THERALASE® TECHNOLOGIES INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**Meeting**") of the Shareholders of Theralase Technologies Inc. (the "**Corporation**") will be held on Friday, June 30th, 2017 at 4:30 pm (Toronto time) at 1945 Queen Street East, Toronto, Ontario, Canada, for the purposes of:

a) electing directors of the Corporation for the ensuing year; and

b) appointing the auditors of the Corporation for the ensuing year and authorizing the directors, acting through the Audit Committee, to fix the remuneration to be paid to the auditors; and

c) receiving and considering the audited consolidated financial statements for the fiscal year ended December 31, 2016 and the report of the auditors thereon; and

d) re-approving the Corporation's Incentive Stock Option Plan as described in the Management Information Circular; and

e) approving the Corporation's Advance Notice Bylaw for the nomination of election of Directors; and

f) transacting such other business as may properly come before the Meeting.

Only registered shareholders of record as of the close of business on May 30th, 2017, the record date for the Meeting, are entitled to receive notice of and to attend and vote at the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying Instrument of Proxy, in accordance with the instructions contained in the accompanying Management Information Circular, to the offices of the Corporation at 1945 Queen Street East, Toronto, Ontario M4L 1H7, or at the offices of TMX Equity Transfer Services, Proxy Department, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, not less than 24 hours before the time fixed for holding the Meeting, or any adjournment thereof, or to the Chairman of the Meeting immediately prior to the commencement of the Meeting, or any adjournment thereof.

DATED at Toronto, Ontario this 30th day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS:

Roger Dumoulin-White
President & CEO

THERALASE TECHNOLOGIES INC.

MANAGEMENT INFORMATION CIRCULAR

The Annual General and Special Meeting of Shareholders

TO BE HELD FRIDAY, JUNE 30TH, 2017

MANAGEMENT SOLICITATION OF PROXIES

This management information circular ("Management Information Circular") is furnished in connection with the solicitation by the management of Theralase Technologies Inc. ("Corporation") of proxies to be used at the Annual General and Special Meeting ("Meeting") of the shareholders of the Corporation ("Shareholders") to be held at the time and place and for the purposes set forth in the accompanying notice of Meeting (the "Notice of Meeting") and in this Management Information Circular. Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile or oral communication by and from the directors, officers and regular employees of the Corporation. The cost of the solicitation of proxies will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named as proxyholders in the enclosed instrument of proxy (the "**Instrument of Proxy**") are officers and/or directors of the Corporation. **A Shareholder has the right to appoint some other person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the accompanying Instrument of Proxy.** To exercise this right, a Shareholder should insert the name of the desired person in the blank space provided in the Instrument of Proxy or should complete another Instrument of Proxy. A Shareholder who appoints a proxy who is someone other than the person named in the Instrument of Proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how common shares in the capital of the Corporation (**"Common Shares"**) are to be voted. The nominee should bring personal identification to the Meeting. An Instrument of Proxy will not be valid unless it is deposited at the Corporation's offices at 1945 Queen Street East, Toronto, Ontario M4L 1H7, CANADA or at the offices of TSX Trust Company ("**TSX Trust**" or **"Transfer Agent"**), Proxy Department, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, CANADA not less than forty-eight (48) hours (excepting Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof (the "**Proxy Deadline**"). A failure to deposit the proxy will result in its invalidation.

A Shareholder who has submitted an Instrument of Proxy may revoke it by an instrument in writing signed by the Shareholder, or by an authorized attorney, or, if the Shareholder is a corporation, by a duly authorized officer, and deposited either at the offices of the Corporation, or of TSX Trust, as above noted, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the Instrument of Proxy is to be used, or with the Chairman of the Meeting on the day of such Meeting, or adjournment thereof, or in any other manner permitted by law. In addition, an Instrument of Proxy may be revoked by the Shareholder, if a corporation, by an authorized representative attending at the Meeting and voting such securities.

