June 9, 2025, Dr. André Boulet was appointed as Chief Executive Officer of the Corporation, replacing Mr. Luc Gregoire who remained as Executive Vice-President Strategy of the Corporation on a part time basis.

On September 30, 2025, Mr. Jean Forcione resigned from his position as a member of the Board for personal reasons.

On November 5, 2025, Mr. Pierre Labbé was elected as director of the Corporation.

Corporate structure

On December 31, 2024, as a result of a corporate reorganization, Altius Healthcare Inc., a wholly owned subsidiary of Devonian Health Group Inc. (“Devonian”), transferred its assets and liabilities to Altius Healthcare Group L.P., a limited partnership.

Investor Relations

The engagement with Renmark Financial Communications Inc. (“**Renmark**”), signed on June 25, 2024, was terminated on March 27, 2025.

Security-Based Compensation

On October 8, 2024, the Board approved the grant of 3,298,611 stock options of the Corporation at an exercise price of \$0.16 for a period of 10 years from the date of grant and in accordance with the terms and conditions of the Corporation's stock option plan. These options granted to members of management are exercisable on their date of grant.

On December 23, 2024, the Corporation granted 1,535,715 stock options of the Corporation at an exercise price of \$0.19 for a period of 10 years from the date of grant and in accordance with the terms and conditions of the Corporation's stock option plan. These options granted to independent members of the Board are exercisable on their date of grant.

On June 9, 2025, the Board approved the grant of 1,288,596 stock options of the Corporation at an exercise price of \$0.15 for a period of ten years from the grant date and in accordance with the terms and conditions

of the Corporation's Stock Option Plan. Of those options, 438,596 were granted to an independent director of the Corporation and are exercisable on the grant date. The remaining 850,000 options were granted to employees of the Corporation (of which 500,000 were granted to an officer of the Corporation). 210,000 of these options are exercisable on the grant date while the other 640,000 vest in equal instalment over a period of 4 years at the grant anniversary date.

Financing and share capital

On October 7, 2024, the Corporation announced that it had amended its articles of amalgamation, in accordance with the approval by the shareholders at the Annual General and Special Meeting held on February 20, 2024. The amended articles created a new class of shares, consisting of an unlimited number of Shares which carries one vote per Share, converted each existing issued and outstanding Subordinate Voting Share into Shares, and after giving effect to the above-mentioned, repealed the following classes of shares of the Corporation and the rights, privileges, restrictions and conditions attached: (i) an unlimited number of Multiple Voting of the Corporation, (ii) an unlimited number of Exchangeable Voting Shares of the Corporation; and (iii) an unlimited number of Subordinate Voting Shares of the Corporation (collectively, the "Reclassification").

In December 2024 the Corporation repaid the entirety of its external debt.

On August 7, 2025, the Corporation announced the closing of a non-brokered private placement for aggregate gross proceeds of \$2,363,000. The Offering consisted of the issuance of 15,753,332 units of the Corporation at a price of \$0.15 per Unit. Each Unit consists of one voting share of the Corporation, and one Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Share at an exercise price of \$0.20 per Share for a period of 24 months from the date of issuance thereof.

On October 22, 2025, the Corporation completed a non-brokered private placement for aggregate gross proceeds of \$334,500.33. The Offering consisted of the issuance of 1,967,649 units of the Corporation at a price of \$0.17 per Unit. Each Unit consists of one common share of the Corporation and one Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Share at an exercise price of \$0.17 per Share for a period of 24 months from the date of issuance thereof.

Distribution revenues - Update

On February 7, 2025, the Corporation was informed that one of its licensors would not exercise its license renewal option for the distribution of Dexlansoprazole for an additional term. Revenue for Dexlansoprazole represented 93% total revenues for the fiscal year ended July 31, 2025. Altius continued selling Dexlansoprazole until April 17, 2025, when the license agreement was terminated, and continued to sell Pantoprazole Magnesium and Cleo-35® thereafter.

On August 18, 2025, the Corporation was informed that the same licensor would not exercise its license renewal option for the distribution of Pantoprazole magnesium, for an additional term, thus the license agreement will terminate on April 23, 2026. Pantoprazole Magnesium sales represent 5,6% of total distribution revenue for the year ended July 31, 2025.

Pediatric Atopic Dermatitis (AD) - Update

The Corporation continued the preparation of this study, with the help of its service providers, for the management of the clinical study and the manufacturing of the clinical supplies. The Corporation continues to track the qualifying production for clinical study creams within a leading global development and manufacturing organization, which provides drug substances, drug products and analytical services all throughout the life cycle of medicines. For the purposes of the clinical study, the formulation and conditioning of the product were subcontracted to a specialized service provider, which successfully produced the Thykamine™ cream required for the study. This subcontracting arrangement was limited to technical operations and does not in any way affect Devonian's exclusive manufacturing rights, which remain fully retained by the Corporation.

The Corporation also drafted the protocol for a planned 12-week, multicenter, phase II/III, randomized, double-blind, parallel-group vehicle-controlled clinical study investigating the safety and efficacy of two concentrations. (0.05% and 0.1%) of PUR 0110 (Thykamine™) cream applied twice daily in pediatric patients (aged 3 months to 17 years) with mild to moderate atopic dermatitis.

Radiodermatitis associated with radiotherapy - Update

A final version of the protocol was drafted and is being reviewed by a radio-oncologist. The protocol will evaluate the effectiveness of PUR 0110 (Thykamine™) cream 0.1% in the prevention of radiodermatitis in patients undergoing adjuvant radiotherapy for breast cancer. A specialized Thykamine™ cream formulation has been developed for this application. The formulation has successfully passed stability testing and is now ready for clinical trial implementation. The manufacturing site has been identified and prepared for production.

Metabolic Dysfunction-Associated Steatohepatitis (MASH)

Devonian has completed a study investigating the effects of Thykamine™ on liver disease progression in a widely used STAM™ mouse model of MASH at SMC Laboratories in Japan.

The MASH study demonstrates that Thykamine™ has anti-inflammatory and anti-fibrotic effects with the potential to target underlying disease pathology and therefore can stop the progression of the disease. Other studies are planned to further highlight the potential of use of Thykamine™ for the treatment of MASH.

Fibrosis

The effects of Thykamine™ on genes associated to fibrosis were measured as part of the above-mentioned MASH STAM™ mouse model study, where it was observed that Thykamine™ treatment was associated with down regulation of key genes associated with the progression of inflammatory diseases toward fibrosis.

The changes in gene expression observed following treatment with Thykamine™ provide further evidence of its potential benefit not only as anti-inflammatory medication and related diseases but may expand its potential use as antifibrotic medication for many chronic diseases in multiple organs. Devonian is currently planning to initiate other studies to further elucidate the potential use of Thykamine™ as an anti-fibrotic agent.

Patents update

Devonian has filed two (2) new provisional patents. The first filing was directed to the use of Thykamine™ for treating metabolic dysfunction-associated steatotic liver disease (MASLD), such as MASH. Backed by in vivo data, the provisional patent application displays the potential effectiveness of thylakoid extracts in treating and slowing the progression of (MASLD), such as MASH. The second filing was directed to Thykamine™ as an antifibrotic agent. Backed by in vivo data, the patent application displays the potential effectiveness of thylakoid extracts in treating and slowing the progression of fibrosis, and in downregulating several genes associated with fibrogenesis in several organs and tissues.

Fiscal Year Ended July 31, 2024

For the fiscal year ended July 31, 2024, the Corporation's primary focus was to prepare for the initiation of Thykamine™'s phase 2/3 clinical study in pediatric patients with mild-to-moderate atopic dermatitis with the help of its service providers for the manufacturing of the clinical study cream. The manufacturing processes were transferred to a leading global development and manufacturing organization. The production of qualification batches has been produced and met expected specifications. The Corporation also conducted various proof of concept pre-clinical efficacy studies in inflammation biomarker targeting and potency.

As for Altius, its primary focus for this period was the launch of the Dexlansoprazole by its distribution with independent pharmacies and various buying groups across Canada and expand the distribution of Cléo-35 and Pantoprazole Magnesium.

Thykamine™ Update

The Corporation performed a study on the mechanism of action of Thykamine™ which demonstrated that it could act at all phases of healing. In November 2023, the Corporation filed a Corporation Treaty ("PCT") patent application for Thykamine in wound healing and in May 2024, the notification of the publication of the patent was received from the World International Property (WIPO/PCT).

Patents Update

On February 20, 2024, the Corporation announced that the United States Patent and Trademark Office ("USPTO") issued Patent No. 11,723,938 B2 entitled *Thylakoid Extract Composition and Formulation for the Treatment of Inflammatory Bowel Disease*, covering a method of treating inflammatory bowel disease, such as ulcerative colitis and Crohn's disease, in humans with an effective amount of active thylakoid extract.

Purgenesis™ Anti-Aging Care Treatment Update

Discussions continued with several distributors both in Canada and the United States to find a potential partner to distribute the Purgenesis™ ("Purgenesis™") product line in Canada and the United States. The objective of the Corporation is to find the ideal business partner to sell the Purgenesis™ product line in specialty markets such as medical spas, surgical clinics and dermatologist offices.

Board of Directors and Management

On December 4, 2023, the Corporation announced that it had made changes to its management team and board of directors (the "Board") to focus its attention on strategic imperatives, to maximize short and long

term's revenue growth and to accelerate the clinical development program for Thykamine™ in patients suffering from atopic dermatitis.

Mr. Luc Grégoire, until this date, director of the Corporation, was appointed President and Chief Executive Officer of the Corporation, replacing Mr. Pierre Montanaro, who became President of Altius, the commercial subsidiary of the Corporation, in order to focus on stimulating the growth of its turnover.

Mr. David Baker, who was until this date a director of the Corporation, was appointed non-executive chairman of the Board, replacing Dr. André Boulet, in order to further devote his ongoing efforts to his role as Chief Scientific Officer, responsible for the Corporation's development strategy for its extensive research and development portfolio.

Mr. Ashish Chabria resigned from the Board for personal reasons.

On February 28, 2024, Ms. Kathryn J. Gregory joined the Board. Ms. Gregory has over 25 years of executive leadership experience in mid-sized and large start-ups, pharmaceutical and biotechnology companies.

In order to facilitate the necessary integration of all aspects of its development strategy, the Corporation announced, on June 3, 2024, that Dr. André P. Boulet had been appointed Chairman of the Board and Chief Operating Officer. Dr. Boulet, founder of the Corporation, has been a member of the Board since 2015. In addition to this position, Dr. Boulet continued to hold the position of Chief Scientific Officer, effective from August 2022.

Investor Relations

On June 25, 2024, the Corporation announced that it had retained the services of Renmark to support its investor relations activities, for an initial period of seven months ending December 31, 2024.

Security-Based Compensation

On February 21, 2024, the Corporation announced the renewal of the Corporation's stock option plan as amended and approved (the "**Option Plan**") by the required number of disinterested shareholders. Within the meaning of the policies of the TSX Venture Exchange (the "**Exchange**"), the Option Plan is a "fixed up to 20%" plan. Thus, 29,346,106 common shares of the Corporation (the "**Shares**") corresponding to 20% of the number of Shares in circulation as of January 9, 2024, are reserved for the grant of combined stock purchase options.

Issuances for Cash Consideration

On September 1, 2023, the Corporation announced that it has closed a private placement of 2,272,727 units of the Corporation (each, a "**September 2023 Unit**"), at a price of \$0.22 per September 2023 Unit, for aggregate gross proceeds of \$500,000. Each September 2023 Unit consisted of one Share and one Share purchase warrant (a "**September 2023 Warrant**"). Each September 2023 Warrant entitled its holder to purchase one Share at a price of \$0.28 per Share until September 1st, 2025.

On March 13, 2024, the Corporation announced that it has closed a private placement of 1,492,000 units of the Corporation (each, a "**March 2024 Unit**"), at a price of \$0.15 per March 2024 Unit, for aggregate gross proceeds of \$223,800. Each March 2024 Unit consisted of one Share and one Share purchase warrant (a

“**March 2024 Warrant**”). Each March 2024 Warrant entitled its holder to purchase one Share at a price of \$0.20 per Share until March 13, 2026.

Other

During the fiscal year ended July 31, 2024, and up to the date of this Annual Information Form, the Corporation granted 7,400,221 stock options to officers, members of the Board and employees of the Corporation, allowing them to acquire Common Shares at an exercise price ranging from \$0.125 to \$0.21 for a period of 10 years in accordance with the terms of the stock option plan. Of these stock purchase options granted, 7,200,221 are immediately exercisable.

During the financial year ended July 31, 2024, and up to the date of this Annual Information Form, 3,764,727 were issued, 36,393,037 warrants expired, and no warrants were exercised.

Fiscal Year Ended July 31, 2023

For the period between August 1, 2022 and July 31, 2023, the Corporation’s continued primary focus was to prepare for the initiation of **Thykamine™**’s phase 2 clinical study in pediatric patients with mild-to-moderate atopic dermatitis, investigate the possibility of a phase 2 clinical study in prevention of HFS associated with chemotherapy, prepare the initiation of the clinical study in the prevention of Radiodermatitis associated with radiotherapy and continue the development of a cell-based assay for **Thykamine™**’s stability program. As for Altius, its primary focus for this period was to strive to gain market share for Pantoprazole Magnesium by expanding its distribution with independent pharmacies and various buying groups across Canada and expand the distribution of Cléo-35[®] in the rest of Canada.

Thykamine™ Update

On October 6, 2022, the Corporation announced the publication of Thykamine™ positive phase 2 trial in adult patient with mild-to-moderate atopic dermatitis in the peer-reviewed Journal of Drugs in Dermatology.

On June 20, 2023, the Corporation announced that the USPTO issued a notice of allowance for U.S. patent application No. 16/998.004, titled “*Composition and Formulation for the Treatment of Inflammatory Disease*”, covering the use of Thykamine™ as to a method for treating inflammatory bowel disease such as ulcerative colitis and Crohn’s disease in a human subject with an effective amount of active thylakoid extract.

On November 17, 2023, the Corporation announced that it has filed a PCT patent application for seeking protection for thylakoids developed by the Corporation such as Thykamine™ in wound healing. The filing of this PCT application will give the Corporation the option of seeking patent protection in about 157 PCT contracting states.

Purgenesis™ Anti-Aging Care Treatment Update

Discussions has been initiated with several distributors both in Canada and the US to find a potential partner to distribute the Purgenesis™ product line in Canada and the USA. The objective of the Corporation is to find the ideal business partner to sell the Purgenesis™ product line in specialty markets such as medical spas, surgical clinics and dermatologist offices.

Board and Management

On August 29, 2022, the Corporation announced the appointment of (i) Mr. Pierre Montanaro as President and Chief Executive Officer of the Corporation; (ii) Dr. André P. Boulet as Chief Scientific Officer of the Corporation, and (iii) Ms. Sybil Dahan as Chairman of the Board. The Corporation also announced the appointment of Mr. Pierre Montanaro as Chief Executive Officer and Chair of the board of directors of Altius.

On January 6, 2023, the Corporation announced the appointment of Mr. Erick Shields as Chief Commercial Officer of Altius. The Corporation announced the resignation of Mr. Martin Moreau as Vice-President Finance of the Corporation.

At its annual and extraordinary general meeting held on March 17, 2023, two (2) new candidates were elected by a majority of votes cast by shareholders present in person or represented by proxy at the meeting. These are Messrs. Ashish B. Chabria, and Luc Grégoire.

On May 12, 2023, the Corporation also announced the appointment of three (3) new members to its Board, namely David Baker, Edward Dahl and Jean Forcione. Consequently, Mr. Terry L. Fretz resigned from the Board to focus on his role of director of Altius.

Security-Based Compensation

On March 30, 2023, the Corporation announced the shareholders approval of the renewal of the Corporation Option Plan, as amended, and the renewal of the Corporation RSU Plan, as amended. Pursuant to the policies of the Exchange, the Option Plan and the RSU Plan are “10% rolling” plans. The maximum aggregate number of Shares that may be reserved for issuance under the Option Plan and the RSU Plan is equal to 10% of the outstanding Shares, combined with all of the Corporation’s other security-based compensation mechanisms, at the time of the grant of an option or a restricted share unit (a “RSU”).

Issuances for Cash Consideration

On June 6, 2023, the Corporation announced that it has closed a private placement of 7,997,765 units of the Corporation (each, a “**June 2023 Unit**”), at a price of \$0.15 per June 2023 Unit, for aggregate gross proceeds of \$1,199,665. Each June 2023 Unit consisted of one Share and one Share purchase warrant (a “**June 2023 Warrant**”). Each June 2023 Warrant entitled its holder to purchase one Share at a price of \$0.20 per Share until June 6, 2025.

Issuances in Settlement of Interests

On September 7, 2022, the Corporation announced the issuance of 87,840 units (the “**September 2022 Units**”) in settlement of interest, at a price of \$0.40 per September 2022 Unit, for a total amount of \$35,136. Each September 2022 Unit consisted of one Share and one Share purchase warrant (a “**September 2022 Warrant**”). Each September 2022 Warrant gave its holder the right to subscribe to one Share at a price of \$0.52 for a period of 48 months.

On April 27, 2023, the Corporation issued 93,564 units (the “**April 2023 Units**”) in settlement of interest, at a price of \$0.53 per April 2023 Unit, for a total amount of \$49,589. Each April 2023 Unit consisted of one Share and one Share purchase warrant (a “**April 2023 Warrant**”). Each April 2023 Warrant gave its holder the right to subscribe to one Share at a price of \$0.69 for a period of 48 months.

Other

During the fiscal year ended July 31, 2023, 50,000 stock options of the Corporation (the “**Stock Options 2023**”) were exercised by a member of the Board. During the same period, the Corporation granted 2,900,000 Stock Options 2023 to members of the Board, employees and consultants of the Corporation to purchase the same number of Shares.

During the fiscal year ended July 31, 2023, 5,050,002 Share purchase warrants were exercised by shareholders of the Corporation, at a weighted average exercise price of \$0.15, in respect of which the Corporation received \$757,500 and issued 5,000,002 Shares.

