PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue **December 15, 2014**

theraLASE® HEALING AT THE SPEED OF LIGHT®

Theralase Technologies Inc.
$50,000,000

Common Shares
Warrants
Units
Subscription Receipts

This short form base shelf prospectus ("**Prospectus**") relates to the offering for sale by Theralase Technologies Inc. ("**Theralase**" or the "**Corporation**") from time to time, during the 25-month period that this Prospectus, including any amendments thereto, remains valid, of up to $50,000,000 in the aggregate of: (i) common shares ("**Common Shares**") in the capital of Theralase; (ii) warrants ("**Warrants**") to purchase other Securities (as defined below) of Theralase; (iii) units ("**Units**") comprising of one or more of the other Securities, and (iv) subscription receipts ("**Subscription Receipts**" and together with the Common Shares, Warrants and Units collectively referred to herein as the "**Securities**"). The Securities may be offered separately or together, in amounts, at prices and on terms determined based on market conditions at the time of the sale and as set forth in an accompanying prospectus supplement (a "**Prospectus Supplement**").

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement containing the specific terms of any Securities will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The specific terms of any Securities offered will be described in a Prospectus Supplement, including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms; (ii) in the case of Warrants, the number of Warrants being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise and any other specific terms; (iii) in the case of Units, the number of Units offered, the offering price, the designation, number and terms of the other Securities comprising the Units, and any other specific terms; and (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other specific terms. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

Theralase may offer and sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell directly to one or more purchasers or through agents or pursuant to applicable statutory exemptions. See "*Plan of Distribution*". The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by Theralase in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that Theralase will receive and any other material terms of the plan of distribution.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to Theralase. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with any offering of Securities, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. See "*Plan of Distribution*".

The Common Shares trade on the TSX Venture Exchange (the "**TSXV**") under the symbol "TLT" and on the OTC Pink marketplace under the symbol "TLTFF". On December 12, 2014, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was $0.55 and on the OTC Pink marketplace was $0.49. The offering of any securities under this Prospectus and any Prospectus Supplement is subject to approval of certain legal matters on behalf of Theralase by Baker & McKenzie LLP.

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities (other than Common Shares) will be a new issue of Securities with no established trading market. Accordingly, there is currently no market through which the Securities (other than Common Shares) may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See "*Risk Factors*".

Prospective investors should be aware that the purchase of Securities may have tax consequences that may not be fully described in this Prospectus or in any Prospectus Supplement, and should carefully review the tax discussion, if any, in the applicable Prospectus Supplement and in any event consult with a tax adviser.

An investment in the Securities is subject to a number of risks. See "*Risk Factors*" for a more complete discussion of these risks.

No person is authorized by Theralase to provide any information or to make any representation other than as contained in this Prospectus in connection with the issue and sale of the Securities offered hereunder.

No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents hereof.

Theralase is a medical technology company based in Toronto, Canada. Theralase's head and registered office is located at 1945 Queen Street East, Toronto, Ontario, M4L 1H7.

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ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. References to this "Prospectus" include documents incorporated by reference herein. Theralase has not authorized anyone to provide any information that is different. The information in or incorporated by reference into this Prospectus is current only as of the date of this Prospectus or the date on the front of such other documents. It should not be assumed that the information contained in this Prospectus is accurate as of any other date. Theralase is not making an offer of these Securities in any jurisdiction where the offer is not permitted by law.

Before purchasing any Securities, prospective investors should carefully read both this Prospectus and any accompanying Prospectus Supplement prepared by Theralase, together with the additional information described under the headings "Documents Incorporated by Reference".

When used in this Prospectus and in any Prospectus Supplement, the terms "Theralase" and "the Corporation" refer to Theralase Technologies Inc. and its subsidiaries, unless otherwise specified or the context otherwise requires. The term "management" in this Prospectus means those persons acting, from time to time, in the capacities of Chief Executive Officer, Chief Financial Officer and Chief Scientific Officer of Theralase. Any statements in this Prospectus made by or on behalf of management are made in such persons' capacities as officers of Theralase and not in their personal capacities.

Theralase may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings up to an aggregate amount of $50,000,000. This Prospectus provides a general description of the Securities that Theralase may offer. All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of those Securities to which the Prospectus Supplement permits.