EXERCISE OF DISCRETION BY PROXIES

The person named in the accompanying Instrument of Proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, such Common Shares will be voted in favour of: (i) the election as Directors of the proposed nominees in this Management Information Circular; (ii) the appointment of Marcum LLP as auditors; (iii) the approval of the audited consolidated financial statement for the fiscal year ended December 31, 2016; (iv) the re-approval of the 2004 Stock Option Plan; (v) the resolution confirming, ratifying and approving an amendment to the general by-law of the Corporation to add an advance notice requirement for nominations of directors by shareholders in certain circumstances; and (vi) transacting such other business as may properly come before the meeting. The accompanying Instrument of Proxy confers discretionary authority upon the person named therein with respect to amendment or variations to matters identified in the Notice of Meeting, and with respect to other matters which may properly**

come before the Meeting. As of the date hereof, the management of the Corporation (**"Management"**) knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting; however, if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed Instrument of Proxy to vote such proxy according to their best judgment.

The Instrument of Proxy shall be executed by the Shareholder or his/her/its duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title should be indicated. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity should reflect that person's capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as **"Beneficial Shareholders"**) should note that only proxies deposited by Shareholders who are registered Shareholders (that is, Shareholders whose names appear on the records maintained by the Transfer Agent for Common Shares) will be accepted. Common Shares listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of **CDS Clearing and Depository Services Inc.** (the registration name for **CDS & Co.**, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker), also known as a voting information form ("**VIF**"), is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Corporation; however, the purpose of the VIF is limited to instructing the registered Shareholder (i.e.: the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (**"BFS"**) in Canada. BFS typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks beneficial Shareholders to return the VIFs to BFS, or otherwise communicate voting instructions to BFS (by way of the Internet or telephone, for example). BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder who receives a BFS VIF cannot use that form to vote Common Shares directly at the Meeting. The VIF must be returned to BFS (or instructions respecting the voting of Common Shares must otherwise be communicated to BFS) well in advance of the Meeting in order to have Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. The Corporation will not pay for intermediaries to deliver the materials to Beneficial Shareholders who are Objecting Beneficial Owners ("**OBOs**"). OBOs have objected to their Intermediary disclosing ownership information about themselves to the Company. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, CDS & Co. or another intermediary, the Beneficial Shareholder may attend the Meeting as proxyholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder, should enter their own names in the blank space on the VIFs provided to them by their broker and intermediary and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to Shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice are to be registered Shareholders unless specifically stated otherwise.

RECORD DATE

The Board of Directors of the Corporation (**"Board of Directors"** or **"Board"**) has set May 30, 2017 as the record date for the Meeting (**"Record Date"**). Only Shareholders of record as at that date are entitled to receive notice of and to vote at the Meeting unless after that date a Shareholder of record transfers his Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns such Common Shares, requests not later than (10) ten days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case, such transferee is entitled to vote such Common Shares at the Meeting.

NOTICE-AND-ACCESS

The Company is not utilizing the notice-and-access mechanism under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations, for distribution of Meeting materials to registered and beneficial Shareholders*.

VOTING SHARES AND PRINCIPAL HOLDERS

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. On May 30, 2017, there were 124,206,526 Common Shares of the Corporation issued and outstanding. Each Common Share carries the right to one vote.

To the knowledge of the Directors and senior officers of the Corporation, as of the Record Date, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the issued and outstanding Common Shares.

ELECTION OF DIRECTORS

The Board proposes to nominate, and the persons named in the accompanying Instrument of Proxy intend to vote in favour of, the election of the persons named below as directors of the Corporation ("Directors"). The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as directors of the Corporation, proxies held by the persons named in the accompanying Instrument of Proxy will be voted for another nominee in their discretion unless the Shareholder has specified in his Instrument of Proxy that their Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation and the provisions of the *Business Corporations Act* (Ontario) (the "**Act**").

The number of Directors to be elected at the Meeting shall be four. All of the nominees currently serve as Directors and their terms of office expire at the Meeting.

The following table and notes thereto state the names of the persons nominated for election as Directors, the municipality of residence of each nominee, the current positions with the Corporation held by such persons, the period during which each such person has been a director of the Corporation, the principal occupation at the present time and during the preceding five years of such nominee, and the number and percentage of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominee. The information contained in the following table is based upon information furnished by the respective nominees.