During the fiscal year ended July 31, 2023, 39,999 units were issued, following the conversion of debentures that had been issued on April 31, 2018, for a total consideration of \$30,000. Each unit includes one subordinate voting share issued at a price of \$0.75 and one warrant exercisable at a price of \$0.95 for a period of 48 months following the date of the issue.

During the fiscal year ended July 31, 2023, no broker Share purchase warrants were exercised by agents or intermediates.

On May 11, 2023, the Corporation announced that it has obtained a receipt for its preliminary short form base shelf prospectus (“**Shelf Prospectus**”) with the securities regulatory authorities in each of the provinces of Canada (excluding the territories). The regulatory authorities issued a final receipt on June 22, 2023, allowing the Corporation to offer for sale and issue up to \$30 million of Shares, subscription receipts, debt securities warrants and units, or any combination thereof from time to time during the 25-month period during which the Shelf Prospectus remains valid.

DESCRIPTION OF THE BUSINESS

GENERAL

We are a biopharmaceutical corporation focused on developing and commercializing immunomodulatory treatments for inflammatory diseases with high unmet medical needs. Our current portfolio is comprised of a treatment candidate with significant potential to address immune-mediated inflammatory diseases and conditions in the areas of dermatology, gastroenterology, hepatology and fibrosis. Our strategy is to identify and develop treatments against validated biological targets in fibroinflammation that deliver a differentiated clinical profile that addresses major shortcomings of existing therapies in our targeted indications. We believe this strategy uniquely positions us to accelerate the development of our immunomodulatory drug candidate, targeting a significant and underserved market within fibroinflammatory diseases. By addressing a critical innovation gap with a scalable therapeutic platform, we aim to maximize our probability of technical success while delivering strong capital efficiency and long-term returns for investors.

Devonian also has skin care products, developed with the same approach as its pharmaceutical products. While pharmaceutical research and development remains our core focus, we have discovered and developed a novel science-based antioxidant anti-aging cream: R-Spinasome®, Devonian’s proprietary natural active ingredient, ready for marketing under the brand name PURGENESIS™, subject to finding a commercialization partner.

Devonian product candidates are based on a broad-based platform originating from over twenty years of research. This platform provides a process of extraction, purification, stabilization and conditioning of molecular complexes, as Active Botanical Ingredients (ABIs), from plants and algae: The Supra Molecular Complex Extraction and Stabilization Technology (“SUPREX”). Each ABI has the potential to target several diseases making it a strong therapeutic platform.

PUR0110, known as Thykamine™ is our lead Active Botanical Ingredient (ABI) issued from the SUPREX platform. The potent anti-inflammatory, anti-oxidative and immunomodulatory activities of Thykamine™ have been demonstrated in several pre-clinical studies (*in vitro* and *in vivo* pharmacology studies; safety pharmacology and toxicology studies) as well as in a Phase 1 clinical study in healthy adult volunteers, in a Phase 2 clinical study in adult patients with mild to moderate Atopic Dermatitis, as well as in a Phase 2a “proof of concept” clinical study in patients with active mild-to-moderate distal ulcerative colitis. We plan to continue to pursue clinical development within several indications in the future but could alternatively license out the continued development. There is no assurance that our development, either internally or through alliances, will be successful. See “Risk Factors” in this Annual Information Form.

Our research strategy is supported by the FDA set of regulatory guidelines⁴, favoring an efficient drug development pathway for prescription botanical drug products. Because of the unique nature of such products, the FDA has implemented regulatory policies that differ from those applied to biologics, synthetic, semisynthetic, or otherwise highly purified or chemically modified compounds. Please note that there can be no assurances that the FDA or other regulatory authorities will grant clearance of approval of any of our Product Candidates. Furthermore, the Corporation does not know whether the clinical trials it conducted or may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product candidates in any jurisdiction. See “Risk Factors” in this Annual Information Form.

Our business plan is to develop disease-specific pharmaceutical product candidates with strong intellectual property/trademarks and to seek partners once the products have achieved proof of principle. We do not currently have in-house sales and marketing or distribution capabilities for our research products and intend to seek an established commercial partner for distribution, although there can be no assurance that it will be able to do so. See “Risk Factors” in this Annual Information Form.

SUMMARY

The Corporation

Thykamine™ Investigational Medication

Our lead clinical-stage product currently under development is Thykamine™, an active anti-inflammatory compound resting on 3 demonstrated pillars: anti-inflammatory, antioxidant and immunomodulatory properties. These properties act on the unmet needs of various fibroinflammatory conditions such as ulcerative colitis, atopic dermatitis and other dermal conditions with proven efficacy and a stellar safety profile. Thykamine™ is essentially a pipeline in a product.

Devonian’s proprietary SUPREX™ technology, combined with its clinical and regulatory expertise, allows it to participate in virtually all aspects of development, from the identification and discovery of potential new

⁴ Botanical Drug Development /Guidance for Industry. U.S. Department of Health and Human Services, Food and Drug Administration, Center for Drug Evaluation and Research (CDER), December 2016.

active ingredients to the extraction, purification, stabilization and conditioning of the ingredients and their subsequent formulation into finished dosages/formats.

Our core strategy is to develop prescription botanical drugs which could be from plant materials, algae, macroscopic fungi, and combinations thereof. This strategy is supported by the FDA set of regulatory guidelines, favoring an efficient drug development pathway for prescription botanical drug products.

Thykamine™, an active drug substance, is a novel investigational complex extracted from organic baby spinach (*Spinacia oleracea L.*) leaves that contains thylakoid membrane segments of various lengths and is concentrated and stabilized into a solid powder form. *Spinacia oleracea L.* species has been selected because it has been traditionally used as food for many decades, is generally recognized as safe (“GRAS”) when used as a food, and because of its yield of the active product. In addition, it is available year-round and quality control procedures within culture, post-harvesting and distribution steps exist.

The active drug substance is a complex composed of pigments, proteins, and lipids, which are the major constituents of the thylakoid membranes. It is an excellent source of natural antioxidants (phenolic compounds like flavonoids) and of photosynthetic pigments (chlorophyll and carotenoids). These various components are believed to impart to Thykamine™ its anti-inflammatory, antioxidant, and immunomodulatory properties.

In the context of fibrosis, it is well established that the pathological process arises because of chronic inflammation, wherein activated fibroblasts differentiate into myofibroblasts, leading to excessive extracellular matrix deposition and tissue remodeling. This progressive fibrogenic response can affect multiple organs, including the liver, kidneys, skin, gastrointestinal system and lungs, ultimately culminating in organ dysfunction and failure. Strikingly, it is estimated that approximately 45% of mortality in the United States is attributable to fibrotic diseases^{5 6}.

Given this substantial clinical and socioeconomic burden, there is a critical need for therapeutic interventions that can modulate the inflammatory and immune pathways upstream of fibrogenesis: the fibroinflammatory axis of diseases. In this context, we are investigating the potential of Thykamine™, a compound with demonstrated anti-inflammatory and immunomodulatory properties, to suppress the initiation and progression of fibrosis or potentially induce the reversal of established fibrosis.

Stages of Development

Dermatology

Therapeutic Indication	Development stage
Atopic dermatitis in adult population	Phase 3
Atopic dermatitis in pediatric population	Phase 2/3
Radiodermatitis associated to radiotherapy	Phase 2/3

⁵Bhattacharya M and Ramachandran. Immunology of human fibrosis. Nature Immunology, vol 24: 1423-33, 2023

⁶ Antar SA, Ashour NA, Marawan ME et al. Fibrosis: Types, Effects, Markers, Mechanism for Disease Progression, and its Relation with Oxidative Stress, Immunity, and Inflammation. J. Mol. Sci. 24,2023Int

Others

Therapeutic Indication	Development stage
Inflammatory Bowel Disease (Gastroenterology)	Phase 2a
MASH	Preclinical
Fibrosis	Preclinical

Additional Steps Required to Reach Commercial Production, Estimated Costs and Timing

Therapeutic Indication	Additional Steps to Reach Commercial Production	Estimated Costs (\$)	Estimated Timing
Atopic dermatitis in pediatric population	One phase 2/3 clinical study One Phase 3 clinical study	25,000,000	Four years
Radiodermatitis associated to radiotherapy	One pivotal clinical study	1,800,000	Three years
Inflammatory Bowel Disease (Gastroenterology)	One phase 2b clinical study Two phase 3 clinical trials	45,000,000	Five years
MASH (Metabolic dysfunction-associated steatohepatitis)	One phase 2 clinical study Two phase 3 clinical trials	65,000,000	Six years

Altius

Altius is a generic pharmaceutical distribution corporation primarily engaged in acquiring and licensing safe and innovative medicines and healthcare products designed to help people of all ages lead healthier lives. Focused on the Canadian market, Altius leverages its expertise in commercialization activities to successfully launch and distribute these drugs. Altius specializes in finding niche products through strategic partnerships, ensuring that its main activities require limited management time and operating infrastructure.

Since the license agreement for the distribution of Dexamethasone ended in April 2025 was announced by the Corporation on February 7, 2025, as of the date of this Annual Information Form, Altius currently commercializes two (2) products in Canada: Pantoprazole Magnesium and Cléo-35®.

Pantoprazole Magnesium

This product is an authorized generic of Tecta AG® (“Tecta”), a proton pump inhibitor for the treatment of gastric reflux. On April 24, 2015, the Corporation entered into a distribution agreement (the “Tecta Agreement”) with Takeda Canada Inc. (“Takeda”) to commercialize Tecta’s generic in Canada.

The Tecta Agreement provides for profit-sharing between Altius and Takeda based on an established ratio of 60:40, respectively. The profit sharing is calculated on gross sales less cost of sales.

The license agreement for the Pantoprazole Magnesium expires on April 23, 2026 and will not be renewed.

Cléo-35®

This product is indicated for the treatment of hormonal acne in adult women. Traditional marketing activities are in place to ensure continued revenue growth for Cléo-35. On July 30, 2014, Aspri entered into a license and supply agreement (the “Ranbaxy License and Supply Agreement”) with Ranbaxy

Pharmaceuticals Canada Inc.⁷ (“**Ranbaxy**”) for the supply, marketing and sale of Cléo-35® in Canada. On October 1, 2017, Altius and Aspri entered into between an asset transfer agreement (the “**Asset Transfer Agreement**”) to, among others, transfer Aspri’s rights relating to Cléo-35®, including all rights attached thereto, including intellectual property, trademarks, commercialization rights, material agreements, registration information governmental authorization, advertising rights and promotional materials to Altius. On July 30, 2014, Aspri, Ranbaxy and Stragen Pharma SA (“**Stragen**”) also entered into a sub-licensing agreement (the “**Sub-Licensing Agreement**”) to grant Aspri and Ranbaxy a sublicense on a semi-exclusive basis for the commercialization of Cléo-35 in Canada. On December 15, 2016, Aspri, Altius, Stragen and Ranbaxy entered into an assignment agreement (the “**Assignment Agreement**”, collectively with the Ranbaxy License and Supply Agreement, the Asset Transfer Agreement and the Sub-Licensing Agreement, the “**Ranbaxy Agreements**”) to assigns the rights and obligations of Aspri under the Sub-Licensing Agreement to Altius, pursuant to the terms and conditions of the Assignment Agreement. As of the date of this Annual Information Form, Cléo-35 is mainly marketed in the Province of Québec.

Dexlansoprazole

Dexlansoprazole belongs to a class of drugs called proton pump inhibitors. It comes in capsule form and is available in two strengths: 30 milligrams (“**mg**”) and 60 mg. Dexlansoprazole is approved for use in adults and children ages 12 and older. Altius and Takeda also entered into a distribution agreement on October 17, 2022, to commercialize Dexlansoprazole in Canada (the “**Dexlansoprazole Agreement**”, collectively with the Tecta Agreement, the “**Takeda Agreement**”). The Dexlansoprazole Agreement provides for profit-sharing between Altius and Takeda based on an established ratio of 50:50, respectively. The profit sharing is calculated on gross sales less cost of sales. As previously mentioned, this distribution agreement was not renewed and sales of Dexlansoprazole ended April 17, 2025.

The main market for Altius’ products is retail pharmacies across Canada, either by selling through distributors, wholesalers or buying groups. The Corporation has contracted a third-party supplier to warehouse the inventory of stock and to distribute and invoice the products to the Corporation’s direct or indirect customers, namely retail pharmacy chains, pharmacy banners, independent pharmacies and wholesalers.

Net Revenues for the Pantoprazole Magnesium, Cléo-35 and Dexlansoprazole

Products	2025 (\$)	2024 (\$)	2023⁽¹⁾ (\$)
Pantoprazole Magnesium	1,320,433	2,038,954	1,474,341
Cléo-35	357,650	384,620	871,048
Dexlansoprazole	21,912,252	16,882,412	-
Total	23,590,335	19,305,986	2,345,389

Note:

(1) For the fiscal year ended July 31, 2023, Altius was only distributing Pantoprazole Magnesium and Cléo-35®.

⁷ Ranbaxy Laboratories Limited, the parent corporation of Ranbaxy, was acquired by Sun Pharmaceutical Industries Ltd. References to Ranbaxy made herein refer to Sun Pharmaceutical Industries Ltd.

PRODUCTION AND COMPONENTS

The Corporation

The Corporation uses a highly innovative water-based process to extract, purify, stabilize, and condition a family of products from components of any species of plant or algae. The Corporation's extraction and processing methodology is protected through patents and industrial secrecy. The Corporation owns a 1,625 square meters state-of-the-art extraction facility, with custom designed equipment. It is a pharmaceutical-grade extraction facility meeting cleanroom standard. This facility is therefore used to extract and stabilize active ingredients from plants (supra-molecular extraction and stabilization technology ("SUPREX")) and store these in powder form. SUPREX is a broad, versatile, highly innovative technology platform developed by the Corporation's research team. It employs a unique process that can be used to extract, purify, stabilize, and condition a family of products from the active photosynthetic machinery and other components of any species of plant or algae. The technology allows modular and flexible batch sizes, from small batches for clinical trials to larger commercial size batches.

Raw materials used by the Corporation is organic baby spinach and chemicals for the extraction of Thykamine™. The Corporation's supply policy allows access to more than one supplier for a large proportion of its needs. The Corporation maintains a minimum inventory level for the most strategic components and is also always looking for alternative suppliers. The Corporation does not expect unusual price increases for its raw material in the coming quarters.

Thykamine™, an active drug substance, is a novel investigational complex extracted from organic baby spinach (*Spinacia oleracea L.*) leaves that contains thylakoid membrane segments of various lengths and is concentrated and stabilized into a solid powder form. *Spinacia oleracea L.* species has been selected because it has been traditionally used as food for many decades, is generally recognized as safe when used as a food, and because of its yield of the active product. In addition, it is available year-round and quality control procedures within culture, post-harvesting and distribution steps exist.

The active drug substance is a complex composed of pigments, proteins, and lipids, which are the major constituents of the thylakoid membranes. It is produced under a fully standardized and validated process that ensures consistent composition, potency, and purity from batch to batch. Each lot is characterized by a distinctive chromatographic fingerprint confirming the presence of key bioactive pigments and must meet stringent quantitative and microbiological specifications before release. By integrating advanced High Performance Liquid Chromatograph with Mass Spectrometry (HPLC-MS) fingerprinting with a biologically relevant U937 cell-based anti-inflammatory potency assay, we ensure that every batch consistently meets our rigorous standards for safety, reproducibility, and clinical performance — a cornerstone of the Corporation's value proposition and manufacturing scalability. So far, Batch-to-batch reproducibility has been further confirmed by Nuclear Magnetic Resonance (NMR) analysis, demonstrating over 98% compositional consistency.

Altius

Altius' main commercial activities are to successfully launch, promote, and distribute generic drugs in Canada, which are licensed from other companies. Its team's diverse experience draws from over 40 years in producing, importing, marketing, and distributing branded and generic medicines, as well as medical devices and natural health products. Altius sources its products in a fully finished form directly from other

companies, namely Takeda for the Pantoprazole Magnesium and the Dexlansoprazole and Ranbaxy (now Sun Pharma) for the Cléo-35®.

Altius provides Takeda with forecasts based on market demand, which in turn produce the stocks required to meet the market demand. Altius is responsible for the release of the goods based on Health Canada regulations and manages the supply chain via a third-party, which warehouses the stocks and manages the invoicing and returns. Sales of Cléo-35® is made through a contract sales organization in the Province of Québec, and through independent sales agent in the other provinces of Canada for the Pantoprazole Magnesium.

Pantoprazole Magnesium and Dexlansoprazole are sourced from Takeda on a consignment basis. The Pantoprazole Magnesium has faced supply shortages in the past due to issues at Takeda’s manufacturing facility. Cléo-35® is sourced from SunPharma, previously known as Ranbaxy. The prices for both products are fixed pursuant to the Takeda Distribution Agreement and Ranbaxy Agreements, respectively, and the Corporation does not anticipate any changes going forward.

SPECIALIZED SKILL AND KNOWLEDGE

The Corporation

The Corporation has a research and development department that includes engineering, testing, and prototyping. This department employs five (5) people on a full-time basis and two (2) individuals, on a part-time basis to improve existing products and do research and development for new products.

The Corporation also has two key management positions with decades of combined experience in high-level financial and strategic management in the pharmaceutical industry.

These employees are the following:

Employee	Role	Status
André P. Boulet, PhD	President & Chief Executive Officer	Full-time
Nathalie Boucher, PhD	Director - Research	Part-time
Simon Giret, PhD	Director - Production	Full-time
Carolina Bacca	Quality Assurance Specialist	Full-time
Steven Chouinard	Maintenance Manager Electro-Technician	Full-time
Luc Grégoire	SVP Strategy	Part-time
Viktoria Krasteva	CFO	Full-time

Altius

Altius has a sale, marketing and regulatory department that manages the approval and commercialization of its products in the Canadian marketplace. A total of three (3) people are employed on a full-time basis to manage this department and one (1) individual on a part time basis. These individuals manage the day-to-day activities, dedicate time to search the market for new product opportunities and manage the regulatory & scientific affairs. These employees are the following:

Employee	Role	Status
Pierre Montanaro	Chief Executive Officer	Full-time
Tarique Sayed	Controller ⁽¹⁾	Full-time
Maria Nassios	Senior Financial Analyst	Full-time
Sylvie Ducharme	Regulatory & Scientific Affairs	Part-time

COMPETITIVE CONDITIONS

The Corporation

Devonian's clinical development pipeline is strategically structured to address high-value therapeutic opportunities leveraging our proprietary botanical drug platform, with Thykamine™ as our lead investigational product. Our approach is designed to deliver novel, safe, and effective therapies for inflammatory conditions with high unmet medical need, while maximizing clinical and commercial value across multiple indications.