Market data and certain industry forecasts used in this Prospectus or any applicable Prospectus Supplement and the documents incorporated by reference in this Prospectus or any applicable Prospectus Supplement were obtained from market research, publicly available information and industry publications. Theralase believes that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. Theralase has not independently verified this information, and does not make any representation or warranty as to the accuracy of this information.

In this Prospectus and any Prospectus Supplement, all dollar amounts are in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking information and statements within the meaning of applicable Canadian securities laws (herein referred to as "**forward-looking statements**") that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking statements. All information and statements in this Prospectus which are not statements of historical fact may be forward-looking statements. Such statements and information may be identified by looking for words such as "may", "believe", "could", "expect", "will", "intend", "should", "plan", "objective", "predict", "potential", "project", "anticipate", "estimate", "suggests", "continuous" or similar words or the negative thereof or other comparable terminology, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions. Forward-looking statements included in this Prospectus include, but are not limited to, statements with respect to: the outlook of the business of Theralase; the competitive environment in which Theralase operates; the business strategy and objectives of Theralase; development plans, as well as acquisition and disposition plans, of Theralase; the supply and demand for products and services; Theralase's ability to meet its current and future obligations; Theralase's ability to execute its growth strategy; management's assessment of future plans and operations; the intention and ability of Theralase to pay dividends on the Common Shares; the terms of the Securities and any offering made under this Prospectus; the plan of distribution of any Securities; the filing of and matters to be set out in one or more Prospectus Supplements; and the expected use of the proceeds from the sale of Securities under this Prospectus.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect, including those assumptions listed below and those discussed elsewhere in this Prospectus. Some of the assumptions made by Theralase, upon which such forward-looking statements are based, include assumptions about: the business operations Theralase continuing on a basis consistent with prior years; the ability of Theralase to access financing from time to time on favourable terms; the continuation of executive and operating management or the non-disruptive replacement of them on competitive terms; the ability of Theralase to maintain reasonably stable operating and general administrative expenses; future success of current research and development activities of Theralase; the ability of Theralase to achieve development and commercial milestones; market competition; the ability of Theralase to secure all necessary regulatory and certification approvals; protection over the intellectual property of Theralase; market acceptance of Theralase's products under development; the stability of current economic conditions and the strength and persistence of the economic recovery in Canada, the United States and elsewhere; and currency, exchange and interest rates and commodity prices being reasonably stable at current rates.

Forward-looking statements reflect current expectations of management regarding future events and operating performance as of the date of this Prospectus. Such information: involves significant risks and uncertainties; should not be read as guarantees of future performance or results; and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the risks related to: limited operating history; working capital and capital resources; ability to retain key personnel; protection of intellectual property; competition; implementation delays; strategic alliances; product deficiencies; dependence on third party suppliers; volatility of share price; regulatory and certification approvals; currency risk; credit risk; and product liability. See "*Risk Factors*".

Although the forward-looking statements contained in this Prospectus are based upon what Theralase's management believes to be reasonable assumptions, Theralase cannot assure investors that actual results will be consistent with such information. Forward-looking statements reflect management's current beliefs and are based on information currently available to Theralase. Readers of this Prospectus are cautioned not to place undue reliance on Theralase's forward-looking statements because a number of factors, such as those referred to in the paragraph above, could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements contained in this Prospectus. The forward-looking statements are made as of the date of this Prospectus and Theralase assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with or delivered to securities commissions or similar authorities in the provinces of British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference or a copy of the permanent information record may be obtained on request without charge from the Chief Financial Officer of Theralase at 1945 Queen Street East, Toronto, Ontario, M4L 1H7 or by accessing the disclosure documents available through the Internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at www.sedar.com.