Name and Municipality of Residence	Position and office with the Corporation	Year First became Director	Principal Occupation (last 5 years)	Number/Percentage of Outstanding Common Share of the Corporation Held
Roger Dumoulin-White Toronto, Ontario	Chairman of the Board and President, Chief Executive Officer and Director	2004	Chairman of the Board, President and Chief Executive Officer of the Corporation and of Theralase Inc. (1)	5,576,639/4.6%
Randy Bruder (2, 4, 5) Colborne, Ontario	Director	2008	Director of the Corporation, Owner /Operator of The Grainery, a wholesale and retail food processing business.	1,510,324/1.2%
Matthew Perraton (2, 4, 5, 6) Toronto, Ontario	Director	2013	Director of the Corporation, Financial Planner, Royal Bank	42,699/0.0%
Guy Anderson (2, 3, 4, 5) Toronto, Ontario	Director	2013	Director of the Corporation, Wealth Management and Personal Finance Advisor, Aligned Capital	120,000/0.1%
Total				**8,263,072/6.8%**

Notes: **(1)** Theralase Inc. is a wholly-owned subsidiary of the Corporation.
(2) Member of the Audit Committee.
(3) Chairman of the Audit Committee.
(4) Independent Director.
(5) Member of the Governance and Compensation Committee.
(6) Chairman of the Governance and Compensation Committee.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES, PENALTIES AND SANCTIONS

No proposed director of the Corporation is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Corporation is or has been, within the ten years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director or executive officer has, within the ten years before the date of this Management Information Circular, 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 the assets of the director or executive officer.

No proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Indemnification

No indemnification under Section 136 of the Act was paid or became payable in 2016.

STATEMENT OF EXECUTIVE COMPENSATION

In this section **"Named Executive Officer"** or **"NEO"** means (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) each of the Corporation's three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed $150,000.00), and (d) any additional individuals whose total salary and bonus exceeded $150,000.00 during the year ended December 31, 2016. The Corporation currently has three NEOs, namely Roger Dumoulin-White, the Chief Executive Officer of the Corporation, Kristina Hachey, the Chief Financial Officer of the Corporation and Arkady Mandel, the Chief Scientific Officer of the Corporation.

COMPENSATION DISCUSSION AND ANALYSIS

Objectives and Philosophy

The Corporation's executive compensation policy has been designed to attract, motivate and retain high performing senior executives. The Corporation's policy is to have a competitive total compensation package which includes base salary, a bonus plan and a stock option program. The purpose of the Corporation's compensation policy is to encourage the achievement of corporate objectives and to align the interests of the NEOs with those of the Shareholders; therefore, a significant portion of the total compensation for NEOs is based on the Corporation's performance. Comprehensive performance appraisal and succession planning systems have also been adopted in order to assess the abilities and performance of all the Corporation's employees, and NEOs in particular, around the world. The compensation of NEOs is reviewed and approved by the Board upon the recommendation of the Governance and Compensation Committee.

Elements of Compensation

Base Salary

Salaries of NEOs are established based on a comparison with competitive positions, taking into account the size and scope, as well as the geographic location. The Governance and Compensation Committee further takes into consideration individual circumstances that may include the scope and the geographic location of an NEO's position, the NEO's relevant competencies or experience and the desire for retention of the NEO. The Governance and Compensation Committee also takes into consideration the financial performance of the Corporation as well as the individual performance of each NEO. NEO salaries have increased by an average of less than 100% per year over the last four years as a reflection of the Corporation's performance.

Short-Term Incentive (Bonus) Plan

The Corporation's bonus plan considers company performance as well as individual performance. Bonuses are targeted at between 0% and 100% of an NEO's base salary, and are paid in cash on an annual basis. Depending on the NEO's position, a percentage of the NEO's bonus will depend on the Corporation's success in achieving certain fixed and objective goals. Such goals include those related to fixed revenue and earnings, as well as the achievement of certain strategic objectives. The Corporation's goals are determined annually. The balance of each NEO's bonus is determined based on their achievement of fixed, personal strategic objectives or standards of performance, which are determined at the beginning of each year, after discussion with the NEO. By balancing personal and corporate performance, the bonus plan seeks to reward both individual achievement as well as corporate success in an effort to align the interests of the NEOs with those of the Shareholders. The Corporation's performance will weigh more heavily in considering the bonus of an NEO with more seniority.