Lead Program: Atopic Dermatitis in Pediatric Population (Phase 2/3)

Our top development priority is the advancement of Thykamine™ into a Phase 2/3 pivotal clinical trial for the treatment of mild-to-moderate Atopic Dermatitis (AD) in the pediatric population. AD is associated with significant discomfort, sleep disturbances, and long-term psychosocial impact. Current treatments may carry concerns related to immunosuppression or skin atrophy, especially in young children. Thykamine™, with its properties derived from a botanical source, offers a non-steroidal alternative. Preliminary studies have demonstrated promising signals of efficacy and excellent tolerability, justifying advancement into late-stage development.

Second Priority: Radiodermatitis Pivotal Trial

Following closely in priority is the planned pivotal trial in radiodermatitis, a common and often debilitating complication of radiation therapy in oncology patients. Radiodermatitis can lead to dose interruptions, reduced QoL, and increased healthcare costs. There are currently no FDA-approved drugs specifically indicated for its prevention or treatment. Thykamine™'s mechanism of action supports a topical anti-inflammatory and barrier-protective role, potentially fulfilling a critical unmet need in this indication. Devonian aims to initiate a pivotal study to support potential regulatory submission in this area.

Expansion Opportunities

Beyond the two lead programs, Devonian has identified additional high-potential indications for future clinical development, based on Thykamine™'s broad pharmacological profile:

Ulcerative Colitis (UC): A chronic Inflammatory Bowel Disease (IBD) where Thykamine™ may provide local anti-inflammatory effects when delivered rectally or orally. Early preclinical models have demonstrated efficacy signals, supporting further evaluation.

Eosinophilic esophagitis (EoE): An emerging immune-mediated condition with increasing prevalence, for which safe, long-term treatment options remain limited. Thykamine™'s immunomodulatory effect may offer a novel approach in this context.

Metabolic Associated Steatohepatitis (MASH): A complex inflammatory liver disease with systemic metabolic involvement. Devonian is exploring Thykamine™'s potential as a complementary anti-inflammatory therapy within this space, where therapeutic options are still evolving.

Summary

Devonian's pipeline reflects a balanced, risk-diversified strategy, combining near-term, value-driving clinical programs with longer-term expansion opportunities in underserved markets. The Corporation's focus on pediatric and supportive care indications is aligned with regulatory pathways that may allow for accelerated development timelines and potential orphan designations, offering competitive advantages as we pursue global commercialization.

Altius

The generic market is a highly competitive market with more than 20 companies competing in this market. To be successful, a company needs a large portfolio of drugs and established relationships with major retail chains and banner pharmacies. According to IQVA, the generic drug purchases in 2024 were estimated at 77.8% of all drug prescriptions filled in Canada which is an increase of 5.73% in comparison to 2023.⁸

With a limited portfolio consisting of just two products, Pantoprazole Magnesium and Cleo-35®, Altius must navigate a highly competitive landscape where other players hold a strategic advantage through broader, more diversified product offerings.

INTANGIBLE PROPERTIES

As of July 31, 2025, the intangible assets of the Corporation, as presented in its Consolidated Financial Statements for the fiscal year ended July 31, 2025, include an amount of \$4,888,000 relating to its intellectual property which is described hereinafter:


i) Patents



Considering the time and investment required to develop new products, the Corporation's first strategic move is to protect its intellectual property. To allow the Corporation to serve its markets, to benefit from freedom of operation and to protect its innovations, it holds, as of the date of this Annual Information Form, five patents and filed two patent applications covering geographical areas such as Canada, U.S., Europe and Japan, as well as an industrial secret covering the stabilisation process of active botanical ingredients. The Corporation's patents expire at various dates through 2036. The Corporation intends to continue to expand its intellectual property position to protect the design and use of its products.

ii) Trademark

The Corporation is the holder of the  trademark registered in Canada since February 27, 2020. Such registration will expire on February 27, 2030.

⁸ IQVIA 2024 Canadian Pharmaceutical Market Highlights

The Corporation is the holder of the  trademark registered in Canada since February 27, 2020. Such registration will expire on February 27, 2030.

The Corporation is the holder of the  trademark registered in Canada since November 3, 2015. Such registration will expire on November 3, 2030. The Corporation is the holder of the  trademark in the U.S., Europe, United Kingdom and Switzerland and it will expire in 2026, 2030, 2030 and 2028, respectively.

The Corporation is the holder of the “Devonian” trademark registered in Canada since March 2, 2020. Such registration will expire on March 2, 2030.

The Corporation is the holder of the “Purgenesis” trademark registered in Canada since October 23, 2019. Such registration will expire on October 23, 2029.

The Corporation is the holder of the “R-Spinasome” trademark registered in Canada since November 3, 2015. Such registration will expire on November 3, 2030. The Corporation is the holder of the “R-Spinasome” trademark in the U.S., Europe and United Kingdom and it will expire in 2027, 2030 and 2029, respectively.

The Corporation is the holder of the “Farm to Pharm” trademark registered in Canada since November 16, 2016. Such registration will expire on November 16, 2031. The Corporation is the holder of the Farm to Pharm trademark in the U.S. since 2018 and it will expire in 2028.

Altius is the holder of the “Cléo-35” trademark registered in Canada since June 6, 2016. Such registration will expire on June 6, 2031.

Altius is the holder of the “Altius Healthcare” trademark registered in Canada since June 6, 2019. Such registration will expire on June 6, 2034.

Altius is the holder of the “Altius Pharma” trademark registered in Canada since February 21, 2018. Such registration will expire on February 21, 2033.

CYCLES

Research and development activities are generally slower in the fourth quarter, due to the summer vacations of physicians and their clinical trial team, as well as during the second quarter, due to Christmas vacations by physicians and their clinical trial team.

ECONOMIC DEPENDENCE

The Corporation has several customers, some suppliers and distributors. Consequently, the Corporation's activities are dependent on certain distribution agreements. During the fiscal year ended July 31, 2025, the Corporation generated 47% (45% in 2024) of its distribution revenues from one customer, pursuant to a supplier agreement entered into between the before mentioned client and Altius on September 8, 2017, under which Altius agrees to supply the client with its generic drugs (the “Supply Agreement”). During the fiscal year ended July 31, 2025, 99% (99% in 2024) of Altius’ purchases for its product inventory were made from a single supplier, namely Takeda pursuant to the Takeda Agreements.

The Corporation activities are mostly dependant of three (3) agreements for the distribution of its products through its wholly owned subsidiary Altius, namely the Takeda Agreements and the Supply Agreement. For more details on Takeda Agreements, please refer to section “*Description of the Business – Summary – Altius*” of this Annual Information Form.

CHANGES TO CONTRACTS

The Corporation does not expect any aspect of its business to be affected in the current financial year by renegotiation or termination of contracts or subcontracts except for the Pantoprazole Magnesium’s license agreement which expires on April 23, 2026 and will not be renewed after that date.

ENVIRONMENTAL PROTECTION

The Corporation is subject to various federal, provincial, and local environmental and occupational health and safety laws and regulations in Canada where operations are conducted. Such laws and regulations concern notably wastewater, storm water flows and disposal of solid waste. Production facilities occasionally produce small quantities of hazardous waste that is recycled, neutralized or transferred off-site, in accordance with the applicable regulations.

The Corporation complies in all material aspects with Canadian environmental requirements. Investment in capital property and other expenditures are made and incurred in a timely manner to maintain said compliance. These investments made with regards to environmental protection have had no operational or financial impact on the expenses in capital property, profit or loss or on the competitive position in the reportable segment of the Corporation during the fiscal year ended July 31, 2025.

EMPLOYEES

As of July 31, 2025, the Corporation had eight (8) full-time employees and three (3) part-time employees. Of these, five (5) full-time employees and two (2) part-time employees are part of the management and research and development team, and three (3) full-time employees and one (1) part-time employee are part of the regulatory affairs and sales team.

The Corporation’s employees are composed of a multidisciplinary team grouping scientific and technical expertise in various fields such as regulatory affairs, fundamental research, clinical research, drug extraction and manufacturing, sales and marketing.

Employees of the Corporation are not unionized. Working conditions are periodically revised and are governed by written agreements between the Corporation and its employees.

FOREIGN OPERATIONS

The Corporation and its reportable segment do not depend upon foreign operations.

RISK FACTORS

The Corporation operates in an industry that contains various risks and uncertainties. The risks and uncertainties listed below are not the only ones to which the Corporation is subject. Additional risks and uncertainties not presently known by the Corporation, or which the Corporation deems to be currently

insignificant, may impede the Corporation's performance. The materialization of one of the following risks could harm the Corporation's activities and have significant negative impacts on its financial situation and its operating results. In that case, the Corporation's stock price could be affected.

RISKS RELATED TO THE CORPORATION

Negative Operating Cash flow

During fiscal year ended July 31, 2025, the Corporation had a negative cash flow from operating activities of \$1,247,777, including cash flow from the payment of borrowing costs. During fiscal years ended July 31, 2024, and July 31, 2023, the Corporation had a positive cash flow of \$5,641,216 and negative cash flow of \$4,356,246 from operating activities, including cash flow from the payment of borrowing costs.

The Corporation's cash and cash equivalents amounted to \$6,893,620 and \$9,862,511 as of July 31, 2025, and July 31, 2024, respectively. As of July 31, 2025, the Corporation had a working capital of \$2,109,811. Due to research and development projects planned and the cost of such projects, the Corporation anticipates it will have negative cash flow from operating activities in future periods until reaching commercialization of the Thykamine™. To the extent that the Corporation has negative operating cash flows in future periods, the Corporation may need to allocate a portion of its existing working capital to fund such negative cash flow.

Going Concern and Insolvency Risks

The assessment of the Corporation's ability to fund its future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on budget forecasts and expectations of future events that are believed to be reasonable under the current circumstances. However, this assessment could be affected by economic, financial and other future events that are beyond the Corporation's control. Moreover, the Corporation's consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due for the foreseeable future.

During the year ended July 31, 2025, the Corporation reported net loss of \$6,012,791, cash outflows from operating activities of \$1,247,777 and an accumulated deficit of \$33,265,979 and has yet to generate positive cash flows or earnings. The Corporation needs to secure additional funds to meet all existing commitments and obligations, including its long-term debt, and to provide for administration expenses and research and development expenses for the next 12 months. The Corporation is continuing its review of all funding options available, including but not limited to, the issuance of debt or equity instruments, expenditure reductions, or a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, and other capital markets alternatives. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation.

These conditions indicate the existence of a material uncertainty that may cast substantial doubt as to the ability of the Corporation to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Corporation's consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position

classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be significant.

Clinical-Stage Pharmaceutical Corporation

The Corporation is a clinical-stage biopharmaceutical corporation and has not generated any sales revenue from any products in development. The Corporation has incurred operating losses since its formation. The Corporation incurred total net losses of \$6,012,791, \$1,826,834, and \$4,599,607 for the fiscal years ended July 31, 2025, 2024 and 2023 respectively. The Corporation's historical losses resulted principally from costs incurred in connection with research and development activities and general and administrative costs associated with its operations. In the future, the Corporation intends to continue to conduct research and development, nonclinical testing, clinical trials, regulatory compliance and business development activities that, together with anticipated general and administrative expenses, will result in incurring further significant losses for at least the next several years. The Corporation's expected losses, among other things, may continue to cause its working capital and shareholders' equity (deficit) to decrease. The Corporation anticipates that its expenses will increase substantially if and as the Corporation, among other things:

- continues the clinical development of the Corporation's current and future therapeutic products including initiating additional and larger clinical trials;
- seeks additional indications for the Corporation's current therapeutic products;
- seeks regulatory approvals for any future therapeutic products that successfully complete clinical trials;
- experiences heightened regulatory scrutiny;
- explores external business development opportunities through acquisitions, partnerships, licensing deals to add future therapeutic products and technologies to the Corporation's portfolio;
- obtains, maintains, expands and protects the Corporation's intellectual property portfolio, including litigation costs associated with defending against alleged patent or other intellectual property infringement claims;
- adds clinical, scientific, operational, financial and management information systems and personnel, including personnel to support the Corporation's therapeutic development and potential future commercialization efforts;
- experiences any delays or encounters any issues with respect to any of the above, including failed studies, ambiguous trial results, safety issues or other regulatory challenges, including delays and other impacts as a result of the spread of any pandemic or public health issues;
- incurs additional legal, accounting and other expenses associated with operating as a public company listed in Canada or the United States;
- establishes a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any therapeutic products for which the Corporation may obtain regulatory approval or partners with other companies and/or governmental, supranational, nonprofit and academic institutions or organisations through partnership, out-licensing or other agreements to do so; and
- advances its commercialization strategy in Canada, U.S. and Europe.

Because of the numerous risks and uncertainties associated with therapeutic development, the Corporation is unable to accurately predict the timing or amount of increased expenses or when, or if, the Corporation will be able to achieve profitability. If the Corporation is required by the Health Canada, the FDA or other comparable foreign authorities to perform studies in addition to those the Corporation currently

anticipates, or if there are any delays in completing the Corporation's clinical trials or the development of the Corporation's current or any future therapeutic products, the Corporation's expenses could increase beyond current expectations and revenue could be further delayed.

To become and remain profitable, the Corporation will need to continue developing and eventually commercialize products that generate significant revenue. Even if the Corporation or any future collaborators do generate sales, the Corporation may never achieve, sustain or increase profitability on a quarterly or annual basis. The Corporation's failure to sustain profitability would depress the market price of the Shares and could impair the Corporation's ability to raise capital, expand the Corporation's business, diversify the Corporation's therapeutic offerings or continue the Corporation's operations. If the Corporation continues to suffer losses, investors may not receive any return on their investment and may lose their entire investment.

Additional Capital Requirements

To date, the Corporation has funded its operations through private placements of units, shares and convertible debentures, as well as grant funding. The Corporation's ability to continue as a going concern is dependent upon the ability of the Corporation to obtain necessary financing or other satisfactory arrangements to fund its operating expenses until revenue generating contracts are obtained to allow the Corporation to be self-sufficient. The Corporation's ability to continue its research and development activities, particularly its contemplated larger scale phase 3 studies, is dependent on management's ability to secure additional financing in the future (including non-dilutive financing), which may be completed by way of traditional equity or debt financings or in a number of alternative ways including, but not limited to, a combination of: new strategic partnerships; joint venture arrangements; project-level third-party financings; the sale of non-core assets; securing grants or other forms of non-dilutive financings; and other capital market alternatives.

The Corporation thus expects to require substantial additional funding in the future to sufficiently finance its operations and advance development of its current and/or any future products. Further, changing circumstances, some of which may be beyond the Corporation's control, could cause the Corporation to consume capital significantly faster than the Corporation currently anticipates, and the Corporation may need to seek additional funds sooner than planned. The Corporation's future funding requirements, both short-term and long-term, will depend on many factors, including:

- the progress, timing and completion of nonclinical testing and clinical trials for the Corporation's current and future products;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from Health Canada and the FDA, and if applicable other comparable foreign authorities, including the potential for such authorities to require that the Corporation perform more nonclinical studies or clinical trials than those that the Corporation currently expects or change their requirements on studies that had previously been agreed to; the number of potential future products identified and developed, either internally through the Corporation's research and development efforts or externally through acquisitions, licensing or other collaboration agreements;
- the costs involved in growing the Corporation's organization to the size needed to allow for the research, development and potential commercialization of the Corporation's current and any future products;
- the costs of training therapists who are supporting or will support the Corporation's clinical trials;

- generating and collecting data and intellectual property; and strengthening the Corporation's regional presence as a scientific and clinical resource;
- the costs involved in filing patent applications and maintaining and enforcing patents or defending against claims of infringements raised by third parties;
- the time and costs involved in obtaining regulatory approval for the Corporation's current or any future products, and any delays the Corporation may encounter as a result of evolving regulatory requirements or adverse results with respect to its current or any future products;
- selling and marketing activities undertaken in connection with the potential commercialization of the Corporation's current or any future therapeutic candidates, if approved, and costs involved in the creation of an effective sales and marketing organization;
- the amount of revenue, if any, the Corporation may derive either directly or in the form of royalty payments from future sales of its current or any future products, if approved; and
- the costs of operating as a public company in Canada and in the United States.

Until the Corporation can generate sufficient revenue to finance its cash requirements, which the Corporation may never do, the Corporation expects to finance its future cash needs through a combination of equity offerings, grant funding, debt financings, strategic collaborations and alliances, licensing arrangements or monetization transactions. While the Corporation's management has been successful in obtaining financing for the Corporation in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation.

The Corporation's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which the Corporation may have no or limited control. If adequate funds are not available on commercially acceptable terms when needed, the Corporation may be forced to delay, reduce or terminate the development or commercialization of all or part of its research programs or its current or any future products, or the Corporation may be unable to take advantage of future business opportunities. Market volatility resulting global economic impact or other factors could also adversely impact the Corporation's ability to access capital as and when needed.

The Corporation cannot guarantee that future financing will be available in sufficient amounts, or on commercially reasonable terms, or at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of holders of the Shares, the issuance of additional securities, whether equity or debt, by the Corporation, or the possibility of such issuance, may cause the market price of the Shares to decline. The incurrence of indebtedness could result in increased fixed payment obligations and the Corporation may be required to agree to certain restrictive covenants, such as limitations on its ability to incur additional debt, limitations on its ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact the Corporation's ability to conduct its business. The Corporation could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable and the Corporation may be required to relinquish rights to its current or any future therapeutics candidates or otherwise agree to terms unfavorable to the Corporation, any of which may have a material adverse effect on the Corporation's business, operating results and prospects. Further, any additional fundraising efforts may divert the Corporation's management from its day-to-day activities, which may adversely affect the Corporation's ability to develop and commercialize its current or any future therapeutic candidates.