As at the date hereof, the following documents of Theralase, filed with or delivered to the securities commissions or similar authorities in each of the provinces of British Columbia, Alberta and Ontario, are specifically incorporated by reference into and form an integral part of this Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in the Prospectus, as further described below:

(a) the annual information form of Theralase dated September 24, 2014 for the year ended December 31, 2013 (the "**AIF**");

(b) the audited consolidated financial statements of Theralase for the years ended December 31, 2013 and December 31, 2012, together with the notes thereto and the independent auditor's report thereon;

(c) management's discussion and analysis of Theralase for the year ended December 31, 2013;

(d) the unaudited interim consolidated financial statements of Theralase for the three and nine month period ended September 30, 2014;

(e) management's discussion and analysis of Theralase for the three and nine month period ended September 30, 2014; and

(f) the information circular of Theralase dated October 17, 2014 regarding the annual general and special meeting of shareholders of Theralase held on November 14, 2014.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required by National Instrument 44-101 - ***Short Form Prospectus Distributions*** **of the Canadian Securities Administrators to be incorporated by reference in this Prospectus, filed by Theralase with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of any offering of Securities hereunder shall be deemed to be incorporated by reference into this Prospectus.**

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.

Upon a new annual information form and the related annual financial statements being filed by Theralase with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, including all amendments thereto, the previous annual financial statements and all interim unaudited financial statements (including any management's discussion and analysis related thereto), material change reports and information circulars filed prior to the commencement of the fiscal year in which the new annual information is filed, shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific terms of any Securities offered thereunder will be delivered to purchasers of such Securities together with this Prospectus to the extent required under applicable securities laws and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement solely for the purposes of the Securities offered hereunder and thereunder.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any “template version” of “marketing materials” (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by Theralase after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

ABOUT THERALASE

The following is a summary of information pertaining to Theralase and does not contain all the information about Theralase that may be important to prospective investors. Prospective investors should read the more detailed information including, but not limited to, the AIF, financial statements and related notes, that are incorporated by reference into and are considered to be a part of this Prospectus.

General

The Corporation was originally incorporated under the *Canada Business Corporations Act* (the “**CBCA**”) on August 22, 1989, under the name “Interstar Mining Group Inc.” On October 28, 2003, the Corporation changed its name to “Interstar Group Inc.” On November 11, 2003, the Corporation completed a reverse takeover acquisition of Theralase Inc. pursuant to which the Corporation acquired 100% of the issued and outstanding shares of Theralase Inc. by way of share exchange. On September 22, 2004, the Corporation changed its name to “Theralase Technologies Inc.”

The Common Shares are listed on the TSXV under the symbol “TLT” and on the OTC Pink marketplace under the symbol “TLTFF”. On December 12, 2014, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was $0.55 and on the OTC Pink marketplace was $0.49.

The registered office and head office of Theralase are located at 1945 Queen Street East, Toronto, Ontario, M4L 1H7.

Corporate Structure

Theralase has two wholly-owned subsidiaries: Theralase Inc. and Theralase Biotech Inc. Theralase Inc. was incorporated pursuant to the CBCA on July 13, 1995. Theralase Biotech Inc. was incorporated under the laws of Delaware on May 7, 2014.

Summary Description of Business

Theralase designs, develops, manufactures and markets proprietary and patented, superpulsed laser technology utilized in various biostimulation and biodestruction applications. The technology has been proven safe and effective in the treatment of: pain, neural muscular skeletal conditions and wound healing. When combined with Theralase patented light-sensitive Photo Dynamic Compounds (“**PDCs**”), Theralase laser technology has been proven to specifically target and effectively destroy cancer and bacteria preclinically.

Theralase is focused on a two part strategy:

- Production, marketing and distribution of the TLC-1000 and launch of the patented TLC-2000 Theralase superpulsed laser technologies to provide healthcare practitioners internationally with a safe and effective technology for the elimination of pain, reduction in inflammation and acceleration of tissue healing for various nerve, muscle, connective tissue and skeletal conditions.

- Research, development and commercialization of the patented and patent pending TLC-3000 PDC Cancer Technology through pre-clinical scientific research, technology development and clinical trials to destroy cancers for oncological applications and to destroy bacteria for human, animal and sterilization applications.

Theralase's business is divided into two separate operating divisions: (i) the Therapeutic Laser Technology ("**TLT**") Division; and (ii) the Photo Dynamic Therapy ("**PDT**") Division.

TLT Division

The TLT Division is responsible for all aspects of the Theralase's ongoing TLT therapy business and is focused on the manufacturing of products used by healthcare practitioners. TLT therapy is a universal way of treating and healing tissue structures, such as: muscles, tendons, ligaments, joints, connective tissues, bones and skin. There are thousands of tissue conditions that TLT therapy can be applied to, such as: pain relief, neural muscular skeletal conditions and wound healing.