Long Term Incentives - Stock Option Awards

The strategic use of incentive stock options is a cornerstone of the Corporation's compensation plan. It applies to employees at all levels and continues to be one of the Corporation's primary tools for attracting, motivating and retaining qualified employees, which is critical to the Corporation's success.

All grants of stock options to the NEOs are reviewed and pre-approved by the Board of Directors. In evaluating option grants to the NEOs, the Board of Directors evaluate a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Corporation in light of their respective responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package.

SUMMARY COMPENSATION TABLE

The following table sets forth the details regarding compensation earned by each NEO in the three most recently completed financial years.

Name and principal position(1)	Year ended Dec. 31	Salary	Share based awards	Option based awards(1)	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual incentive plans(2)	Long-term incentive plans			
Roger Dumoulin-White (President and Chief Executive Officer)	2016 2015 2014	$300,000 $266,666 $170,833	Nil Nil Nil	263,095 295,602 93,317	8,700 6,000 6,000	Nil Nil Nil	Nil Nil Nil	5,000(3) 5,000(3) 1,000(3)	$576.795 $573,268 $271,150
Kristina Hachey (Chief Financial Officer)	2014 2015 2016	200,000 183,333 129,583	Nil Nil Nil	16,157 22,633 8,744	5,200 3,500 3,745	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$221,357 $209,466 $142,072
Arkady Mandel (Chief Scientific Officer)	2014 2015 2016	200,000 183,333 138,333	Nil Nil Nil	21,887 21,920 9,281	5,200 3,500 3,750	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$227,087 $208,753 $151,364

Notes:

1) The option-based awards value is the grant date fair value of stock options granted in the year calculated in accordance with IFRS using the Black-Scholes option pricing model with the following weighted average assumptions for 2016: vesting in three tranches with tranches vesting in one year, two years and three years respectively and expiring five years from date of issue; share price $0.34 to $0.35; exercise price $0.50; risk free rate of

0.94% to 1.16%; dividend yield of nil; and expected volatility of 78.87% to 84.46%.

2) Year-end cash incentive bonuses.
3) Represents directors' fees paid to Mr. Dumoulin-White in his capacity as a Director.

INCENTIVE PLAN AWARDS – NEOS

Outstanding Share-Based and Option-Based Awards

The following table sets forth information concerning all option-based and share-based awards for each NEO outstanding at December 31, 2016.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options**	**Option exercise price**	**Option expiration date**	**Value of unexercised in-the-money options (1)**	**Number of shares or units of shares that have not vested**	**Number of shares or units of shares that have vested**	**Market or payout value of vested share-based awards not paid or distributed**
Roger Dumoulin-White President and Chief Executive Officer	1,000,000 3,000,000	$0.50 $0.50	July 11, 2019 May 28, 2020	Nil Nil	666,666 1,000,000	333,334 2,000,000	Nil Nil
Kristina Hachey Chief Financial Officer	100,000 200,000	$0.50 $0.50	July 11, 2019 May 28, 2020	Nil Nil	66,666 66,666	33,334 133,334	Nil Nil
Arkady Mandel Chief Scientific Officer	100,000 200,000	$0.50 $0.50	July 11, 2019 May 28, 2020	Nil Nil	66,666 66,666	33,334 133,334	Nil Nil

Note:

1) The value of unexercised "in–the-money" options is calculated using the closing price of the Common Shares of the Corporation on the TSX Venture Exchange ("TSXV") on December 31, 2016 less the respective exercise prices of the options. The market value of the Common Shares on December 31, 2016 was $0.255, which is less than the exercise price for the NEO's exercisable options; therefore, there were no "in-the-money" options for the recent fiscal year ended December 31, 2016.

Value Vested or Earned During the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the Named Executive Officers for the financial year ended December 31, 2016.