In addition, heightened regulatory scrutiny could have a negative impact on the Corporation's ability to raise capital. The Corporation's business activities rely on developing laws and regulations in multiple

jurisdictions. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the Corporation's current or any future therapeutic candidates may adversely affect the Corporation's business and operations, including without limitation, the Corporation's ability to raise additional capital.

Future indebtedness could have important consequences, such as allocating a portion of cash flows to the payment of interests on the indebtedness and other financial obligations and thus making it unavailable for other purposes and potentially affecting the Corporation's ability to obtain additional financing. Future credit arrangements may contain restrictive covenants that may limit our ability to incur, assume or permit to exist additional indebtedness, guarantees or liens. They may also require the Corporation to comply with certain coverage ratio tests which may prevent the Corporation from pursuing certain business opportunities or taking certain actions.

Speculative Nature of Investment Risk

An investment in the securities of the Corporation carries a high degree of risk and should be considered as a speculative investment. The Corporation has no history of earnings, limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Costs of Operating as a Public Company

As a public company, the Corporation will incur significant legal, accounting and other expenses. As a public company, the Corporation is subject to various securities rules and regulations, which impose various requirements on the Corporation, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. The Corporation's management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have considerably increased the Corporation's legal and financial compliance costs and have made some activities more time-consuming and costlier.

Key Executives and Scientists

The Corporation is highly dependent on its executive officers. Thus, the loss of key members of the Corporation's staff could harm the Corporation. Although the Corporation enters into employment agreements with all members of its staff, such employment agreements do not guarantee their retention. The Corporation also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Corporation. In addition, the Corporation believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Corporation expands its activities and seeks regulatory approvals for clinical trials. The Corporation enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Corporation also enters into agreements with physicians and institutions who will recruit patients into the Corporation's clinical trials on its behalf in the ordinary course of its business. Should key academic and scientific personnel including employees or collaborative partners who work on the development of the Corporation's research activities leave, the Corporation's current and future development programmes may be delayed or adversely affected. Notwithstanding these arrangements, the Corporation faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Corporation cannot predict its success in hiring or retaining the personnel it requires for continued growth.

In addition, due to limited financial resources, the Corporation may not be able to successfully expand its operations due to challenges in recruiting and training qualified new staff. Expansion of personnel may result in significant diversion of management time and resources.

The Corporation's success is also dependent on the Corporation's ability to recruit, retain and motivate qualified scientific, clinical, manufacturing and commercialization personnel. The Corporation may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. The Corporation also experiences competition for the hiring of scientific and clinical personnel from universities and research institutions. The Corporation also depends on scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability.

Growth Management

If the Corporation fails to properly manage its anticipated growth, the Corporation could suffer. Rapid growth of the Corporation is likely to place a significant strain on its managerial, operational, and financial resources and systems. To execute the Corporation's anticipated growth successfully, it must attract and retain qualified personnel and manage and train them effectively. The Corporation anticipates hiring additional distributors and personnel to assist in the commercialization of its products and in the development of future products. The Corporation will be dependent on its personnel and third parties to effectively market and sell its products to an increasing number of customers. It will also depend on its personnel to develop and manufacture in anticipated increased volumes its existing products, as well as new products and product enhancements. Further, the Corporation anticipated growth will place additional strain on its suppliers resulting in increased need for it to carefully monitor for quality assurance. Any failure by the Corporation to manage its growth effectively could have an adverse effect on its ability to achieve its development and commercialization goals.

Public Health Crisis and Business Interruption Risk

Global financial conditions and the global economy in general have, at various times in the past and may in the future, experience extreme volatility in response to economic shocks or other events. Many industries, including the pharmaceutical industry, are impacted by volatile market conditions in response to the widespread outbreak of epidemics, pandemics or other health crises. Some of the key impacts of these conditions include devaluations and high volatility in global equity, commodities, foreign exchange and a lack of market confidence and liquidity. Financial institutions and large corporations may be forced into bankruptcy or need to be rescued by government authorities. Access to financing may also be negatively impacted by future liquidity crises throughout the world. These factors may impact the Corporation's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favourable to the Corporation. Increased levels of volatility and market turmoil could have a material adverse impact on the Corporation's operations and planned growth and the trading price of the securities of the Corporation may be adversely affected.

Even though the Corporation is implementing business continuity measures and governmental recommendations to mitigate and reduce any potential impacts of potential outbreak of epidemics, pandemics or other health crises on its business, operations, supply chain and financial condition, spread of infectious diseases could have a material adverse impact on the Corporation's workforce and the development of its projects, notably on its key clinical trial activities. The full extent and impact of potential outbreak of epidemics, pandemics or other health crises on the Corporation's operations cannot currently

be ascertained, as it depends upon future developments which cannot be predicted, and includes among other matters: the duration of these outbreaks, the severity of these infectious diseases and the ability to treat them, the ability to collect sufficient data to track these infectious diseases and the collective actions taken to curb the spread of these infectious diseases.

Worldwide Economic and Social Instability

The health of the global economy, the credit markets and the financial services industry in particular, as well as the stability of the society's social fabric, may affect the Corporation's business. For example, the credit and financial markets may be adversely affected by the current conflicts between Russia and Ukraine, and in the Middle East, and measures taken in response thereto. If credit markets are not favorable, it might be impossible to raise additional financing when needed or on favorable terms. The Corporation's future clients may experience financial difficulties or be unable to borrow money to finance their operations, which may have a negative impact on their ability to purchase the Corporation's products or to pay for them on time, or at all. In addition, adverse economic conditions, such as recent supply chain disruptions and labor shortages and persistent inflation, have impacted, and may continue to adversely impact the Corporation suppliers' ability to provide the manufacturers with materials and components, which may negatively impact the Corporation's business. These economic conditions make it more difficult for the Corporation to accurately forecast and plan the Corporation's future business activities.

Infrastructure and Supplies Damages

If the Corporation's facilities or systems are damaged or destroyed, it may experience delays that could negatively impact its revenues or have other adverse effects. The Corporation's facilities may be affected by natural or man-made disasters. If one of its facilities were affected by a disaster, the Corporation would be forced to rely on third-party manufacturers or to shift production to another manufacturing facility. In such an event, the Corporation would face significant delays in manufacturing which would prevent it from being able to sell its products. In addition, the Corporation's insurance may not be sufficient to cover all the potential losses and may not continue to be available to it on acceptable terms, or at all. Furthermore, although its computer and communications systems are protected through physical and software safeguards, they are still vulnerable to fire, storm, flood, power loss, earthquakes, telecommunications failures, physical or software break-ins, software viruses and similar events, and any failure of these systems to perform for any reason and for any period of time could adversely impact the Corporation's ability to operate.

Inflation

Global markets have recently experienced increased rates of inflation. Inflation itself, as well as certain governmental efforts to combat inflation, may have significant negative effects on any economy in which the Corporation operates. Past governmental efforts to curb inflation also involved other more drastic economic measures. Any future economic measures to curb inflation could be expected to have similar adverse effects on the level of economic activity in the market in which the Corporation operates and, in turn, on the operations of the Corporation.

Changes to Contracts

The Corporation is dependent upon its ability to establish and develop new relationships with future clients. The Corporation cannot provide assurance that it will be successful in procuring future. In addition, the Corporation cannot provide assurance that its future customers and patients of its products will continue

to provide the Corporation with business, or that such future customers will not seek to renegotiate or terminate future contracts providing for the sale of the Corporation's products and technology based on circumstances on which the Corporation is not currently aware. Any termination or amendment of a contract under which the Corporation derives an important portion of its revenues and any adverse change in the relationship of the Corporation with its customers and patients, will have an adverse effect on the Corporation's business, financial condition and results of operations.

Rising Insurance Costs

The cost of insurance, including director and officer, product liability and general liability insurance, has risen significantly in recent years and is expected to continue to increase. Among other factors, national security concerns, catastrophic events, pandemics, or any changes in any applicable statutory requirement binding insurance carriers to offer certain types of coverage could also adversely affect available insurance coverage and result in, among other things, increased premiums on available coverage (which may cause the Corporation to elect to reduce its policy limits or not renew the coverage) and additional exclusions from coverage. In response, the Corporation could increase deductibles and/or decrease certain coverage to mitigate these costs. These increases, and the Corporation's increased risk due to increased deductibles and reduced coverage, could have a material adverse effect on its business, financial condition and results of operations.

Insurance Coverage

Although the Corporation maintains insurance to protect against certain risks in such amounts the Corporation consider reasonable, the Corporation insurance will not cover all of the potential risks associated with the Corporation's pharmaceutical and industrial operations and the risks generally associated with being a publicly traded corporation. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The Corporation may suffer a material adverse effect on its activities, results of operations, cash flows and financial condition as a result of losses related to any event that is not covered, or adequately covered, by its insurance policies.

Accidents or natural disasters could also cause significant property damage, disruption of the Corporation's operations and/or research and development and personal injuries or fatalities, and the Corporation's insurance coverage may be inadequate to cover such losses. In the event of an uninsured loss or a loss in excess of the Corporation insured limits, the Corporation could suffer damage to its reputation and/or the Corporation could lose future revenues expected to be generated by the affected facilities. Any material loss not covered by the Corporation insurance could adversely affect the Corporation business, financial condition and results of operations. Moreover, any accident, failure of, or defect in the Corporation future products, even if fully indemnified or insured, could significantly impact the cost and availability of adequate insurance in the future.

Lost of Suppliers and Increase in Inventory Costs

The loss of any of the Corporation's suppliers or an increase in the price of inventory supplied to it could have an adverse effect on the Corporation's financial condition and results of operations. The Corporation purchases certain supplies used in its extraction processes from various sources due to quality considerations, costs or constraints resulting from regulatory requirements. Agreements with certain suppliers are terminable by either party upon short notice and the Corporation has periodically been

advised by some suppliers that to reduce their potential product liability exposure, they may terminate sales of products to customers that manufacture implantable medical devices, and the Corporation may not be able to establish additional or replacement suppliers for certain components or reactive quickly. In addition, the Corporation may lose suppliers due to, among other things, the acquisition of such supplier by a competitor (which may cause the supplier to stop selling its products to it), the bankruptcy of such supplier or the impacts pandemic, which may cause the supplier to cease operations. A reduction or interruption by suppliers of the supply of materials or key components used in the manufacturing of the Corporation's products or an increase in the price of those materials or components could adversely affect the Corporation's financial condition and results of operations.

Labour Relations

While the Corporation has good relations with its employees, there can be no assurance that it will be able to maintain positive relationships with its employees. In addition, relations between the Corporation and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions the Corporation carries on business. Adverse changes in such legislation or in the relationship between the Corporation and its employees could have a material adverse impact on the Corporation's business, results of operations and financial condition.

Employees, Contractors and Consultants Misconduct

The Corporation is exposed to the risk that its employees, independent contractors, and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Corporation that violates:

- government regulations;
- manufacturing standards;
- federal and provincial healthcare fraud and abuse laws and regulations; or
- laws that require the true, complete, and accurate reporting of financial information or data.

It is not always possible for the Corporation to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Corporation's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Corporation's operations, any of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

IT Systems Security

Any threat to computer security could cause harm to the Corporation. The Corporation relies on secure and adequate operations of information technology systems in the conduct of its activities. Access to and the security of the information technology systems are critical to the Corporation's operations. These systems are subject to disruption, damage, or failure from a variety of sources, including, but not limited to, cable cuts; damage to physical plants; natural disasters; terrorism; fire; power loss; hacking, cyber-attacks, and

other information security breaches; non-compliance by third party service providers; computer viruses; vandalism and theft. The Corporation's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software. The systems that are in place may not be enough to guard against loss of data due to the rapidly evolving cyber threats.

The Corporation may be required to increasingly invest in better systems, software, and use of consultants to periodically review and adequately adapt and respond to dynamic cyber risks or to investigate and remediate any security vulnerabilities. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. Failures in the Corporation's information technology systems could translate into operational delays, compromising, loss or disclosure of confidential, proprietary, personal, or sensitive information and third-party data, or destruction or corruption of data. Accordingly, any failure of information systems or a component of information systems could adversely impact the Corporation's reputation, business, financial condition, and results of operations, as well as compliance with its contractual obligations, compliance with applicable laws, and potential litigation and regulatory enforcement proceedings. Information technology systems failures could also materially adversely affect the effectiveness of the Corporation's internal controls over financial reporting.

Anti-Corruption and Anti-Bribery Laws

The *U.S. Foreign Corrupt Practices Act ("FCPA")* and the Canadian *Corruption of Foreign Public Officials Act*, as well as any other applicable domestic or foreign anti-corruption or anti-bribery laws to which the Corporation is or may become subject generally prohibit corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity and requires companies to maintain accurate books and records and internal controls, including at foreign-controlled subsidiaries.

Compliance with these anti-corruption laws and anti-bribery laws may be expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, these laws present particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and physicians and other hospital employees are considered to be foreign officials. Certain payments by other companies to hospitals in connection with clinical trials and other work have been deemed to be improper payments to governmental officials and have led to FCPA enforcement actions.

The Corporation's internal control policies and procedures may not protect it from reckless or negligent acts committed by the Corporation's employees, distributors, licensees, or agents. The Corporation can make no assurance that they will not engage in prohibited conduct, and the Corporation may be held liable for their acts under applicable anti-corruption and anti-bribery laws. Noncompliance with these laws could subject the Corporation to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension or debarment from contracting with certain persons, the loss of export privileges, whistleblower complaints, reputational harm, adverse media coverage, and other collateral consequences. Any investigations, actions or sanctions or other previously mentioned harm could have a material adverse effect on the Corporation's business, operating results, and financial condition.

Non-Competition Agreements

The Corporation generally enters into non-competition agreements as part of employment agreements with certain directors and members of the senior management. These agreements generally prohibit the

Corporation's directors and senior managers, if they cease working for the Corporation, from competing directly with the Corporation or working for the Corporation competitors or clients for a limited period. The Corporation may be unable to enforce these agreements under the laws of the jurisdictions in which directors and senior managers work and it may be difficult to restrict the Corporation's competitors from benefitting from the expertise developed by the Corporation's former directors and senior managers while working for the Corporation.

Processes and Products Quality

Quality problems with the processes and products could harm the Corporation's reputation and clinical trial progress for producing high-quality products and diminish its competitive advantage, sales, and market share. The manufacturing of pharmaceutical products is a highly rigorous and complex process, due in part to strict regulatory requirements. Any failure to pharmaceutical products in accordance with product specifications could result in increased costs, lost revenues, field corrective actions, customer dissatisfaction or voluntary product recalls, any of which could harm the Corporation's profitability and commercial reputation. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures and problems with raw materials. Quality is extremely important to the Corporation and its customers due to the serious and costly consequences of product failure. The final product formulation used for clinical trials are being manufactured by contract manufacturing organizations, operating as per Health Canada and/or FDA, as applicable, in compliance with cGMP qualification. If the Corporation fails to meet these standards, its reputation could be damaged, it could lose customers, and its revenue and results of operations could decline. If the components fail to meet these standards or fail to adapt to evolving standards, the Corporation's reputation as a manufacturer of high-quality devices will be harmed, its competitive advantage could be damaged, and it could lose customers and market share.

Development of botanical drug products presents unique regulatory, manufacturing, and commercialization risks that could delay or prevent approval of our drug candidates.

Our drug candidates are botanical drug products, and as such, their development presents unique risks that could adversely affect our ability to obtain regulatory approval and successfully commercialize them. Unlike traditional small-molecule or biologic drug products, botanical drug products are derived from plant materials, which creates inherent complexities in development and manufacturing. These complexities include ensuring consistent sourcing, composition, and quality of raw plant materials; maintaining batch-to-batch consistency; and controlling potential variability in active constituents. Such challenges may increase the risk of delays in clinical development, difficulties in scaling up manufacturing, and potential obstacles in meeting regulatory requirements.

If, in the future, we were to change suppliers or expand sourcing, we would be required to demonstrate to the U.S. Food and Drug Administration (FDA) that such changes do not affect the safety, quality, or efficacy of the product. This could involve additional analytical testing, comparability studies, or clinical bridging studies, any of which could delay development timelines, increase costs, or complicate the regulatory review process.

In addition, the U.S. Food and Drug Administration (FDA) has approved very few botanical drug products to date. FDA's limited history of approving such products creates additional uncertainty regarding the regulatory pathway for our drug candidates. Regulatory authorities may require extensive additional

information, clinical data, or manufacturing controls that are not typically required for other types of drug products, which could significantly increase our development costs and timelines.

If we are unable to address these challenges successfully, we may experience delays in obtaining regulatory approval or may be unable to obtain approval at all. Even if approved, the complexity of developing and manufacturing botanical drug products may limit our ability to ensure consistent supply or achieve commercially viable margins. Any of these factors could materially harm our business, financial condition, and results of operations.

Sourcing spinach from different suppliers or geographic locations may pose regulatory risks.

Sourcing spinach from different suppliers or geographic locations may pose regulatory risks. Specifically, variability in soil, climate, and agricultural practices could impact the chemical composition of the spinach, which in turn may affect the consistency of Thykamine™'s active constituents. If, in the future, we were to change suppliers or expand sourcing, we would be required to demonstrate to the U.S. Food and Drug Administration (FDA) and other relevant authorities (Canada, Europe, etc.) that such changes do not affect the safety, quality, or efficacy of the product. This could involve additional analytical testing, comparability studies, or clinical bridging studies, any of which could delay development timelines, increase costs, or complicate the regulatory review process.

Damages to the Corporation's Reputation

The Corporation does not have perfect control over its image on social media and other web applications. As a result of social media and other web-based applications, companies today are at much greater risk of losing control over how they are perceived. Damage to the Corporation's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Corporation places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and act as an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on the Corporation's business, financial condition, or results of operations.

Forward-Looking Statements

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

RISKS RELATED TO THE INDUSTRY

Competition in the Pharmaceutical Markets

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. The Corporation's competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing therapeutics for the same indications the Corporation is targeting and competitors with existing marketed therapies. The Corporation's future customers will consider many factors when choosing suppliers,

including product reliability, clinical outcomes, product availability, inventory consignment, price and product services provided by the manufacturer, and market share can shift as a result of technological innovation and other business factors. Major shifts in industry market share have occurred in connection with product problems, physician advisories and safety alerts, reflecting the importance of product quality in the medical device industry. Any quality problems with the Corporation's processes, goods and services could harm its reputation for producing high-quality products and erode its competitive advantage, sales, and potential market share.