PDT Division

The PDT Division is responsible for all aspects of Theralase's developing oncology business and is focused on the research and development of PDCs primarily for the destruction of cancer. PDT therapy uses nontoxic light-sensitive PDCs that are exposed selectively to specially designed medical laser systems; whereupon, they become toxic to targeted malignant and other diseased cells. PDT therapy has a proven ability to kill microbial cells, such as bacteria. PDT is popularly used in treating acne. It is used clinically to treat a range of medical conditions and is recognized as a treatment strategy which is both minimally invasive and minimally toxic. Theralase is currently focused on the research and development of PDCs used primarily for the treatment of cancer.

Recent Developments

On October 16, 2014, Theralase announced that it presented its latest research on the success of its PDCs in the destruction of cancer and bacteria at the 10th International Symposium on Photodynamic Therapy and Photodiagnosis in Clinical Practice that took place in Brixen, Italy from October 14 to 18, 2014.

Theralase's first preclinical presentation focused on the efficacy of its three lead PDCs to effectively destroy cancer cells *in-vitro* (cells in external vessels), *ex-vivo* (tissue outside the living body), and *in-vivo* (tissue within the living body) at various wavelengths (400 to 810 nm) (violet to Near Infrared ("**NIR**")). General conclusions include the following:

- All the PDCs were stable in human urine thus making them ideally suited for use in the bladder environment. The PDCs attached to both intact and disrupted rat epithelium (bladder linings), opening up the possibility of utilizing the PDCs for the treatment of Transitional Cell Carcinomas ("**TCCs**"), which comprise more than 90% of all bladder cancers. These PDCs absorb light between 400 and 810 nm (violet to NIR), are resistant to photo bleaching (loss of effectiveness after exposure to light), are soluble in water or propylene glycol (allowing for instillation in the bladder) and when combined with their ability to switch from a Type II (oxygen dependent) to a Type I (oxygen independent) photo-effect, they are ideally suited for destruction of bladder cancer.

- Theralase observed consistent tumor regression following PDT treatment. Tumor regression is a minimum requirement for tumor protection, as reinjection of cancer cells into the opposite flank resulted in no tumor formation. Theralase believes that these findings demonstrate that NIR PDT leads not only to longstanding clearance of cancerous tumors, but also provides long-lasting protection against further tumor cell rechallenges in young (8-10 weeks) and aged (12-14 months) mice.

- On observation, the tumors were deep and diverse in the untreated animals while they were completely destroyed in the PDT treated animals. This suggests that the PDCs elicit a strong immune mediated response and Theralase expects that these findings will help propel the Theralase PDCs forward as a first line treatment for cancer, if these results are replicated in humans.

In the second preclinical presentation, a Theralase PDC demonstrated effective Photo Dynamic Inactivation ("**PDI**") of bacteria and may prove to be an effective methodology in the destruction of nosocomial (hospital acquired) infections and infected wound sepsis (bacterial infection in tissue). Nosocomial infections are often severe and life threatening, particularly in patients with a compromised immune system due to underlining pathologies such as: cancer, cystic fibrosis, Acquired Immune Deficiency Syndrome ("**AIDS**") and diabetes. Infections caused by antibiotic resistant bacteria are one of the major worldwide public health problems today. PDI combines a Theralase PDC and light to produce oxygen radicals in order to induce controlled and localized bacteria kill. General conclusions included the following:

- Theralase PDI has been proven to be effective against antibiotic resistant bacteria under both normoxic (normal oxygen) and hypoxic (low oxygen) conditions and has become a promising tool in disease prevention.

- The Theralase PDCs have been shown to be highly effective (up to 99.999999%) against numerous species of bacteria, including: Staphylococcus aureus, Methicillin Resistant Staphylococcus aureus, Pseudomonas aeruginosa, Vancomycin Resistant Enterococcus and Listeria monocytogenes.

- Theralase's latest research has revealed that singlet oxygen (Type II effect) and hydroxyl radicals (Type I effect) are playing a role in the mechanisms of Gram positive and Gram negative bacteria kill. Theralase has established two animal models: an acute mouse model of infected wound sepsis and a chronic septic wound model that Theralase used to prove the efficacy of PDI via Type I and Type II mechanisms. The treated wounds in the animals healed completely within 2 weeks after PDI.