Name	**Option-based awards – Value vested during the year**	**Share-based awards – Value vested during the year**	**Non-equity incentive plan compensation – Value earned during the year**
Roger Dumoulin-White President and Chief Executive Officer	Nil	Nil	$8,700
Kristina Hachey Chief Financial Officer	Nil	Nil	$5,200
Arkady Mandel Chief Scientific Officer	Nil	Nil	$5,200

Notes:

1) Value vested during the year is calculated by subtracting the market price of the Company's Common Shares on the date the option vesting (being the closing price of the Company's Common Shares on the TSXV on the last trading day prior to the vesting date. Options vest in three tranches with tranches vesting in one year, two years and three years from the date of grant. Accordingly, the in-the money value of the stock options at the time of vesting was $nil.
2) The Company did not issue any share-based awards to its NEOs during the fiscal year ended December 31, 2016.
3) Year-end cash incentive bonuses.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

As at December 31, 2016, the Corporation did not have any plan, contract or arrangement, compensatory or otherwise: (i) regarding the employment of the NEOs; or (ii) whereby the NEOs are entitled to receive more than one month of Base Salary for each full or partial year of service (including periodic payments or installments) in the event of such NEO's resignation, retirement or change of employment, a change of control of the Corporation, or a change in the NEO's responsibilities following a change in control of the Corporation.

PENSION PLAN

As of December 31, 2016, there did not exist a pension plan for the NEOs that provided for payments or benefits at, following or in connection with retirement.

COMPENSATION OF DIRECTORS

The Corporation pays each Director an annual retainer of $5,000 per annum. The Corporation also reimburses the Directors for expenses incurred in connection with their attendance at such meetings, or in furtherance of their duties as Directors. For the year ended December 31, 2016, the aggregate annual retainer fees totaled $20,000. No other compensation or benefit was paid or is payable to the directors of the Corporation, for acting as such, for the year ended December 31, 2016.

The following Director compensation table sets forth all amounts of compensation paid by the Corporation to the Directors, (other than Roger Dumoulin-White, whose compensation has been previously disclosed in the *Summary Compensation Table*) for the year ended December 31, 2016:

Name	Fees Earned ($)	Share-based awards ($)	Option-based awards ($)[7]	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Guy Anderson	5,000	N/A	Nil	Nil	N/A	Nil	5,000
Matthew Perraton	5,000	N/A	Nil	Nil	N/A	Nil	5,000
Randy Bruder	5,000	N/A	Nil	Nil	N/A	Nil	5,000

INCENTIVE PLAN AWARDS – DIRECTORS

The following table shows the outstanding aggregate share-based awards paid by the Corporation to each Director (other than Roger Dumoulin-White, whose incentive plan awards have been previously disclosed in the section entitled *Incentive Plan Awards – NEOs* and who did not receive any additional options for acting in his capacity as a Director or committee member of the Board) for the financial year ended December 31, 2016.

Name and Principal Position with the Corporation and its Subsidiaries	Issuance Date	Option-based awards				Share-based Awards	
		Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[1]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Guy Anderson	July 11, 2014 May 28, 2015	200,000 300,000	$0.50 $0.50	July 11, 2019 May 28, 2019	Nil Nil	Nil Nil	Nil Nil
Matthew Perraton	July 11, 2014 May 28, 2015	200,000 300,000	$0.50 $0.50	July 11, 2019 May 28, 2019	Nil Nil	Nil Nil	Nil Nil
Randy Bruder	July 11, 2014 May 28, 2015	200,000 300,000	$0.50 $0.50	July 11, 2019 May 28, 2019	Nil Nil	Nil Nil	Nil Nil

Notes: **(1)** The value of unexercised "in–the-money" options is calculated using the closing price of the Common Shares of the Corporation on the TSXV on December 31, 2016 less the respective exercise prices of the options. The market value of the Common Shares on December 31, 2016 was $0.255, which is less than the exercise price for the Directors; therefore, there were no "in-the-money" options for the recent fiscal year ended December 31, 2016.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains Directors' and Officers' liability insurance at an annual premium cost of $4,500. The insurance limit per claim under the policy is $1,000,000 subject to a $20,000 annual deductible payable by the Corporation. The policies and premiums do not distinguish between the insurance for directors' liability or officers' liability, and the coverage is the same for both groups.

LONG-TERM INCENTIVE (STOCK OPTION) PLAN

Overview

A significant component in the Corporation's compensation mix is related to long-term incentives. The Corporation's policy is to grant stock options to its executives, directors, employees and consultants under its 2004 Stock Option Plan ("**Plan**") (attached as Schedule "D" hereto).

The purpose of the Plan is to attract and retain service providers, employees, officers and directors to the Corporation and to motivate them to advance the interests of the Corporation by affording them the opportunity to acquire an equity interest in the Corporation through stock options.