Many of the Corporation's competitors have substantially greater financial, technical and human resources than the Corporation does and have significantly greater experience than the Corporation in conducting nonclinical testing and human clinical trials of products, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, the Corporation's competitors may succeed in obtaining regulatory approval for products more rapidly than the Corporation does.

Competitors may develop technologies that could be the basis for products that challenge the discovery research capabilities of products the Corporation is developing. Some of those products may have an entirely different approach or means of accomplishing the same desired therapeutic effect as the Corporation's product candidates and may be more effective or less costly than its product candidates. The success of the Corporation's competitors and their products and technologies relative to the Corporation's technological and research and development capabilities and competitiveness could have a material adverse effect on the future nonclinical studies and clinical trials of the Corporation's product candidates, including its ability to obtain the necessary regulatory approvals for the conduct of such clinical trials.

If the Corporation is not able to compete effectively against its current and future competitors, the Corporation's business will not grow, and its financial condition and operations will substantially suffer.

Further, there can be no assurance that potential competitors of the Corporation, which may have greater financial, production, sales and marketing experience, and personnel and resources than the Corporation, are not currently developing, or will not in the future develop higher quality products or services or products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Corporation or which would otherwise render the Corporation's business, products and strategies, as applicable, ineffective, or obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Corporation.

Inadequate Risk Management Policies

The Corporation operates in a rapidly changing industry. Accordingly, the Corporation risk management policies and procedures may not be fully effective at identifying, monitoring and managing the Corporation's risks. Some of the Corporation's risk evaluation methods depend upon information provided by third parties regarding markets, clients or other matters that are otherwise inaccessible to the Corporation. In some cases, however, that information may not be accurate, complete, or up to date. The Corporation risk management policies, procedures, techniques and processes may not be effective at identifying all of the risks to which the Corporation is exposed or enabling the Corporation to mitigate the risks identified. In addition, when the Corporation introduces new products or begins to operate in industries in which it has limited history of fraud loss, the Corporation may be less able to forecast and reserve accurately for new risks. If the Corporation's risk management policies and processes are

ineffective, the Corporation may suffer large financial losses and may be subject to civil and criminal liability, and there could be an adverse effect on its business, financial condition and results of operations.

Intellectual Property Rights

The patent positions of pharmaceutical products are often complex and uncertain. If the Corporation is unable to protect its intellectual property effectively, its financial condition and results of operations could be adversely affected. Patents and other proprietary rights are essential to the Corporation and its ability to compete effectively with other companies is dependent upon the proprietary nature of its technologies. The Corporation also relies upon trademark laws, trade secrets, know-how, continuing technological innovations and licensing opportunities to develop, maintain and strengthen its competitive position. The Corporation seeks to protect these, in part, through confidentiality agreements with certain employees, consultants and other parties. The Corporation pursues a policy of generally obtaining patent protection in both Canada and in key foreign countries for patentable subject matter in its proprietary devices and attempt to review third-party patents and patent applications to the extent publicly available to develop an effective patent strategy, avoid infringement of third-party patents, and monitor the patent claims of others.

If the Corporation encounters delays in its development or clinical trials, the period of time during which the Corporation could market its product candidates under patent protection would be reduced. Thus, the Corporation's competitors may be able to circumvent the Corporation's patents by developing similar or alternative products in a non-infringing manner.

The Corporation currently owns numerous Canadian patents and has patent applications pending. The Corporation cannot be certain that any pending or future patent applications will result in issued patents, that any current or future patents issued will not be challenged, invalidated or circumvented or that the rights granted thereunder will provide a competitive advantage to it or prevent competitors from entering markets which the Corporation currently serves. In addition, the Corporation may have to take legal action in the future to protect its trade secrets or know-how or to defend itself against claimed infringement of the rights of others. Any legal action of that type could be costly and time consuming to the Corporation despite insurance policies owned by the Corporation, and it cannot be certain of the outcome. The invalidation of key patents or proprietary rights which the Corporation owns or an unsuccessful outcome in lawsuits to protect its intellectual property could have a material adverse effect on its financial condition and results of operations.

Confidentiality Protection

The Corporation seeks to protect its confidential proprietary information, in part, by confidentiality agreements. These agreements are designed to protect the Corporation's proprietary information. However, it cannot be certain that such agreements have been entered into with all relevant parties, and it cannot be certain that its trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to its trade secrets or independently develop substantially equivalent information and techniques. For example, any party to a confidentiality agreement may breach the agreement and disclose the Corporation's proprietary information, including its trade secrets, and the Corporation may not be able to obtain adequate remedies for such breaches. The Corporation also seeks to preserve the integrity and confidentiality of its confidential proprietary information by maintaining physical security of its premises and physical and electronic security of its information technology systems, but it is possible that these security measures could be breached. If any of the Corporation's confidential

proprietary information were to be lawfully obtained or independently developed by a competitor, the Corporation would have no right to prevent such competitor from using that technology or information to compete with it, which could harm its competitive position.

Pending Patent Applications

There can be no assurance that the Corporation's pending patent applications will result in issued patents in Canada, the U.S., Japan or foreign jurisdictions in which such applications are pending. Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that the Corporation will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with the Corporation's product.

Infringement of the Intellectual Property Rights of Others

The Corporation's commercial success depends significantly on its ability to operate without infringing on the patents and other intellectual property rights of third parties. There could be issued patents of which the Corporation is not aware that its products infringe or patents that it believes it does not infringe, but that it may ultimately be found to infringe. Moreover, patent applications are, in some cases, maintained in secrecy until patents are issued. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications were filed. Because patents can take many years to issue, there may be currently pending applications of which the Corporation is unaware that may later result in issued patents that its products infringe. For example, pending applications may exist that provide support or can be amended to provide support for a claim that results in an issued patent that the Corporation's product infringes. The pharmaceutical industry has produced a proliferation of patents, and it is not always clear to industry participants which patents cover various types of products. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. The Corporation believes that its products do not infringe any valid claim of these patents, although there can be no assurances of this. In the event of an infringement or violation of another party's patent, the Corporation may not be able to enter into licensing arrangements or make other arrangements at a reasonable cost. Any inability to secure licenses or alternative technology could result in delays in the introduction of drugs or lead to prohibition of the manufacture or sale of drugs by the Corporation.

Litigation

Future patent litigation could be costly and disruptive to the Corporation and may have an adverse effect on its financial condition and results of operations. The Corporation operates in an industry that is susceptible to significant patent litigation and, in recent years, it has been common for companies in the pharmaceutical field to aggressively challenge the rights of other companies to prevent the marketing of new products. Companies that obtain patents for products or processes that are necessary for or are useful to the development of its products may bring legal actions against the Corporation claiming infringement. Defending intellectual property litigation is expensive and complex and outcomes are difficult to predict. Any pending or future patent litigation may result in significant royalty or other payments or injunctions that can prevent the sale of products and may cause a significant diversion of the efforts of the Corporation's technical and management personnel. While the Corporation intends to defend any such lawsuits vigorously, it cannot be certain that it will be successful. In the event that the Corporation's right to market any of its products is successfully challenged or if the Corporation fails to obtain a required license

or is unable to design around a patent, the Corporation's financial condition and results of operations could be materially adversely affected.

The Corporation is also subject to litigation arising in the normal course of business and may be involved in legal disputes or matters with other parties, including governments and their agencies, regulators and members of the Corporation's own workforce, which may result in litigation. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, health and safety laws and regulations, tax matters, volatility in the Corporation's stock price, failure to comply with disclosure obligations or labour disruptions. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and the Corporation may incur expenses in defending them and be subject to fines or penalties in case of any violation, and could face damage to its reputation in the case of recurring workplace incidents resulting in an injury or fatality for which the Corporation is found responsible. The results and costs of litigation and investigations cannot be predicted with certainty. If the Corporation is unable to resolve these disputes or matters favourably, this may have a material adverse impact on the Corporation's financial performance, cash flows and results of operations.

Moreover, even if resolved in the Corporation's favor, litigation or other legal proceedings relating to intellectual property claims may cause the Corporation to incur significant expenses and could distract the Corporation's technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of the Shares. Such litigation or proceedings could substantially increase the Corporation's operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. The Corporation may not have sufficient financial or other resources to adequately conduct such litigation or proceedings.

Cybersecurity and Privacy

The Corporation's information systems and any third-party service providers and vendors are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and to quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The Corporation's operations depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Corporation is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

The Corporation may collect and may store various personal information during its activities, including personal information about clients, patients, employees and suppliers. The Corporation is responsible for

the security and protection of this information against incidents that could violate privacy as well as against unauthorized consultation, use or disclosure. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. In addition, theft of data is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such privacy breach or theft could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Existing and proposed laws and regulations, including changes to how they are interpreted in courts, could restrict the collection, use, storage, access, presentation and transfer of certain types of information by the Corporation, or impose requirements relating to these processes.

In addition, there are a number of laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under various legislation governing personal health information protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If the Corporation were found to be in violation of the privacy or security rules under such legislation protecting the confidentiality of medical patient's health information, the Corporation could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the Corporation's business, financial condition and results of operations

Sales, Marketing and Distribution Capabilities

The Corporation would not be able to successfully commercialize products if the Corporation was unable to create sales, marketing, and distribution capabilities or make adequate arrangements with third parties, including entering into collaborations with partners, for such purposes. In order to commercialize its products successfully, the Corporation could, on a product-by-product basis, either develop internal sales, marketing and distribution capabilities or make arrangements with third parties, including entering into collaborations with partners, to perform some or all of these services. The Corporation currently has limited marketing capabilities and sales force. To the extent that the Corporation internally develop a sales force, the cost of establishing and maintaining a sales force would be substantial and may exceed its cost effectiveness. In addition, in marketing its products, the Corporation is likely to compete with many companies that currently have extensive and well-funded marketing and sales operations. Despite marketing and sales efforts, the Corporation may be unable to compete successfully against these companies and/or the Corporation may not be able to do so on favourable terms. The Corporation could rely on third parties to market and sell its products in certain territories, rather than establishing an internal sales force. When the Corporation contracts with third parties, including entering into collaborations with partners, for the sale and marketing of its products, revenues depend upon the efforts of these third parties, which may not be successful. If the Corporation fails to establish successful marketing and sales capabilities or to make arrangements with third parties for such purposes, the Corporation's business, financial condition, results of operations and prospects will be materially adversely affected.

Third-Party Manufacturers

The Corporation relies on third party contract manufacturers to manufacture product candidates and work with multiple third-party suppliers to produce sufficient quantities of materials required for the manufacture of the Corporation's product for preclinical testing and clinical trials and intends to do so for the commercial manufacture of the Corporation's products. Reliance on third party manufacturers entails

risks to which the Corporation would not be subject if the Corporation manufactured its product candidates, including the following:

- reliance on the third party for regulatory compliance and quality control and assurance;
- the possibility of breach of the manufacturing agreement by the third party because of factors beyond the Corporation's control (including a failure to synthesize and manufacture the Corporation's product candidates in accordance with the product specifications); and
- the possibility of termination or nonrenewal of the agreement by the third party at a time that is costly or damaging to the Corporation.

Health Canada and/or FDA, as applicable, ensures the quality of products by carefully monitoring manufacturers' compliance with cGMP regulations. Any manufacturing failures or delays or compliance issues could cause delays in the completion of the Corporation's preclinical and clinical activities. There can be no assurances that the Corporation's contract manufacturer will be able to meet its timetable and requirements. The Corporation has currently not contracted with alternate suppliers, in the event its contract manufacturer is unable to scale up production, or if they otherwise experience any other significant problems. If the Corporation is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, the Corporation may be delayed in the manufacture of its product. Further, contract manufacturers must operate in compliance with GMP, and failure to do so could result in, among other things, the disruption of its product supplies. The Corporation's dependence upon third parties for the manufacture of its products may adversely affect its profit margins and ability to develop and deliver products on a timely and competitive basis.

Government Regulations

Biotechnology and pharmaceutical companies operate in a high-risk regulatory environment. The manufacture and sale of therapeutic products are governed by numerous statutes and regulations in the U.S., Canada, and other countries where the Corporation intends to market its products. The subject matter of such legislation includes approval of manufacturing facilities, controlled research, and testing procedures, review, and approval of manufacturing, preclinical and clinical data prior to marketing approval, as well as regulation of marketing activities, notably advertising and labeling.

The process of completing clinical testing and obtaining required approvals is likely to take several years and require the expenditure of substantial resources. Furthermore, there can be no assurance that the regulators will not require modification to any submissions, which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the Corporation's ability to utilize its technology, thereby adversely affecting its operations. Further, there can be no assurance that its product candidates prove to be safe and effective in clinical trials or receive the requisite regulatory approval. There is no assurance that the Corporation will be able to timely and profitably produce its products while complying with all the applicable regulatory requirements. Foreign markets, other than the U.S. and Canada, impose similar restrictions.

No Commercialized Products

Even if the Corporation obtains regulatory approval for a product, its future success will still depend on its ability to successfully commercialize its products, which depends on a number of factors beyond the Corporation's control, including the willingness of physicians to prescribe its products to patients, payers' willingness and ability to pay for the product, the level of pricing achieved, patients' response to its products,

the ability of its marketing partners to generate sales, and its ability to manufacture products on a cost-effective and efficient basis. If the Corporation is not successful in the commercialization of its products, its business, results of operations, and financial condition may be harmed.

Healthcare Reimbursement

The Corporation's ability to commercialize any products successfully will depend, in part, on the extent to which coverage and reimbursement for these products and related treatments will be available from government healthcare programs, private health insurers, managed care plans, and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. The Corporation cannot be sure that coverage and reimbursement will be available on a timely basis for any product that it, or any of its partners, commercializes and, if reimbursement is available, the level of reimbursement may be reduced. Access to reimbursement may impact the demand for, or the price of, any product for which the Corporation or its partners obtain marketing approval. If reimbursement is not available on a timely basis or is available only to limited levels or is delayed, the commercial potential for any product candidate for which the Corporation or its partner has obtained marketing approval may be reduced. Such an outcome could adversely affect the Corporation's profitability and share price.

Relationships with Physicians and Healthcare Professionals

The success of the Corporation depends upon strong relationships with physicians and other healthcare professionals. If the Corporation fails to build working relationships with physicians and other healthcare professionals, many of its products may not be developed and marketed in line with the needs and expectations of the professionals who support its products. The research, development, marketing, and sales of many of its new and improved products is dependent upon the Corporation maintaining working relationships with physicians as well as other healthcare professionals, who are becoming increasingly instrumental in making purchasing decisions for its products. The Corporation relies on these professionals to provide it with considerable knowledge and experience regarding its products and the marketing and sale of its products. Physicians also assist the Corporation as researchers, marketing consultants, product consultants, inventors, and as public speakers. If the Corporation is unable to maintain its strong relationships with these professionals and continue to receive their advice and input, the development and marketing and sales of its products could suffer, which could have a material adverse effect on its financial condition and results of operations. The Corporation's relationships with physicians and other healthcare professionals and other providers that use its products are regulated under various laws. In addition, the Corporation has in place and is continuously improving its internal business integrity and compliance program and policies.

Increase in Healthcare Cost

Consolidation in the healthcare industry could lead to demands for price concessions or limit or eliminate the Corporation's ability to sell to certain of its significant market segments. The cost of healthcare has risen significantly over the past decade and numerous initiatives and reforms initiated by legislators, regulators, and third-party payors to curb these costs have resulted in a consolidation trend in the pharmaceutical

industry as well as among the Corporation's future customers, including healthcare providers. This in turn has resulted in greater pricing pressures and limitations on the Corporation's ability to sell to important market segments, as group purchasing organizations, independent delivery networks and large single accounts. The Corporation expects that market demand, government regulation, third-party reimbursement policies and societal pressures will continue to change the worldwide healthcare and pharmaceutical industry, resulting in further business consolidations and alliances which may exert further downward pressure on the prices of its products and adversely impact the Corporation's financial condition and results of operations.

Delays for Regulatory Clearance and Approvals

If the Corporation fails to obtain or maintain, or experience significant delays in obtaining, regulatory clearances or approvals for its products or product enhancements, the Corporation's ability to commercially distribute and market its products could suffer. The Corporation's products are subject to rigorous regulation by federal, provincial, state, and foreign governmental authorities. The Corporation's failure to comply with such regulations or to make adequate, timely corrections, could lead to the imposition of injunctions, suspensions or loss of marketing clearances or approvals, product recalls, manufacturing cessation, termination of distribution, product seizures, civil penalties, or some combination of such actions. The process of obtaining regulatory authorizations to market a medical device can be costly and time consuming, and there can be no assurance that such authorizations will be granted on a timely basis, if at all. Even if regulatory clearance or approvals are received, additional delays may occur related to manufacturing, distribution, or product labelling.

New Products

The Corporation's clinical trials may not yield results that will enable the Corporation to obtain regulatory approval for its current or future product. The Corporation will only receive regulatory approval for a product if it can demonstrate in carefully designed and conducted clinical trials that the product is safe and effective. The Corporation does not know whether its current or any future clinical trials will demonstrate sufficient safety and efficacy to obtain the requisite regulatory approvals or if they will result in marketable products. If clinical trials for a product are unsuccessful, the Corporation will be unable to commercialize such product candidate. If one or more of the clinical trials is delayed, the Corporation may be unable to meet its anticipated development or commercialization timelines. Either circumstance could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Innovation and Enhancements

Failure to innovate may adversely impact the Corporation's competitive position and may adversely impact its ability to drive price increases for its products and its product revenues. The Corporation's future success will depend upon its ability to innovate and introduce enhancements to its existing products to address the changing needs of the marketplace. The Corporation also relies on product enhancements to attempt to drive price increases for its products in its markets. Frequently, product development programs require assessments to be made of future clinical need and commercial feasibility, which are difficult to predict. Customers may forego purchases of the Corporation's products and purchase its competitors' products as a result of delays in introduction of its new products and enhancements, failure to choose correctly among technical alternatives or failure to offer innovative products or enhancements at competitive prices and in a timely manner. Any delays in product releases may negatively affect the Corporation.