- Based on these results, Theralase believes that Theralase PDI can thus provide a viable option as a clinical therapeutic against multi drug resistant infections.

On November 12, 2014, Theralase announced that in new preclinical research conducted at the Princess Margaret Cancer Centre, University Health Network ("**UHN**"), Theralase further validated its PDCs' ability to destroy a primary host tumour and render the animal immune to a repeated exposure of the same cancer.

In research conducted at UHN in March 2012, mice were injected with 350,000 colon cancer cells (mouse cell line CT26.CL25) to produce cancerous tumours that were allowed to grow to approximately five millimeters in size. These tumours were treated with an injection of one of Theralase's lead PDCs and then illuminated by NIR light to activate the PDC. The vast majority of tumours were completely destroyed. These mice were closely monitored for 20 months post treatment, until November 2013, when they remained cancer free.

In research conducted at UHN in May 2014, mice were again treated according to the March 2012 protocol and the mice who received the initial, successful PDT were reinjected with an equal number of colon cancer cells, 10 to 23 days later. With no further treatment intervention, 60% of the mice did not demonstrate tumour regrowth, while 40% had a small tumour regrowth, which was quickly destroyed. This raises the possibility of a short-term immune-mediated "memory response" that destroys cancer cells, with no further intervention.

In the latest research completed in November 2014, mice were again treated according to the March 2012 protocol and all of the mice who received the initial PDT were successfully treated and remained cancer free. These mice were then re-injected with an equal number of colon cancer cells 20 days later and with no further treatment intervention, none of these mice demonstrated tumour regrowth. In Theralase's view, this may confirm and further validate an ability to destroy the primary tumour and may suggest protection of the animal via the immune system leading to a short-term immune-mediated "memory response". This anti-cancer memory response could suggest a major breakthrough in cancer research and may provide a substantial treatment benefit and survival advantage to cancer patients.

CONSOLIDATED CAPITALIZATION

There has been no material change in the capitalization of Theralase since the date of its most recently filed financial statements, being its unaudited interim consolidated financial statements for the three and nine month period ended September 30, 2014.

DESCRIPTION OF SECURITIES

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

Description of Common Shares

The following is a brief summary of the material attributes of the Common Shares. This summary does not purport to be complete. For full particulars and additional details on the Common Shares, reference should be made to Theralase's articles, a copy of which is available on SEDAR at www.sedar.com.

The authorized capital of Theralase consists of an unlimited number of Common Shares. The holders of Common Shares are entitled to one vote per share at all meetings of shareholders of Theralase. Holders of Common Shares are entitled to dividends, if and when declared by the Theralase board of directors, and to the distribution of the residual assets of Theralase in the event of the liquidation, dissolution or winding-up of Theralase.

Description of Warrants

The following is a brief summary of certain general terms and provisions of the Warrants that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Warrants as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Warrants, and the extent to which the general terms and provisions described below may apply to such Warrants will be described in the applicable Prospectus Supplement.

Warrants may be offered separately or together with other Securities, as the case may be. Each series of Warrants may be issued under a separate warrant indenture or warrant agency agreement to be entered into between Theralase and one or more banks or trust companies acting as Warrant agent or may be issued as stand-alone contracts. The applicable Prospectus Supplement will include details of the Warrant agreements, if any, governing the Warrants being offered. The Warrant agent, if any, will be expected to act solely as the agent of Theralase and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. The following sets forth certain general terms and provisions of the Warrants that may be offered under this Prospectus. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement.

A copy of any warrant indenture or any warrant agency agreement relating to an offering of Warrants will be filed by Theralase with the relevant securities regulatory authorities in Canada after it has been entered into by Theralase.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Warrants being offered thereby, which may include, without limitation, the following (where applicable):

- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;

- the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the dates or periods during which the Warrants are exercisable;
- the designation and terms of any securities with which the Warrants are issued;
- if the Warrants are issued as a unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- certain material Canadian tax consequences of owning the Warrants; and
- any other material terms and conditions of the Warrants.