Pursuant to the Plan, the number of options to purchase Common Shares that can be issued is a fixed maximum percentage of 10% of the Common Shares issued and outstanding from time to time. The Stock Option Plan is administered by the Board of Directors. The conditions with respect to the vesting and exercise of options are determined by the Board of Directors at its sole discretion at the time of granting such options.

Options granted under the Plan have a term of 5 years, and an exercise price that may not be lower than the closing sale price for the Common Shares on the last trading day before the day on which the option is granted. Since 2004, all stock options granted vest in equal installments over a period of (3) three years commencing (1) one year after the date of grant.

A person who has received options (**"Optionee"**) shall lose their right to exercise their option on the earliest of: (i) the termination of their employment, the termination of services or the services agreement in respect of a Consultant or advisor, or removal of the Optionee as a Director or officer of the Corporation or its affiliates for cause; (ii) sixty (60) days after the termination of employment, the termination of services or the services agreement in respect of a consultant or advisor, or an Optionee ceasing to be a Director or officer for reasons other than termination or removal for cause; (iii) thirty (30) days after retirement and (iv) ninety (90) days after the death of the Optionee.

The Plan provides for the following limitations on the number of Common Shares issuable thereunder:

a) the aggregate number of Common Shares issued for Options under the Plan, shall not exceed ten (10%) percent of the issued and outstanding Common Shares (on a non-diluted basis);
b) the aggregate number of options granted to Consultants or Advisors shall not exceed two (2%) percent of the issued and outstanding Common Shares;
c) the aggregate number of Common Shares so reserved for issuance to any one Optionee that is a Director, officer or employee shall not exceed five (5%) percent of the issued and outstanding Common Shares;

The Board has the right, in its sole discretion, to amend, suspend or terminate the Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining approval of the Shareholders. Any amendment to any provision of the Plan will be subject to any required regulatory or Shareholder approval. The Plan does not contain any provision for financial assistance by the Corporation in respect of options granted thereunder.

Equity Compensation Plan Information

The following table sets out information concerning the number and exercise price of the stock options issued under the Plan as at December 31, 2016.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by securityholders	7,410,000	$0.50	4,718,402
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
TOTAL	7,410,000	$0.50	4,718,402

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual is, or at any time during the most recently completed financial year of the Corporation was, a Director or executive officer of the Corporation, and no proposed nominee for election as a Director of the Corporation, or any associate of any such Director, executive officer or proposed nominee: (i) is or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries, or (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described herein, to the knowledge of the Corporation, no “informed person”, proposed director, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the beginning of the financial period ended December 31, 2016, or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries. An “informed person” means, among others, (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation, (ii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (iii) a reporting issuer that has purchased, redeemed, or otherwise acquired any of its securities, for so long as it holds any of its securities.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the Corporation’s Directors or executive officers, proposed nominees for election as Directors or such persons’ associates and affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as disclosed in this Management Information Circular.

AUDIT COMMITTEE

The Board has established an Audit Committee that is currently comprised of Guy Anderson, Matthew Perraton and Randy Bruder. All members of the Audit Committee are “independent” and “financially literate” for the purposes of National Instrument 52-110 – *Audit Committees* (**“NI 52-110”**). The Audit Committee operates under the Audit Committee Mandate (attached as Schedule “B” hereto) which follows the guidelines established by the Canadian Securities Administrators in 2005, as well as NI 52-110, and also follows recommendations of the Corporation's independent external auditors to enhance the effectiveness of those published guidelines.

RELEVANT EDUCATION AND EXPERIENCE

Each member of the Audit Committee has education and experience relevant to the responsibilities as an Audit Committee member.

Guy Anderson - Chairman of the Audit Committee

Mr. Anderson brings over 20 years of financial experience to Theralase, most recently as a Wealth Management and Personal Finance Advisor with Aligned Capital. Prior to his current position, Mr. Anderson held progressively higher positions with the Investment Planning Counsel, Franklin Templeton Investments Canada, T.E. Financial and Bank of Nova Scotia. Mr. Anderson is financially literate by virtue of his training and experience as a Finance Advisor.