Rapid Technological Changes

The pharmaceutical market is intensely competitive and is characterized by extensive research and development and rapid technological change. There can be no assurance that developments by others will not render the proposed products or technologies non-competitive, or that the Corporation will keep pace with technological developments. Competitors have developed or are developing technologies that could be the basis for competitive products. Some of these products have an entirely different approach or means of accomplishing the desired result as compared with products developed by the Corporation and could be more effective and less costly than the products developed by the Corporation. In addition, alternative forms of treatments may be competitive with the Corporation's products. Major shifts in industry market share have occurred in connection with product problems, physician advisories and safety alerts, reflecting the importance of product quality in the pharmaceutical industry. Any quality problems with the Corporation's processes, goods, and services could harm its reputation for producing high-quality products and erode its competitive advantage, sales, and potential market share.

Potential Product Liability

The Corporation faces a potential risk of product liability as a result of the clinical testing of its products and will face an even greater risk if the Corporation commercializes any of them, if approved. Any product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If the Corporation cannot successfully defend itself against product liability claims, the Corporation may incur substantial liabilities or be required to limit commercialization of the product candidate subject to such claims. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any products that the Corporation may develop;
- injury to the Corporation's reputation;
- withdrawal of clinical trial participants;
- costs to defend any related litigation;
- a diversion of management's time and the Corporation's resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize any of the Corporation's products, if approved;
- a decline in the Corporation's stock price; and
- exposure to adverse publicity.

The Corporation currently does not carry any product liability insurance coverage. Even though the Corporation is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks. The Corporation can provide no assurance that such potential claims will not be asserted against it. A successful liability claims or series of claims brought against the Corporation could have a material adverse effect on its business, financial condition and results of operations.

Although the Corporation intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance on acceptable

terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Corporation could have a material adverse effect on its business, financial condition and results of operations.

Some of the Corporation's agreements with third parties might require it to maintain product liability insurance. If the Corporation cannot obtain acceptable amounts of coverage on commercially reasonable terms in accordance with the terms set forth in these agreements, the corresponding agreements would be subject to termination, which could have a material adverse impact on its operations.

Risks Associated to the Expansion of the Business and Operations into Jurisdictions Outside of Canada

The Corporation may in the future expand its operations and business into jurisdictions outside of Canada. There can be no assurance that any market for the Corporation's product candidates (if approved) will develop in any such foreign jurisdiction. The Corporation may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition. These factors may limit the Corporation's capability to successfully expand its operations and may have a material adverse effect on the Corporation's business, financial condition, and results of operations.

Joint Venture/Partnership Arrangement

The Corporation may participate in joint ventures and partnerships with third parties. A joint venture or partnership arrangement involves certain additional risks including: (i) the possibility that a partner may at any time have economic or business interests or goals that are inconsistent with those of the Corporation or take actions contrary to the instructions or requests of the Corporation or contrary to the Corporation's objectives; (ii) the risk that the partner could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands on the Corporation; and (iii) the need to obtain the partner's consent with respect to certain major decisions. In addition, the sale or transfer of an interest in joint ventures and partnerships will generally be subject to rights of first refusal or first offer and certain other joint venture or partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when the Corporation may not desire the sale, but may be forced to do so because it does not then have the financial resources with which to purchase the other parties' interests. The terms of any joint venture or partnership arrangement may not allow the Corporation to realize anticipated benefits and may adversely affect the Corporation and its business.

Conflict of Interest

Certain of the Corporation's directors and senior officers may, from time to time, be employed by or affiliated with organizations that have entered into agreements with the Corporation. As disputes may arise between these organizations and the Corporation, or certain of these organizations may undertake or have undertaken research with the Corporation's competitors, there exists the possibility for such persons to be in a position of conflict. Any decision or recommendation made by these persons involving the Corporation will be made in accordance with his or her duties and obligations to deal fairly and in good faith with the Corporation and such other organizations. In addition, as applicable, such directors and officers will refrain from voting on any matter in which they have a conflict of interest.

CLINICAL DEVELOPMENT RISKS

Difficulty to Enroll Subjects in Clinical Trials

Subject enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the subject population, the proximity of subjects to clinical sites, the eligibility criteria for the clinical trial, the design of the clinical trial, ability to obtain and maintain subject consents, risk that enrolled subjects will drop out before completion, competing clinical trials and clinicians' and subjects' perceptions as to the potential advantages of the product being studied in relation to other available therapies, including any new treatments that may be approved for the indications the Corporation is investigating. Furthermore, the Corporation relies on CROs and clinical trial sites to ensure the proper and timely conduct of the Corporation's clinical trials, and while the Corporation has agreements governing their committed activities, the Corporation has limited influence over their actual performance.

If the Corporation experiences delays in the completion or termination of any clinical trial of its proposed products or any future products, the commercial prospects of its products will be harmed and its ability to generate product revenues from any of these products will be delayed. In addition, any delays in completing clinical trials will increase costs, slow down product development and approval process and can shorten any periods during which the Corporation may have the exclusive right to commercialize its products or allow its competitors to bring products to market before the Corporation does. Delays can further jeopardize its ability to commence product sales, which will impair its ability to generate revenues and may harm the business, results of operations, financial condition and cash flows and future prospects. In addition, many of the factors that can cause a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of its proposed products or its future products.

Completion of Clinical Trials

As the Corporation's products development advance, the latter through a series of progressively larger and more complex clinical trials, the Corporation will need to enroll an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and the Corporation may be unable to enroll the patients it needs to complete clinical trials on a timely basis or at all. The factors that affect the Corporation's ability to enroll patients are largely uncontrollable and include, but are not limited to the size and nature of the patient population, eligibility and exclusion criteria for the trial, design of the clinical trial, competition with other companies for clinical sites or patients, perceived risks and benefits of the product, and the number, availability, location and accessibility of clinical trial sites.

Such delays in completing its clinical trials will likely increase costs as well as slow down the future development program and path to approval. Depending on the nature of the delay, such factors may lead to the denial of regulatory approval of the Corporation's products. Significant delays to the development programme may alternatively lead to additional competitors to bring their therapies to market ahead of the Corporation as well as reduce the duration to which it holds certain exclusive rights. Such occurrences may harm the overall business, financial status, prospect and reputation of the Corporation.

Reliance on Third Parties for Clinical Trial Progresses

The Corporation relies and will continue to rely on third parties to conduct a significant portion of its nonclinical and clinical development activities. For example, clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data

management and analysis, safety monitoring and project management. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Corporation's active development programs will face delays. Further, if any of these third parties fails to perform as the Corporation expects or if their work fails to meet regulatory requirements, the Corporation's testing could be delayed, cancelled or rendered ineffective.

Safety and Efficacy of Products

Before obtaining marketing approval from regulatory authorities for the sale of the Corporation's product candidates, the Corporation must conduct nonclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the products. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of nonclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. The Corporation does not know whether the clinical trials it conducts or may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its products in any jurisdiction. A product may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Corporation faces is the possibility that none of its products under development will successfully gain market approval, resulting in the Corporation (and its partners) being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Clinical trials are conducted in representative samples of the potential patient population which may have significant variability. Clinical trials are by design based on a limited number of subjects and of limited duration for exposure to the product used to determine whether, on a potentially statistically significant basis, the planned safety and efficacy of any such product can be achieved. As with the results of any statistical sampling, the Corporation cannot be sure that all side effects of its products may be uncovered, and it may only be with significantly more patients exposed to such products for a longer duration that a more complete safety profile can be identified. Further, even larger clinical trials may not identify rare serious adverse effects or the duration of such studies may not be sufficient to identify when those events may occur. There have been products that have been approved by the regulatory authorities but for which safety concerns have been uncovered following approval. Such safety concerns have led to labelling changes or withdrawal of such products from the market, and the Corporation's products may be subject to similar risks. The Corporation might have to withdraw or recall its products from the marketplace. The Corporation may also experience a significant drop in the potential future sales of its products if and when regulatory approvals for such products are obtained, experience harm to its reputation in the marketplace or become subject to lawsuits, including class actions. Any of these results could decrease or prevent any sales of the Corporation's products or substantially increase the costs and expenses of commercializing and marketing its products.

Undesirable Adverse Effects Caused by the Products

Unforeseen adverse effects from any of the Corporation's products could arise either during clinical development or, if approved, after the approved product has been marketed.

Any undesirable adverse effects that may be caused by the Corporation's products could interrupt, delay or halt clinical trials and could result in more restrictive labeling or the denial of regulatory approval by Health

Canada or other regulatory authorities for any or all targeted indications, and in turn prevent the Corporation from commercializing its products and generating revenues from their sale. Adverse effects could also impact subject recruitment or the ability or willingness of enrolled subjects to complete the trial, or result in product liability claims. Any of these occurrences may harm the Corporation's business, financial condition and prospects significantly.

In addition, if any of the Corporation's products receive regulatory approval and the Corporation or others later identify undesirable adverse effects caused by the product, the Corporation could face one or more of the following consequences:

- the Corporation may suspend marketing of, withdraw or recall the product;
- regulatory authorities may require the addition of labeling statements, such as a warning or a contraindication, or other labeling changes;
- regulatory authorities may withdraw their approval of the products;
- regulatory authorities may seize the product or seek an injunction against its manufacture or distribution;
- Health Canada or other regulatory authorities may issue safety alerts, "Dear Healthcare Provider" letters, press releases or other communications containing warnings about the product;
- Health Canada may require the Corporation to issue a medication guide outlining the risks of such adverse effects for distribution to patients, or restrict distribution of the product, if and when approved, and impose burdensome implementation requirements on the Corporation;
- the Corporation may be required to conduct additional trials;
- the Corporation may be required to change the way that the product is administered, conduct additional clinical trials or recall the product;
- the Corporation may be subject to litigation or product liability claims, fines, injunctions or criminal penalties;
- regulatory authorities may impose additional restrictions on marketing and distribution of the product; and
- the Corporation's reputation may suffer.

Any of these events could prevent the Corporation from achieving or maintaining market acceptance of the affected product or could substantially increase the costs and expenses of commercializing such product, which in turn could delay or prevent the Corporation from generating significant revenues from its sale.

Clinical Testing and Commercialization of Products

The Corporation cannot predict whether its proposed clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. The Corporation's product development costs will increase if it experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which the Corporation may have the exclusive right to commercialize its products or allow its competitors to bring products to market before the Corporation, which would impair the Corporation's ability to successfully commercialize its products and may harm its financial condition, results of operations and prospects.

The commencement and completion of clinical trials for the Corporation's products may be delayed for a number of reasons, including but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing clinical trials on hold;

- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of the Corporation's contract manufacturing organizations to comply with current cGMP requirements;
- any changes to the Corporation's manufacturing process that may be necessary or desired, delays or failure to obtain clinical supply from contract manufacturing organizations of the Corporation's products necessary to conduct clinical trials;
- products demonstrating a lack of safety or efficacy during clinical trials, reports of clinical testing on similar technologies and products raising safety or efficacy concerns;
- clinical investigators not performing the Corporation's clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of the Corporation's contract research organizations to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities;
- regulatory authorities or ethics committees finding regulatory violations that require the Corporation to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- delays in or failure to recruit a sufficient number of suitable patients to participate in a trial;
- availability of adequately trained therapists and appropriate third-party clinical trial sites for the conduct of the therapy sessions, including preparation, dosing and integration of the therapeutic experience;
- long-term follow-up relating to any therapy the Corporation develops;
- failure to have patients complete a trial or return for post-treatment follow-up;
- one or more regulatory authorities or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial;
- failure to reach agreement on acceptable terms with prospective clinical trial sites; or
- business interruptions resulting from geo-political actions, including war and terrorism, natural disasters including earthquakes, typhoons, floods and fires, pandemics, or failures or significant downtime of the Corporation's information technology systems resulting from cyber-attacks on such systems or otherwise.

The Corporation's product development costs will increase if it experiences delays in testing or approval or if the Corporation needs to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and the Corporation may need to amend study protocols to reflect these changes. Amendments may require the Corporation to resubmit its study protocols to regulatory authorities or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on the Corporation's business, financial condition and prospects.

Commercial Scale Product Manufacturing

The Corporation's products will be manufactured in small quantities for nonclinical studies and clinical trials by third party manufacturers. In order to commercialize its product, the Corporation needs to manufacture commercial quality drug supply for use in registration clinical trials. Most, if not all, of the clinical material used in clinical trials must be derived from the defined commercial process including scale, manufacturing

site, process controls and batch size. If the Corporation has not scaled up and validated the commercial production of its product prior to the commencement of clinical trials, it may have to employ a bridging strategy during the trial to demonstrate equivalency of early stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. The manufacturing of commercial quality product may have long lead times, may be very expensive and requires significant efforts including, but not limited to, increase the production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, and multiple process performance and validation runs. If the Corporation does not have commercial drug supply available when needed for clinical trials, the Corporation's regulatory and commercial progress may be delayed, and it may incur increased product development costs. This may have a material adverse effect on the Corporation's business, financial condition and prospects, and may delay marketing of the products.

In addition, during the development program, manufacturing methods and formulations may alter in the attempt to optimise processes and results in preparation for commercial manufacture. Such changes may result in the therapeutic product performing differently, impacting the results of future and planned clinical trials. Significant changes to the manufacture processes may require additional testing, notification to the relevant regulatory authorities for approval and subsequently impact initiation of planned clinical trials, require the conduct of bridging clinical trials or repetition of previous trials. This may increase the costs and delay the overall development program to market approval.

Failure to Comply with Pharmaceutical Industry Standards

Various regional and national authorities govern or influence pharmaceutical industry standards. Numerous statutes and regulations govern the research and development and sale of pharmaceutical products where the Corporation intends to market its products, including but not limited to, Good Laboratory Practice, Good Clinical Practices and cGMP standards as well as country-specific pharmaceutical advertising laws and regulations. Such standards, laws and regulations govern, among other things, the approval of manufacturing facilities, testing procedures and controlled research, non-clinical and clinical data required prior to and after marketing approval, compliance with GMP affecting production and storage, the advertising, marketing and labelling of products, pharmacovigilance, record keeping, and distribution of the Corporation's products, including licenses.

Non-compliance with applicable legal and regulatory requirements or pharmaceutical industry standards may affect the Corporation's ability to progress development of its products by achieving jurisdictional approval which could impact future commercialization to promote and sell the Corporation's medicines in various jurisdictions. This can lead to a broad range of consequences which could have a material adverse effect on the Corporation's business, financial position and operating results. In the event that a regulatory authority revokes any clearances or approvals granted in respect of the Corporation's pharmaceutical products, the Corporation's business and financial condition could be adversely affected.

Failure to comply with statutes and regulations could result in warning letters, fines and other civil penalties, unanticipated expenditures, withdrawal of regulatory approval, delays in approving or refusing to approve a product, interruption of production, operating restrictions, injunctions or criminal sanctions. The Corporation and its manufacturers and suppliers are also subject to numerous regional laws relating to such matters as safe working conditions and manufacturing practices.

Furthermore, the global pharmaceutical regulatory environment continues to evolve with changes to regulations, rules, standards and guidelines and the establishment of new health authorities and/or mergers of divisions within them. The Corporation's existing or future regulatory clearances or approvals may be negatively affected as a result of such changes or reorganization.

Environmental Regulation

The Corporation's operations are subject to environmental regulations that mandate, among other things, the maintenance of air and water quality standards. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which could include stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Corporation may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

FINANCIAL RISKS

Global Financial Conditions

In recent years, global financial markets have experienced increased volatility and global financial conditions have been subject to increased instability, resulting in a profound impact on the global economy. Many industries are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. These factors may impact the ability of the Corporation to obtain equity or debt financing and, if available, to obtain such financing on terms favourable to the Corporation. If these increased levels of volatility and market instability continue, the Corporation's operations and planned growth could be adversely impacted and the trading price of the securities of the Corporation may be adversely affected.

The Corporation's business is influenced by a variety of economic and business conditions (including inflation, interest rates, exchange rates and access to debt and capital markets), as well as by monetary and regulatory policies. Deterioration in economic conditions increase in interest rates or a decrease in consumer demand and/or a decrease in investment demand could have an adverse impact on the Corporation's financial performance and condition, cash flows and growth prospects.

Share Price

The market price of securities of many companies, particularly development stage pharmaceutical companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Indeed, the Shares do not necessarily trade at prices determined by reference to the underlying value of the Corporation business and cannot be

predicted. The market price of the Shares may be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years, that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Shares.

Dilution

Additional financing may be needed to continue funding the development and operation of the Corporation's business and the Corporation may require the issuance of additional securities. The issuance of additional securities and the exercise of Share purchase warrants, options and other convertible securities, as applicable, will result in dilution of the equity interests of any persons who are or may become holders of Shares.

Public Corporation Obligations

The Corporation must comply with the obligations of a publicly traded corporation. As a publicly listed corporate entity, the Corporation is subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the Exchange, and the International Accounting Standards Board, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity creating many new requirements, which increase compliance costs and the risk of non-compliance. The failure to comply with any of these laws, individually or in the aggregate, could have a material adverse effect on the Corporation, which could cause a significant decline in the Corporation's stock price. The Corporation's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and, eventually, revenue-generating activities.

Limited Control Over the Corporation's Operation

Holders of the Shares have limited control over changes in the Corporation's policies and operations, which increases the uncertainty and risks of an investment in the Corporation. The Board determines major policies, including policies regarding financing, growth, debt capitalization and any future dividends to shareholders of the Corporation. Generally, the Board may amend or revise these and other policies without a vote of the holders of the Shares. The Board's broad discretion in setting policies and the limited ability of holders of the Shares to exert control over those policies increases the uncertainty and risks of an investment in the Corporation.

Catastrophic Events, Natural Disasters, Severe Weather and Climate Change

The Corporation's business may be negatively impacted to varying degrees by a number of events which are beyond its control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms, any other extreme weather events resulting from climate change or manmade catastrophes. While the Corporation engages in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly, and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that the Corporation's operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Corporation from performing its obligations to third parties. The above-mentioned events pose various risks including but not limited to:

- Supply chain disruptions: extreme weather events can disrupt the supply of raw materials;
- Infrastructure damage: severe weather events such as hurricanes and floods can damage warehouses, manufacturing facilities of the Corporation or its suppliers, leading to shortages, higher costs and potential disruptions of operations.;
- Regulatory changes: governments may impose new or amend existing regulations aiming to reduce greenhouse gas emissions, which can increase compliance costs; and
- Reputation risk: the Corporation may face criticism from consumers, partners and stakeholders for not addressing its carbon footprint and contributing to climate change.