Description of Units

The following is a brief summary of certain general terms and provisions of the Units that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Units as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Units, and the extent to which the general terms and provisions described below may apply to such Units will be described in the applicable Prospectus Supplement.

Theralase may issue Units comprised of one or more of the other Securities described herein in any combination.

Each Unit may be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit may have the rights and obligations of a holder of each included Security. Any Unit agreement under which a Unit may be issued may provide that the Securities included in the Unit may not be held or transferred separately at any time or at any time before a specified date.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Units being offered thereby, which may include, without limitation, the following (where applicable):

- the designation, number and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- certain material Canadian tax consequences of owning the Securities comprising the Units; and
- any other material terms and conditions of the Units.

The preceding description and any description of Units in an applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to any Unit agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Units.

Description of Subscription Receipts

The following is a brief summary of certain general terms and provisions of the Subscription Receipts that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Subscription Receipts as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Subscription Receipts, and the extent to which the general terms and provisions described below may apply to such Subscription Receipts will be described in the applicable Prospectus Supplement.

Subscription Receipts may be offered separately or together with other Securities, as the case may be. The Subscription Receipts may be issued under a subscription receipt agreement.

The applicable Prospectus Supplement will include details of any subscription receipt agreement covering the Subscription Receipts being offered. A copy of any subscription receipt agreement relating to an offering of Subscription Receipts will be filed by Theralase with the relevant securities regulatory authorities in Canada after Theralase has entered into it. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description may include, without limitation, the following (where applicable):

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities;
- the designation, number and terms of the other Securities that may be exchanged upon conversion of each Subscription Receipt;
- the designation, number and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- certain material Canadian tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

PRIOR SALES

The following summarizes the Common Shares or securities convertible into, or exercisable to acquire, Common Shares that have been issued by Theralase during the 12 months prior to the date of this Prospectus:

Security Type	Date of Grant	Issue/Exercise Price	Number Issued/Granted
Exercise of stock options	January 5, 2014	$0.15	100,000
Exercise of warrants(1)	January 17, 2014	$0.38	20,000
Exercise of warrants(2)	March 4, 2014	$0.20	36,000
Exercise of warrants(2)	March 7, 2014	$0.20	135,000
Exercise of warrants(2)	March 11, 2014	$0.20	183,333
Exercise of warrants(2)	March 17, 2014	$0.20	330,000
Exercise of warrants(2)	April 20, 2014	$0.20	50,000
Exercise of warrants(2)	June 1, 2014	$0.20	7,991,000

Security Type	Date of Grant	Issue/Exercise Price	Number Issued/Granted
Exercise of warrants(2)	June 4, 2014	$0.20	1,400,000
Exercise of warrants(2)	June 6, 2014	$0.20	283,334
Exercise of warrants(2)	June 10, 2014	$0.20	483,333
Exercise of warrants(2)	June 16, 2014	$0.20	2,169,400
Exercise of warrants(2)	July 2, 2014	$0.20	750,000
Exercise of warrants(2)	July 8, 2014	$0.20	250,000
Issuance of stock options	July 11, 2014	$0.50	2,450,000
Exercise of warrants(2)	July 28, 2014	$0.20	466,667
Exercise of warrants(2)	August 1, 2014	$0.20	500,000
Exercise of warrants(2)	August 18, 2014	$0.20	300,000
Exercise of warrants(2)	September 10, 2014	$0.20	335,000
Exercise of warrants(2)	October 10, 2014	$0.20	250,000
Exercise of warrants(2)	October 17, 2014	$0.20	150,000
Exercise of warrants(2)	October 29, 2014	$0.20	250,000
Exercise of warrants(2)	October 30, 2014	$0.20	650,000
Issuance of stock options	November 1, 2014	$0.50	670,000
Exercise of warrants(2)	November 4, 2014	$0.20	35,000
Exercise of warrants(2)	November 13, 2014	$0.20	150,000
Exercise of warrants(2)	November 21, 2014	$0.20	350,000
Exercise of warrants(2)	December 4, 2014	$0.20	366,667
Exercise of warrants(2)	December 11, 2014	$0.20	318,583
Exercise of warrants(2)	December 13, 2014	$0.20	151,583
Exercise of warrants(2)	December 15, 2014	$0.20	167,000

Notes:

1. Common Shares were issued on the exercise of warrants that were granted on April 13, 2012.
2. Common Shares were issued on the exercise of warrants that were granted on November 7, 2013.

