**FORM 51-102F3**
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Theralase Technologies Inc. (“**Theralase**” or the “**Corporation**”)
1945 Queen Street East
Toronto, Ontario M4L 1H7

**Item 2 Date of Material Change**

November 10, 2016

**Item 3 News Release**

A news release (the “**News Release**”) disclosing the material change was issued on November 10, 2016 through the facilities of Marketwired and filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”).

**Item 4 Summary of Material Change**

On November 10, 2016, Theralase closed its previously announced public offering (the “**Offering**”) of units (each, a “**Unit**”). On closing, Theralase issued an aggregate of 14,236,666 Units at a price of $0.30 per Unit for aggregate gross proceeds of approximately $4,271,000.

**Item 5 Full Description of Material Change**

On November 10, 2016, Theralase closed the Offering. On closing, Theralase issued an aggregate of 14,236,666 Units at a price of $0.30 per Unit for aggregate gross proceeds of approximately $4,271,000. Each Unit consists of one common share of the Corporation (each, a “**Common Share**”) and one common share purchase warrant (each, a “**Warrant**”).

The Units were qualified for sale by way of a prospectus supplement dated November 7, 2016 to the Corporation’s short form base shelf prospectus dated January 9, 2015, which was filed in the Provinces of British Columbia, Alberta and Ontario (the “**Prospectus Supplement**”).

Echelon Wealth Partners Inc. (the “**Agent**”) acted as agent in connection with the Offering pursuant to the terms and conditions of an agency agreement between the Corporation and the Agent dated November 7, 2016 (the “**Agency Agreement**”). Rodman & Renshaw, a unit of H.C. Wainwright & Co., LLC, acted as exclusive U.S. placement agent in connection with the Offering.

In connection with the services performed under the Agency Agreement, the Corporation paid a cash commission of $237,119.99 and issued 526,933 broker warrants (each, a “**Broker Warrant**”). Each Broker Warrant is exercisable into one Unit for a period of 60 months from the closing of the Offering at a price of $0.375 per Unit.

An aggregate of 533,333 Units, representing gross proceeds of approximately $160,000, were issued to certain “related parties” (as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”)) of the Corporation.

The following is a description of the anticipated effect of the Offering on the percentage of securities of each related party who participated in the Offering:

- *Roger Dumoulin-White – President and Chief Executive Officer* – Immediately prior to the closing of the Offering, Mr. Dumoulin-White held or exercised direction or control over the following securities: (i) 5,343,306 Common Shares, (ii) 152,500 Warrants, and (iii) stock options to acquire 4,000,000 Common Shares ("**Stock Options**"). Assuming full conversion of the Warrants and Stock Options, Mr. Dumoulin-White would have held or exercised direction or control over, in aggregate, 9,495,806 Common Shares representing 8.5% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised). Following the closing of the Offering, Mr. Dumoulin-White holds or exercises direction or control over the following securities: (i) 5,576,639 Common Shares (representing 4.6% of the currently issued and outstanding Common Shares), (ii) 385,833 Warrants, and (iii) 4,000,000 Stock Options. Assuming full conversion of all convertible securities held, Mr. Dumoulin-White would hold an aggregate of 9,962,472 Common Shares, representing 7.9% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised).

- *Kristina Hachey – Chief Financial Officer* – Immediately prior to the closing of the Offering, Ms. Hachey held the following securities: (i) 913,410 Common Shares, (ii) 100,000 Warrants, and (iii) 300,000 Stock Options. Assuming full conversion of the Warrants and Stock Options, Ms. Hachey would have held, in aggregate, 1,313,410 Common Shares representing 1.2% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised). Following the closing of the Offering, Ms. Hachey holds the following securities: (i) 1,013,410 Common Shares (representing less than 1% of the currently issued and outstanding Common Shares), (ii) 200,000 Warrants, and (iii) 300,000 Stock Options. Assuming full conversion of all convertible securities held, Ms. Hachey would hold an aggregate of 1,513,410 Common Shares, representing 1.2% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised).

- *Randy Bruder – Director* – Immediately prior to the closing of the Offering, Mr. Bruder held the following securities: (i) 1,450,460 Common Shares, (ii) 990,000 Warrants, and (iii) 1,412,500 Stock Options. Assuming full conversion of the Warrants and Stock Options, Mr. Bruder would have held, in aggregate, 3,852,960 Common Shares representing 3.5% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised). Following the closing of the Offering, Mr. Bruder holds the following securities: (i) 1,550,460 Common Shares (representing 1.3% of the currently issued and outstanding Common Shares), (ii) 1,090,000 Warrants, and (iii) 1,412,500 Stock Options. Assuming full conversion of all convertible securities held, Mr. Bruder would hold an aggregate of 4,052,960 Common Shares, representing 3.3% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised).

- *Guy Anderson – Director* – Immediately prior to the closing of the Offering, Mr. Anderson held the following securities: (i) 20,000 Common Shares, (ii) 20,000 Warrants, and (iii) 500,000 Stock Options. Assuming full conversion of the Warrants and Stock Options, Mr. Anderson would have held, in aggregate, 540,000 Common Shares representing less than 1% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised). Following the closing of the Offering, Mr. Anderson holds the following securities: (i) 120,000 Common Shares (representing 0.1% of the currently issued and outstanding Common Shares), (ii) 120,000 Warrants, and (iii) 500,000 Stock Options. Assuming full conversion of all convertible securities held, Mr. Anderson would hold an aggregate of 740,000 Common Shares, representing less than 1% of the then issued and outstanding Common Shares (calculated on a partially diluted basis, assuming no convertible securities other than those held by the insider are converted or exercised).

Pursuant to MI 61-101, the above named related party subscriptions are a “related party transaction”. Theralase is exempt from the formal valuation requirement of MI 61-101 in connection with the related party subscriptions in reliance on section 5.5(b) of MI 61-101, as no securities of Theralase are listed or quoted for trading on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ stock market or any other stock exchange outside of Canada and the United States. Additionally, Theralase is exempt from obtaining minority shareholder approval in connection with the related party subscriptions in reliance on section 5.7(1)(a) of MI 61-101 as the aggregate value of the related party subscriptions does not exceed 25% of the market capitalization of Theralase.

The Corporation intends to use the net proceeds of the Offering as detailed in the Prospectus Supplement.

Due to the limited time between the launch and the close of the Offering, there were less than 21 days between the date of filing of this material change report and the closing of the Offering.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

For additional information with respect to the material change referred to herein, the following person may be contacted:

Roger Dumoulin-White, President and Chief Executive Officer

Telephone number: (416) 699-5273

**Item 9 Date of Report**

This material change report is dated November 18, 2016.