Estimates, Judgments and Assumptions

The preparation of the Corporation's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. The Corporation cannot provide assurance that its estimates, judgments and assumptions are accurate or adequate, which could have a material adverse effect on the Corporation's results of operations, financial condition, and cash flows.

Securities Industry Analyst Research Reports

The trading market for the Shares relies in part on the research and reports that securities analysts and other third parties choose to publish about the Corporation. The Corporation does not control these analyses or other third parties. The price of the Shares could decline if one or more securities analysts downgrade the Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Corporation or cease publishing reports about the Corporation. If one or more analysts cease coverage of the Corporation or fail to regularly publish reports on the Corporation, the Corporation could lose visibility in the financial markets, which in turn could cause the Shares price or trading volume to decline.

Increase in Interest Rates

Increases in interest rates, both domestically and internationally, could negatively affect the Corporation cost of financing its operations and investments. Adverse credit market conditions could limit the Corporation's ability to raise debt that may be needed to fund the Corporation's operations. The Corporation ability to maintain its current credit facility and its ability to issue or borrow long-term debt and raise financing may be critical to the success of the Corporation business. The Corporation's ability to conduct operations could be materially and adversely impacted should these or other adverse conditions affect the Corporation's sources of liquidity.

Payment of Dividends

The Corporation has not declared or paid any dividends on its Shares. The Corporation currently intends to reinvest future earnings to finance its growth and the development of its business. As a result, the Corporation does not intend to pay dividends in the foreseeable future. The payment of dividends in the future will be dependent on the Corporation's earnings, financial condition and such other factors as the Board considers appropriate. Until the time that the Corporation does pay dividends, which the Corporation may never do, the Corporation's shareholders will not be able to receive a return on their Shares unless they sell them.

Bankruptcy, Liquidation or Reorganization

In the event of a bankruptcy, liquidation or reorganization of the Corporation, holders of certain of its indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the Corporation before any assets are made available for distribution to the shareholders. The Shares will be effectively subordinated to most of the other indebtedness and liabilities of the Corporation.

Taxes and Tax Audits

The Corporation is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest and penalties, which would negatively affect the Corporation's financial condition and operating results. Changes in tax rules and regulations or in the interpretation of tax rules and regulations by the courts or the tax authorities may also have a substantial negative impact on the Corporation's business.

Market Risk for the Shares

The market price for the Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including, but not limited to, the following:

- actual or anticipated fluctuations in the Corporation's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industries in which the Corporation operates;
- addition or departure of the Corporation's executive officers and other key personnel;
- sales or perceived sales of additional Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or the Corporation's competitors;
- fluctuations to the costs of vital production materials and services;
- announcements of technological innovations;
- new commercial products or patents or the development of proprietary rights by the Corporation or by others or any litigation relating to these rights;
- changes in global financial markets and global economies and general market conditions, such as interest rates and product price volatility;
- impacts from pandemics or other major global events;
- news reports relating to trends, concerns, technological or competitive developments;
- regulatory changes and other related issues in the Corporation's industries or target markets; and
- regulatory developments regarding the products or more generally in the Corporation's industries.

The securities market in Canada has recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in share price will not occur. It may be anticipated that any market for the Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation.

In addition, the market price for securities on stock markets, including the Exchange is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities

that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may materially adversely affect the market price of the Corporation.

Resale of Shares

There can be no assurance that the publicly traded market price of the Shares will be high enough to create a positive return for shareholders. Further, there can be no assurance that the Shares will be sufficiently liquid so as to permit shareholders to sell their equity position in the Corporation without adversely affecting the stock price. In such event, the probability of resale of the Shares would be diminished.

As well, the continued operation of the Corporation will be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Corporation is unable to obtain such additional financing or generate such revenues, shareholders may be unable to sell their Shares and any investment in the Corporation may be lost.

Environmental, Social and Governance (ESG) Matters

In addition to the importance of their financial performance, companies are being judged by their performance on a variety of environmental, social and governance (“ESG”) matters, which are considered to contribute to the long-term sustainability of companies’ performance. A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the Corporation’s efforts and impacts on climate change and human rights, ethics and compliance with law, and the role of the Board in supervising these issues. The Corporation actively manages a broad range of such ESG matters, taking into consideration their expected impact on the sustainability of the Corporation’s business over time, and the potential impact of the Corporation’s business on society and the environment. However, in light of investor’s increased focus on ESG matters, there can be no certainty that the Corporation will manage such issues successfully, or that the Corporation will successfully meet society’s expectations as to its proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on the Corporation’s reputation and on its business, share price, financial condition, or results of operations, including the sustainability of the Corporation’s business over time.

Shareholder Activism

In recent years, publicly traded companies have been increasingly subject to demands from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders will not publicly advocate for the Corporation to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Corporation’s reputation and divert the attention and resources of the Corporation’s management and Board, which could have an adverse effect on the Corporation’s business and results of operations. Even if the Corporation does undertake such corporate governance changes or corporate actions, activist shareholders may continue to promote or attempt to effect further changes, and may attempt to acquire control of the Corporation to implement such changes. If shareholder activists

seeking to increase short-term shareholder value are elected to the Board, this could adversely affect the Corporation's business and future operations. Additionally, shareholder activism could create uncertainty about the Corporation's future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Corporation's business, future operations, profitability and ability to attract and retain qualified personnel.

DIVIDENDS

During the three most recently completed fiscal years and as of the date of this Annual Information Form, the Corporation has not paid any dividends on the Shares. Any decision to declare and pay dividends on the Shares in the future will be made at the discretion of the Board and will depend on, among other things, the Corporation's financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant at such time. In addition, the Corporation's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness that the Corporation or its subsidiary incur.

DESCRIPTION OF CAPITAL STRUCTURE

The following description of the Corporation's share capital summarizes certain provisions contained in the Corporation's articles and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Corporation's articles and by-laws, which have been filed under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

SHARES

On October 7, 2024, the Corporation announced that it has amended its articles of amalgamation in order to modify the original share capital of the Corporation comprised in the Certificate of Amalgamation of the Corporation dated May 12, 2017, in accordance with the adoption of a special resolution of the shareholders approved at the Annual General and Special Meeting held on February 20, 2024 (the "**Amended Articles**"). The previous designation of the subordinate voting shares of the Corporation (the "**Subordinate Voting Shares**") could be confusing regarding the rights provided by these Subordinate Voting Shares, the Corporation amended its original share capital to change the designation of the Subordinate Voting Shares to "Common Shares".

The Amended Articles created a new class of shares, consisting of an unlimited number of Shares without par value which carries one vote per Share, converted each existing issued and outstanding Subordinate Voting Share into Shares, and after it gave effect to the above-mentioned, repealed the following classes of shares of the Corporation and the rights, privileges, restrictions and conditions attached:

- (i) the unlimited number of Multiple Voting of the Corporation
- (ii) the unlimited number of Exchangeable Voting Shares of the Corporation; and
- (iii) the unlimited number of Subordinate Voting Shares of the Corporation.

As of July 31, 2025, 148,222,531 Shares were issued and outstanding as fully paid and non-assessable. The holders of Shares are entitled to vote at all shareholder meetings. They are also entitled to dividends, if, as and when declared by the Board and, upon liquidation or winding-up of the Corporation, to share the residual assets of the Corporation. The Shares do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Shares, all of which rank equally as to all benefits which might accrue to the holders of the Shares.

SHARE PURCHASE WARRANTS

During the fiscal year ended July 31, 2025, no warrants were issued, no Share purchase warrants were exercised, and 8,602,080 Share purchase warrants expired. As a result, and as of July 31, 2025, 4,339,770 Share purchase warrants issued by the Corporation are outstanding.

Between August 1, 2025, and the date of this Annual Information Form, 17,720,981 Share purchase warrants were issued, and 2,452,016 warrants expired. As a result, and as of the date of this Annual Information Form, 19,608,735 Share purchase warrants issued by the Corporation are outstanding.

STOCK OPTIONS

As of July 31, 2025, an aggregate number of 21,878,143 Stock Options issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 21,878,143 Shares as follows:

	Number of Stock Options	Number of Vested Stock Options	Exercise Price (\$)	Expiry Date
	751,645	751,645	0.12	December 29, 2030
	3,765,610	3,765,610	0.125	December 1, 2033
	500,000	350,000	0.145	June 20, 2034
	1,313,355	1,313,355	0.15	July 27, 2030
	3,084,611	3,084,611	0.15	February 21, 2034
	1,288,596	648,596	0.15	June 9, 2035
	3,298,611	3,298,611	0.16	October 8, 2034
	1,535,715	1,535,715	0.19	December 23, 2034
	60,000	60,000	0.20	March 23, 2031
	725,000	725,000	0.20	May 12, 2033
	625,000	625,000	0.21	April 21, 2030
	50,000	50,000	0.21	March 1, 2034

	50,000	50,000	0.34	January 6, 2033
	920,000	920,000	0.40	November 19, 2031
	725,000	725,000	0.50	January 21, 2032
	625,000	625,000	0.50	August 24, 2032
	350,000	350,000	0.50	August 24, 2027
	1,000,000	300,000	0.50	January 6, 2033
	1,140,000	1,140,000	0.60	June 26, 2028
	20,000	20,000	0.60	November 26, 2028
	50,000	50,000	0.60	March 25, 2029
Total	21,878,143	20,388,143		

Between August 1, 2025, and the date of this Annual Information Form, no Stock Options were exercised, or granted and no Stock Options expired. As a result, and as of the date of this Annual Information Form, an aggregate of 21,878,143 Stock Options issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 21,878,143 Shares.

The Board is entitled to grant Stock Options in accordance with the Option Plan to employees, officers, directors or consultants of the Corporation or any subsidiary thereof, and to persons employed to perform investor relations activities.

For further details about the Stock Options issued by the Corporation as of July 31, 2025, reference is made to note 10 of the Corporation's audited annual consolidated financial statements for the fiscal year ended July 31, 2025, which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca. For further details about the Option Plan and a copy of the full text of the Option Plan, reference is made to the Corporation's management information circular for the annual and general meeting of the shareholders held on March 20, 2025, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

RESTRICTED SHARE UNITS

As of July 31, 2025, there were no RSUs issued and outstanding. Between August 1, 2025, and the date of this Annual Information Form, no RSUs were exercised, no RSUs were granted, and no RSUs expired. As a result, and as of the date of this Annual Information Form, no RSUs issued by the Corporation were outstanding. The Board is entitled to grant RSUs in accordance with the RSU Plan to directors, officers, employees or consultants of the Corporation or its affiliates.

For further details about the Option Plan and a copy of the full text of the Option Plan, reference is made to the Corporation's management information circular for the annual and general meeting of the shareholders held on March 20, 2025, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

MARKET FOR SECURITIES

MARKET

The issued and outstanding Shares have been listed and posted for trading on the Exchange under the symbol “GSD” on October 13, 2014, and on the OTCQB® Venture Market under the symbol “DVHGF” on September 19, 2022.

TRADING PRICE AND VOLUME

The following table sets forth trading information for the Shares on the Exchange (as reported by www.money.tmx.com) for the fiscal year ended July 31, 2025, and up to the date of this Annual Information Form.

Month	High \$(1)	Low \$(2)	Trading Volume(3)
August 2024	0.16	0.13	479,975
September 2024	0.16	0.13	36,250
October 2024	0.16	0.135	51,494
November 2024	0.18	0.125	141,743
December 2024	0.35	0.16	407,952
January 2025	0.18	0.13	115,724
February 2025	0.25	0.13	486,946
March 2025	0.25	0.19	99,480
April 2025	0.24	0.18	14,500
May 2025	0.18	0.15	67,694
June 2025	0.19	0.10	170,244
July 2025	0.15	0.12	106,984
August 2025	0.18	0.13	76,600
September 2025	0.18	0.085	300,846
October 2025	0.25	0.14	400,822
November 1 st to 26, 2025	0.25	0.15	94,237

Notes:

(1) Includes intra-day high prices.

(2) Includes intra-day low prices.

(3) Total volume traded in the relevant period.

PRIOR SALES

The following table summarizes details of the following securities that are not listed or quoted on a marketplace issued by the Corporation during the Corporation's fiscal year ended July 31, 2025, and up to the date of this Annual Information Form.

Issue Date	Number and Class of Securities	Issue Price or Exercise Price per Security (\$)
August 7, 2025	15,753,332 Share purchase warrants	0.20
October 22, 2025	1,967,649 Share purchase warrants	0.17

DIRECTORS AND EXECUTIVE OFFICERS

Pursuant to the Articles of Amalgamation of the Corporation, the Board shall consist of a minimum of three (3) and a maximum of ten (10) directors. The directors of the Corporation are elected annually by the shareholders of the Corporation at the annual general meeting of shareholders. Each director so elected shall hold office until the next annual general meeting of the shareholders of the Corporation, unless he shall resign or his office becomes vacant by death, removal or other cause, in such case, the directors then in office may, if they constitute a quorum, fill any vacancy among the directors.

NAME, OCCUPATION AND SECURITY HOLDING

The following table contains certain information on the Corporation's directors and executive officers as of the date of this Annual Information Form.

Name and Residence	Position Held with the Corporation and Period Served as Director	Principal Occupation During Past Five Years
David Baker ⁽¹⁾⁽²⁾ Philadelphia, United States	Director of the Corporation since May 2023	President, DB BioPharma Consulting LLC Former President and Chief Executive Officer of Vallon Pharmaceuticals Inc.
André P. Boulet Québec, Canada	Chief Executive Officer, and Chairman of the Board and Director of the Corporation since March 2015	Chief Scientific Officer and Chief Operating Officer of the Corporation Former President and Chief Executive Officer of the Corporation
Edward Dahl ⁽¹⁾ Québec, Canada	Director of the Corporation since May 2023	Former General Manager of Deermik Lab Former Director of Mergers and Acquisitions at Sanofi Canada

Name and Residence	Position Held with the Corporation and Period Served as Director	Principal Occupation During Past Five Years
Louis Flamand Québec, Canada	Director of the Corporation since May 2017	Professor and Chair, Department of Microbiology, Infectious-Disease and Immunology at the Faculty of Medicine of Université Laval Senior Researcher, Division of Infectious and Immune Diseases at the CHU de Québec Research Center
Jean Forcione⁽³⁾ Québec, Canada	Director of the Corporation since May 2023	Director at Orion Biotechnology, a private company based in Ottawa Director at the BBI Group, a diagnostic company in Wales, United Kingdom
Luc Grégoire New York, United States	Senior VP Strategy of the Corporation Director of the Corporation since March 2023	Chief Financial Officer of DHI Group Inc. Chief Financial Officer of InforMed Data Services DBA One Drop
Kathryn J. Gregory⁽²⁾ Connecticut, United States	Director of the Corporation since February 2024	Vice-president, Head of Business Development at Rgenta Therapeutics, Inc. Vice President, Head of Corporate Business Development at Antengene Corporation Limited Senior Vice President & Chief Business Officer at Aileron Therapeutics, Inc.
Pierre Labbé⁽⁴⁾ Lévis, Canada	Director of the Corporation since November 5, 2025	Director, Chairman of the Human Resource committee and member of the audit committee of Osisko Gold Royalties Inc. Chairman of the board of Aramis Biotechnologie Inc. Vice President and Chief Financial Officer of Fonds QScale Former Director, Chairman of the audit committee of Cosciens Biopharma Inc. Former Director of the <i>Collège des Administrateurs de sociétés</i> Former Vice President and Chief Financial Officer of IMV Inc.
Dennis Turpin⁽¹⁾ Québec, Canada	Director of the Corporation since March 2025	Vice President Finance, Placements Loma Inc. President and Chief Executive Officer of Endoceutics

Name and Residence	Position Held with the Corporation and Period Served as Director	Principal Occupation During Past Five Years
Viktoria Krasteva Québec, Canada	Chief Financial Officer of the Corporation	Director of Finance at Busbud Group Regional Director of Finance Americas at Keywords Studios

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources Committee.
- (3) Mr. Forcione resigned from his position as a member of the Board as of September 30, 2025.
- (4) Mr. Labbé was appointed as director to fill the vacancy resulting from the resignation of Mr. Forcione.

As of the date of this Annual Information Form, the Corporation's directors and executive officers as a group beneficially owned or exercised control or direction over, directly or indirectly, an aggregate of 20,083,189, Shares, representing approximately 12.25% of the issued and outstanding Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the knowledge of the Board and based on the information provided by the directors or executive officers of the Corporation, none of these persons:

- i) -is, as at the date of this Annual Information Form, or has been, within ten years before this date, director, chief executive officer or a chief financial officer of any corporation, including the Corporation, which has been subject to one of the following orders:
 - a cease trade order, an order similar to a cease trade order or an order that denied the corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - a cease trade order, an order similar to a cease trade order or an order that denied the corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person exercised these duties.

To the knowledge of the Board and based on the information provided by the directors or executive officers of the Corporation or shareholders of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, none of these persons:

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

instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

- iii) has been imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting companies that may compete with the Corporation in some respects or may hold significant shareholdings in the Corporation or other companies that compete with the Corporation and, to the extent that such other companies may have conflicting interests, the directors of the Corporation may have a conflict of interest.

In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms and such director will not participate in negotiating and concluding terms of any proposed transaction. Under the CBCA, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. See "*Risk Factors*" in this Annual Information Form.

AUDIT COMMITTEE

THE AUDIT COMMITTEE'S CHARTER

On October 19, 2015, the Board approved the Audit Committee's charter (the "**Charter**") which was restated and amended on November 13, 2023, which describes the duties, responsibilities and skills required from its members as well as the terms of their nomination and dismissal and their relationship with the Board.