TRADING PRICE AND VOLUME

The Common Shares trade on the TSXV under the symbol "TLT" and on the OTC Pink marketplace under the symbol "TLTFF". On December 12, 2014, being the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was $0.55 and on the OTC Pink marketplace was $0.49. The following table sets out, for the 12 months preceding the date of this Prospectus, the high and low closing sales prices and the daily average trading volume of the Common Shares:

	TSXV			OTC Pink		
Calendar Period	**High ($)**	**Low ($)**	**Average Volume**	**High ($)**	**Low ($)**	**Average Volume**
December 2013	0.48	0.33	38,448	0.461	0.321	862
January 2014	0.56	0.435	97,937	0.4867	0.411	507
February 2014	0.51	0.34	82,716	0.4867	0.3216	4,165
March 2014	0.50	0.33	476,406	0.448	0.3063	116,312
April 2014	0.395	0.25	374,818	0.36	0.2357	49,156
May 2014	0.48	0.205	1,621,151	0.4358	0.1852	169,231
June 2014	0.38	0.28	1,968,731	0.4463	0.259	259,659
July 2014	0.40	0.305	661,704	0.4463	0.29	142,730
August 2014	0.385	0.34	234,484	0.357	0.305	87,293
September 2014	0.35	0.27	282,333	0.331	0.24	101,628
October 2014	0.36	0.25	217,542	0.3204	0.224	49,361

Calendar Period	TSXV High ($)	TSXV Low ($)	TSXV Average Volume	OTC Pink High ($)	OTC Pink Low ($)	OTC Pink Average Volume
November 2014	0.395	0.30	421,899	0.35	0.274	101,293
December 1-12, 2014	0.58	0.31	1,021,911	0.4980	0.2756	125,731

DIVIDENDS

Theralase has not previously paid any dividends on its Common Shares. While Theralase is not restricted from paying dividends other than pursuant to certain solvency tests prescribed under the CBCA, Theralase does not intend to pay dividends on any of its Common Shares in the foreseeable future.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement relating to a specific offering and sale of Securities. Among other potential uses, Theralase may use the net proceeds from the sale of Securities: (i) for research and development costs relating to its products; and (ii) for general corporate and working capital purposes.

Management of Theralase will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and Theralase's actual use of the net proceeds will vary depending on the its operating and capital needs from time to time.

Theralase may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

PLAN OF DISTRIBUTION

Theralase may from time to time during the 25-month period that this Prospectus, including any amendments and supplements hereto, remains valid, offer for sale and issue up to an aggregate of $50,000,000 in Securities hereunder.

Theralase may offer and sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell directly to one or more purchasers or through agents or pursuant to applicable statutory exemptions. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by Theralase in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that Theralase will receive and any other material terms of the plan of distribution. Any initial offering price and discounts, concessions or commissions allowed or re-allowed or paid to dealers may be changed from time to time.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to Theralase. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from Theralase or from other parties, including in the form of underwriters', dealers' or agents' fees, commissions or concessions. Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation received by them from Theralase and any profit on the resale of the Securities by them may be deemed to be underwriting commissions.

In connection with any offering of Securities, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Underwriters, dealers or agents who participate in the distribution of the Securities may be entitled, under agreements to be entered into with Theralase, to indemnification by Theralase against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments, which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, Theralase in the ordinary course of business.

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities (other than Common Shares) will be a new issue of Securities with no established trading market. Accordingly, there is currently no market through which the Securities (other than Common Shares) may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. Theralase may elect to list any of the Securities on one or more exchanges, but unless otherwise specified in the applicable Prospectus Supplement, Theralase shall not be obligated to do so. In addition, underwriters will not be obligated to make a market in any securities. No assurance can be given regarding the activity of trading in, or liquidity of, any Securities. See "*Risk Factors*".

This Prospectus constitutes a public offering of these Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. Unless otherwise specified in the applicable Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Unless otherwise specified in the applicable Prospectus Supplement, the Securities may not be offered or sold in the U.S. or to, or for the account or benefit of, U.S. persons, unless the Securities are registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. Each underwriter, dealer and agent who participates in the distribution will agree not to sell or offer to sell or to solicit any offer to buy any Securities within the U.S. or to, or for the account or benefit of, a U.S. person, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these Securities in the U.S.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to a purchaser who is a non-resident of Canada or to a purchaser who is a resident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder.

RISK FACTORS

Before deciding to invest in any Securities, prospective purchasers of the Securities should consider carefully the risk factors and the other information contained and incorporated by reference in this Prospectus and the applicable Prospectus Supplement relating to a specific offering of Securities before purchasing the Securities. An investment in the Securities offered hereunder is speculative and involves a high degree of risk. Information regarding the risks affecting Theralase and its business is provided in the documents incorporated by reference in this Prospectus, including in Theralase's most recent AIF under the heading "*Risk Factors*". See "*Documents Incorporated by Reference*".

Risks Related to the Offering

No Assurance of Active or Liquid Market

No assurance can be given that an active or liquid trading market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such Securities trade may be adversely affected. Whether or not the Common Shares will trade at lower prices depends on many factors, including the liquidity of the Common Shares, prevailing interest rates, the markets for similar securities, general economic conditions and Theralase's financial condition, historic financial performance and future prospects.

There is currently no market through which the Securities (other than the Common Shares) may be sold and purchasers may not be able to resell such securities. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation.

Public Markets and Share Prices

The market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSXV or any other stock exchange could be subject to significant fluctuations in response to variations in Theralase's operating results or other factors. In addition, fluctuations in the stock market may adversely affect the market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSXV or any other stock exchange regardless of the operating performance of Theralase. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the operating performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSXV or any other stock exchange. There can be no assurance of the price at which the Common Shares and any other Securities offered hereunder that become listed and posted for trading on the TSXV or any other stock exchange will trade.

Additional Issuances and Dilution

Theralase may issue and sell additional securities of Theralase to finance its operations. Theralase cannot predict the size or type of future issuances of securities of Theralase or the effect, if any, that future issuances and sales of securities will have on the market price of any securities of Theralase issued and outstanding from time to time. Sales or issuances of substantial amounts of securities of Theralase, or the perception that such sales could occur, may adversely affect prevailing market prices for securities of Theralase issued and outstanding from time to time. With any additional sale or issuance of securities of Theralase, holders will suffer dilution with respect to voting power and may experience dilution in Theralase's earnings per share. Moreover, this Prospectus may create a perceived risk of dilution resulting in downward pressure on the price of Theralase's issued and outstanding Common Shares, which could contribute to progressive declines in the prices of such securities.

Theralase has Broad Discretion in the Use of the Net Proceeds from this Offering

Management of Theralase will have broad discretion with respect to the application of net proceeds received by Theralase from the sale of Securities under this Prospectus or a future Prospectus Supplement and may spend such proceeds in ways that do not improve Theralase's results of operations or enhance the value of the Common Shares or its other securities issued and outstanding from time to time. Any failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on Theralase's business or cause the price of the securities of Theralase issued and outstanding from time to time to decline.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TMX Equity Transfer Services Inc. at its principal transfer offices in Toronto, Ontario.

AUDITORS

The annual financial statements of Theralase as at December 31, 2013 and December 31, 2012 incorporated by reference in this Prospectus haven been audited by Collins Barrow Toronto LLP, chartered accountants and licensed public accountants, as set forth in their report incorporated by reference in this Prospectus, and are incorporated by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

EXPERTS

Unless otherwise specified in a Prospectus Supplement relating to any Securities offered, certain legal matters in connection with the offering of Securities will be passed upon on behalf of Theralase by Baker & McKenzie LLP. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents, as the case may be.

As at the date hereof, the designated professionals of Baker & McKenzie LLP collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of Theralase. Collins Barrow LLP as external auditor is independent of Theralase within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Securities that are convertible, exchangeable or exercisable into other securities of Theralase, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which such Securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: December 15, 2014

This preliminary short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

(Signed) Roger Dumoulin-White Chief Executive Officer	(Signed) Kristina Hachey Chief Financial Officer

On Behalf of the Board of Directors

(Signed) Randy Bruder Director	(Signed) Matthew Perraton Director