The purpose of the Audit Committee is to assist the Board in its oversight of: (i) the integrity of the financial statements, the financial reporting process and related information; (ii) the independence, qualifications, appointment and performance of the external auditor; (iii) compliance with applicable legal and regulatory requirements; (iv) disclosure, internal controls and internal audit procedures; and (v) risk management processes. In addition, the Audit Committee provides an avenue for communication between the external auditor, management, and other employees of the Corporation, as well as the Board, concerning accounting and auditing matters. The Charter is attached as Schedule "A" to this Annual Information Form.

COMPOSITION OF THE AUDIT COMMITTEE

As of the date of this Annual Information Form, the Audit Committee is composed of the following members:

Name	Independent	Financially Literate
Dennis Turpin, Chair	Yes	Yes
Edward Dahl	Yes	Yes
David Baker	Yes	Yes

RELEVANT EDUCATION AND EXPERIENCE

Dennis Turpin is a seasoned professional executive and chartered professional accountant (CPA) with significant experience in finance, capital markets transactions, business development as well as mergers and acquisitions, over 25 years of which has been in the biopharmaceutical industry. From July 2024 until recently he was the Vice President Finance of Placements Loma Inc., an investment company. Previously Mr. Turpin was President and Chief Executive Officer of Endoceutics, Inc., a specialty biopharmaceutical company, from January 2019 until end of year 2024. He was the Vice President and Chief Financial Officer of the Quebec Port Authority from February 2016 to June 2018. From 2007 to 2015, Mr. Turpin was the Senior Vice President and Chief Financial Officer of Aeterna Zentaris (now Cosciens Biopharma inc. “Cosciens”). Prior to that, he was at PwC (as defined herein), from 1985 to 1996 and worked as an auditor and tax director. Mr. Turpin earned his bachelor’s degree in accounting from Laval University in Québec City. He obtained his license in accounting in 1985 and became a chartered accountant in 1987. Mr. Turpin was also an Audit Committee Chair and Board member of Cosciens from 2021 until end of 2024.

Mr. Dahl is a retired pharmaceutical executive with over 30 years of highly diversified business experience in three different industries: industrial lighting (GTE Sylvania Ltd.) consumer packaged goods (Gillette Company), and pharmaceuticals (Nordic Pharma Inc., Marion Merrell Dow Inc., Hoechst Marion Roussel Ltd., Aventis, Sanofi and Dermik Laboratories). As General Manager of Dermik Laboratories, he helped grow the Canadian business, quadrupling sales in just five years. As Director of Mergers and Acquisitions at Sanofi Canada, he completed a \$50 million skin care transaction. When retired, he consulted various institutional and private clients in business evaluations. Ed holds a Bachelor of Commerce from Concordia University in Montreal with a major in economics (1979). In addition, Ed was previously a Chartered Professional Accountant (CPA) and held a Certification in Production and Inventory Control (CPIM).

Mr. Baker is a biotech executive and industry veteran, with over thirty years of experience, in large, mid-size, small, and start-up biopharmaceutical companies. His experience includes the commercialization of five different billion-dollar prescription drug brands in three different therapeutic categories. He has broad experience in leadership roles and global general management with specific experience in strategy development/execution, fund-raising, investor relations, commercialization, business development/licensing, clinical development, regulatory, manufacturing, and general business operations. He has proven track record building, leading, and developing teams and extensive experience serving on public and private company and non-profit boards. Mr. Baker is President of DB BioPharma Consulting LLC. Most recently served as President and Chief Executive Officer of Vallon Pharmaceuticals Inc. (NASDAQ: VLON), a company he co-founded in 2018 and took public in 2021. During his time at Vallon Pharmaceuticals

Inc., he built the management team, raised over \$30 million, advanced a lead asset from the pre-clinical stage to the late stages of clinical development, and secured a European partnership. Previously, he was the Chief Commercial Officer and interim Chief Executive Officer of Alcobra Ltd., a specialty pharmaceutical company where he led the merger with Arcturus Therapeutics Holdings Inc. (NASDAQ: ARCT). Prior to Alcobra Ltd., he worked at Shire Plc for 10 years as Vice President of Commercial Strategy and New Business in the Neuroscience Business Unit, Global General Manager for Vyvanse® and Vice President, ADHD Marketing. He led the commercialization of Adderall XR® and Vyvanse®, the two most successful ADHD brands based on annual revenue. Prior to Shire, he worked at Merck & Co. for over a decade in marketing, sales, market research, and business development.

As such, all the members of the Audit Committee have the financial skills necessary to understand the accounting principles used by the Corporation in preparing its financial statements as well as the ability to assess the general application of such accounting principles. The members of the Audit Committee also have relevant experience in analyzing and evaluating financial statements that presents a level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities. The members of the Audit Committee also understand the internal controls and procedures respecting the disclosure of financial information. See “*Directors and Officers – Name, Occupation and Security Holding*” in this Annual Information Form.

RELIANCE ON CERTAIN EXEMPTIONS

Since the beginning of the Corporation’s fiscal year ended July 31, 2025, the Corporation has not relied on the provisions of sections 2.4, 3.2, 3.4 and 3.5 of Regulation 52-110 or on an exemption under Part 8 of Regulation 52-110.

AUDIT COMMITTEE OVERSIGHT

Since the beginning of the Corporation’s fiscal year ended July 31, 2025, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted specific policies or procedures for the engagement of non-audit services. However, the Audit Committee may approve, from time to time, expenses made for non-audit-related services contracts.

EXTERNAL AUDITOR SERVICE FEES

The following table sets out the service fees invoiced by PricewaterhouseCoopers LLP (“PwC”) and MNP for the fiscal years ended July 31, 2024, and July 31, 2025:

	Fiscal Year ended July 31, 2025 Current Auditor (MNP) (\$)	Fiscal Year ended July 31, 2024 Former Auditor (PwC) (\$)
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Audit and interim review Fees	730,810	363,244
Audit-Related Fees	-	1,610
Tax Fees	-	12,840
All Other Fees	-	7,570
Total	730,810	385,264

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Since the beginning of the fiscal year ended July 31, 2025 and up to the date of this Annual Information Form, there were no legal proceedings outstanding or regulatory actions pending involving the Corporation or any of its properties or to which the Corporation is a party or to which its properties are subject, nor to the knowledge of the Corporation are any such legal proceedings contemplated or such regulatory actions threatened, as of the date hereof, which are or could become material to the Corporation.

Since the beginning of the fiscal year ended July 31, 2025 and up to the date of this Annual Information Form: (i) the Corporation has not been the subject of penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; (ii) the Corporation has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority; and (iii) no penalties or sanctions has been imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, with the exception of what is provided herein, no director, executive officer, or person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of the Corporation, or an associate or affiliate of any of the foregoing, have had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or is reasonably expected to materially affect the Corporation or its subsidiary.

On July 19, 2018, the Corporation issued a 10% unsecured convertible debenture for an aggregate principal amount of \$1,000,000.00 to Aspri (the “**Aspri Debenture**”). Under the terms and conditions of the Aspri Debenture, the Corporation paid interest of 10% per annum on the principal amount of the Aspri Debenture, calculated annually and payable every six months following the issuance of the Aspri Debenture, in units of the Corporation. For more information regarding the units issued to Aspri as payment of the interest of the Aspri Debenture, see “*Three-Year History*” of this Annual Information Form. On July 19, 2022, the Aspri Debenture has reached its maturity date and the principal amount of the Aspri Debenture was reimbursed. From February 1st, 2018, to January 14, 2022, Aspri was an insider of the Corporation since it held more than 10% of the voting rights of the Corporation. Mrs. Sybil Dahan, former director of the

Corporation, owns, directly and indirectly, 26.4% of the shares of Aspri and as such, had a material interest in the issuance of the Aspri Debenture.

On February 25, 2022, the shareholders of the Corporation approved the issuance of 1,311,553 Shares at a price of \$0.352 per Share for a total of 426 254.72 \$, in settlement of a debt owed by Altius to 9294-5039 Québec Inc. pursuant to the Consulting Agreement (as defined herein). On July 1, 2018, Altius and 9294-5039 Québec Inc. entered into an executive consulting agreement effective as of May 1, 2018 (the “**Consulting Agreement**”) for consulting services in connection with importation, distribution and marketing of pharmaceutical products and other healthcare products throughout Canada. The 1,311,553 Shares were issued to 9294-5039 Québec Inc. on March 10, 2022. On November 30, 2022, Altius and 9294-5039 Québec Inc. terminated the Consulting Agreement. Mrs. Sybil Dahan, was a director of the Corporation at the time of the settlement of debts, owned more than 10% of the shares of 9294-5039 Québec Inc. and as such, had a material interest in the issuance of the 1,311,553 Shares to 9294-5039 Québec Inc.

TRANSFER AGENT AND REGISTRAR

The Corporation’s transfer agent and registrar in Canada is TSX Trust Company (“**TSX Trust**”). The register of transfers of the Shares in Canada is held at TSX Trust’s offices located in its place of business at 1190 Avenue des Canadiens-de-Montréal, suite 1700, Montréal (Québec) Canada, H3B 0G7.

MATERIAL CONTRACTS

The Corporation has not entered into any material contracts outside the normal course of its business within the most recently completed fiscal year or before the last fiscal year that is still in effect, other than the Ranbaxy Agreements and the Fiera Loan (as defined herein). For more information regarding the Ranbaxy Agreements, see “*Description of the Business – Production and Components*” of this Annual Information Form.

On February 23, 2024, the Corporation entered into a financing agreement with Fiera Dette Privée Inc. for a term loan of \$2,160,000 (the “**Fiera Loan**”), repayable twelve (12) months after the disbursement date. Interest is payable monthly at the National Bank’s variable rate plus 8.80%. The Fiera Loan which was guaranteed by the universality of the movable and immovable, tangible and intangible, present and future assets of the Corporation was fully repaid on December 23, 2024, thus releasing all the securities granted to Fiera.

INTERESTS OF EXPERTS

The auditors of the Corporation are MNP, a partnership of Chartered Professional Accountants, located at 1155, boul. René-Lévesque W., 23rd Floor, Montréal, QC, H3B 2K2. MNP has advised the Corporation that it is independent within the meaning of the Code of Ethics of Chartered Professional Accountants (Québec) and in accordance with the applicable rules of the Public Company Accounting Oversight Board (U.S.A.).

The report of the independent auditors on the consolidated financial statements for the fiscal years ended July 31, 2023 and 2024 was prepared by PwC, a partnership of Chartered Professional Accountants, located at 1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec H3B 4Y1. PwC has advised the Corporation that it is independent within the meaning of the Code of Ethics of Chartered Professional

Accountants (Québec) and in accordance with the applicable rules of the Public Company Accounting Oversight Board (U.S.A.).

ADDITIONAL INFORMATION

Additional information regarding the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management proxy circular for the most recent annual general and special meeting of the Corporation, which is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Additional financial information regarding the Corporation is provided in the audited annual financial statements and the management's discussion and analysis of the Corporation for the fiscal year ended July 31, 2025, which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Additional information regarding the Corporation is also available under its profile on SEDAR+ at www.sedarplus.ca and on the Corporation's web site at <https://groupedevonian.com/>.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER



DEVONIAN

AUDIT COMMITTEE CHARTER

APPROVED BY THE BOARD OF DIRECTORS ON SEPTEMBER 9, 2025

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The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”) and all applicable legal, regulatory and listing requirements, including, without limitation, those of any exchange or marketplace on which the securities of Devonian Health Group Inc. (the “**Corporation**”) may be listed or quoted for trading.

I. PURPOSE

The purpose of the Audit Committee (the “**Committee**”) is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Corporation. The Committee assists the board of directors (the “**Board**”) of the Corporation in fulfilling its responsibilities regarding the quality and integrity of financial reporting, the adequateness of its internal controls and the appropriateness of its accounting policies.

II. COMPOSITION AND MANDATE

The Committee consists of at least three (3) directors. The members of the Committee shall be “independent” and “financially literate” (in each case, as such term is defined under applicable laws and in the rules and regulations of all exchanges and marketplaces on which the Corporation’s securities may be listed or quoted for trading. In addition, if applicable, each Committee member shall meet any elevated independence criteria and the Committee shall include such number of members with sufficient financial expertise to satisfy the rules and regulations of all exchanges and marketplaces on which the Corporation’s securities may be listed or quoted for trading.

The Committee is appointed by the Board at the meeting of the Board following the annual meeting of shareholders, and each member of the Committee sits on this Committee until the next annual meeting. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed.

The Board may appoint a member to fill a vacancy that occurs on the Committee until the next annual meeting of shareholders.

The Board appoints the chairman of the Committee.

III. MEETINGS AND PROCEDURES

The Committee has at least four (4) ordinary meetings during the year. The Committee's ordinary meetings are called by the Committee's secretary to allow the Committee to review the Corporation's annual and interim consolidated financial statements before they are approved by the Board, and before the annual or interim reports are distributed to the shareholders.

The chairman or two (2) members of the Committee can call an extraordinary meeting of the Committee. The secretary sends a written notice of this extraordinary meeting, which must be delivered to the Committee members at least seven (7) days before the date of the extraordinary meeting, and must include the reason for the meeting. The chair and the secretary of the Corporation can call an extraordinary meeting of the Committee at the request of the independent auditor.

A quorum consists of at least two members of the Committee.

The powers of the Committee may be exercised at a meeting where a quorum of the Committee is present in person or by telephone or any other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.

Each member, including the chair of the Committee, is entitled to one vote in Committee proceedings.

The Corporation's Board chair and Chief Financial Officer as well as the independent auditor, receive notices for all ordinary and extraordinary meetings of the Committee and are entitled to participate in these meetings. The Chief Financial Officer must attend all meetings unless he/she is excused. The independent auditor must attend all meetings to approve the quarterly financial documents, unless he/she is excused. At every ordinary meeting of the Committee, the Committee meets with the independent auditor in camera, without management.

IV. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

1. Financial Statements and Disclosure Matters

1.1. Review all the financial statements, management reports and press releases that deal with the Corporation's results that must be approved by the Board. The financial statements and management reports that must be reviewed by the Committee include:

- The year-end consolidated financial statements and the non-audited interim financial statements as well as the management reports; and
- Any financial statements to be distributed to the shareholders, other security holders or regulatory bodies and/or that, directly or by reference, are incorporated in any prospectus, preliminary prospectus, proxy statement, annual notice or other document that must be filed under the law.

1.2. Ensure that appropriate procedures regarding the review of financial information extracted or derived from the Corporation's financial statements (other than financial statements, management reports and press releases on the results of the Corporation) are implemented and periodically evaluate the appropriateness of these procedures.

1.3. Review, if applicable, the scope of the internal audit work undertaken within the Corporation. The review must ensure that the internal audit program is designed such that any major weak area, fraud or other illegal act in the internal controls is found.

1.4. Review and ensure the nature of the internal controls in the main accounting systems and in the reporting of financial information. The review:

- Shall focus on the key internal control weaknesses found by the independent auditor and/or external consultants on the effectiveness of the measures taken by management to correct such problems;
- Shall ensure that no question that might have an impact on the financial statements remain outstanding between the management and the independent auditor. To ensure this, the Committee shall meet with management or the independent auditor, each separately, on a regular basis;
- Shall include a specific assessment of the controls to verify compliance with the financial commitments contained in trust agreements, prospectuses, security instruments or other significant financing agreements.

1.5. Ensure the appropriateness and examine the application of accounting conventions and practices.

1.6. Monitor and ensure compliance with the Corporation's code of professional conduct and business practice regarding the integrity of the financial information presented by performing a general review of the controls and ensuring they comply with the code.

2. Independent Auditor

2.1. Determine the mandate and oversee the work of the independent auditor, which generally include:

- The determination of the scope of the audit, the audit plan and the audit's degree of reliability in finding internal control weaknesses, fraud and other illegal acts;
- Resolving disagreements between management and the independent auditor regarding financial reporting;
- Ensuring receipt from the independent auditor of a formal written statement delineating all relationships between the auditor and the Corporation;
- Actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor;
- Taking, or recommending the Board take, appropriate action to oversee the independence of the independent auditor;
- The review and assessment of the audit fees required for these services and other special audit services;
- The prior approval of non-audit services provided by auditors who are external to the Corporation or its subsidiaries;
- A general confirmation that the services provided are of good quality and that management has no reservations as to the quality or cost of such services; and
- The making of recommendations to the Board regarding the appointment or dismissal of the independent auditor, as well as the compensation for the independent auditor.

2.2. Review and approve the Corporation's hiring policies with respect to the associates and employees, both former and present, of the Corporation's independent auditor, whether they are present or former auditors.

3. Risk Management

3.1. Oversee the identification, prioritization and management of the risks faced by the Corporation.

3.2. Direct the facilitation of risk assessments and measurement to determine the material risks to which the Corporation may be exposed and to evaluate the strategy for managing those risks.

3.3. Monitor the changes in the internal and external environment and the emergence of new risks.

3.4. Review the adequacy of insurance coverage.

3.5. Monitor the procedures to deal with and review disclosure of information to third parties insofar as these disclosures represent a risk for the Corporation.

4. Whistleblowing Policy

4.1. Monitor and review compliance with the Corporation's Whistleblowing Policy.

4.2. Establish procedures for the receipt and treatment of complaints received by the Corporation concerning accounting, internal accounting control issues and auditing issues.

4.3. Establish a procedure for the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

5. Other Responsibilities

5.1. Ensure that all corporate governance issues that are before the Committee are submitted to the Board.

5.2. Obtain appropriate funding, provided by the Corporation, for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6. Report to the Board

The Committee reports the results of its activities, as well as its conclusions and recommendations, to the Board at the first meeting of the Board following each meeting of the Committee.

7. Annual Evaluation

Annually, the Committee shall, in a manner it determines to be appropriate:

- conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with its charter; and
- review and assess the adequacy of this charter and recommend to the Board any improvements to this charter that the Committee determines to be appropriate, except for minor technical amendments to this charter, authority for which is delegated to the corporate secretary, who will report any such amendments to the Board at its next regular meeting.

V. AUTHORITY

External Consultants

The Committee may hire, when it deems appropriate, legal counsel or other independent external consultants to assist it in carrying out its duties and responsibilities. It sets the remuneration and compensates the external consultants it hires. The Corporation provides the funds reasonably necessary to pay for the services of these external consultants.