Matthew Perraton

Mr. Perraton brings over 17 years of financial experience to Theralase, most recently as a Financial Planner for the Royal Bank of Canada. Prior to his current position, Mr. Perraton held progressively higher positions with TD Waterhouse, BMO Nesbitt Burns and Bank of Nova Scotia. Mr. Perraton is financially literate by virtue of his training and experience as a Financial Planner.

Randy Bruder

Mr. Bruder is an active independent businessman with over 36 years of experience. Mr. Bruder is financially literate by virtue of his ownership and management of his own business.

AUDIT COMMITTEE OVERSIGHT

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

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Corporation's most recently completed financial period has the Corporation relied on the following exemption under NI 52-110: section 2.4 (*De Minimus Non-Audit Services*), subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The Corporation incurred the following aggregate fees to its external auditors in two most recently completed fiscal years:

Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2016	$79,200	-	-	-
December 31, 2015	$53,000	$3,380	$7,280	3,605

"Audit Fees" refers to the aggregate fees billed by the Corporation's external auditors for audit services. "Audit Related Fees" refers to aggregate fees billed for assurance and related services by the Corporation's external auditors that are reasonably related to the performance of the audit or review of the Corporation's financial statements and not reported under Audit Fees, including the review of interim filings and travel related expenses for the annual audit. "Tax Fees" includes fees for professional services rendered by the Corporation's external auditors for tax compliance, tax advice and tax planning. "All Other Fees" includes all fees billed by the Company's external auditors for services not covered in the other three categories.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Corporation considers good corporate governance to be important to the effective operation of the Corporation and to ensure that the Corporation is managed to optimize Shareholder value. The Board is responsible for examining the Corporation's needs in this regard and addressing all issues that may arise from its practices. The Board ensures that the Corporation's corporate governance practices comply with National Instrument 58-101 *Disclosure of Corporate Governance Practices* and oversees their disclosure according to guidelines described in National Policy 58-201 *Corporate Governance Guidelines* (hereinafter collectively referred to as the "**Regulation**").

BOARD OF DIRECTORS

The Board of Directors believes that three of its members, Mr. Guy Anderson, Mr. Matthew Perraton and Mr. Randy Bruder, who are practicing financial and business professionals, are Independent Directors as defined in section 1.4 of NI 52-110 (i.e.: they are independent of Management, and free from an interest in any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from otherwise modest direct shareholdings).

Name	Independence
Guy Anderson	Yes
Matthew Perraton	Yes
Randy Bruder	Yes
Roger Dumoulin-White	No

The Board will consider expanding the size of the Board if and when the expansion of the Corporation's affairs so warrant and when suitable candidates are available and agree to serve as Directors.

The Board of Directors has considered the size of the Board to determine whether it has sufficient members to carry out its mandate in an efficient manner while simultaneously presenting a diversity of views and experience. The Board is of the view that the Corporation's affairs dictate that a composition of at least four Directors serves to promote effectiveness and efficiency in the direction of the Corporation while preserving its diversity.

The Board of Directors has a written mandate describing the role and the duties of the Board of Directors which is attached as Schedule "A" to this Management Information Circular.

OTHER BOARD MEMBERSHIPS

None of the current Directors of the Corporation are directors, officers or promoters of other reporting issuers.

ORIENTATION AND CONTINUING EDUCATION

Immediately following appointment, new directors of the Corporation are provided with historic information, current strategic plans for the Corporation and materials summarizing issues relating to the Corporation. New directors are also briefed by the Chairman of the Corporation, by the President and Chief Executive Officer of the Corporation, and by the Chair of the committees of the Board to which they are appointed, if any. The Board and its committees receive periodic reports from Management and external advisors as to new developments in regard to corporate governance and in regard to other issues affecting the Corporation.

Additionally, the Corporation has a Governance and Compensation Committee, which operates under the Governance and Compensation Mandate. In addition to carrying out its statutory legal responsibilities (including review of the Company's governance and compensation practices), the Governance and Compensation Committee also recommends to the Board of Directors, best practices and policies in the governance and compensation of the Company.

OTHER BOARD COMMITTEES

The Board has two standing committees:

Audit Committee

The Audit Committee is comprised of Guy Anderson, Matthew Perraton and Randy Bruder. For additional information regarding the Audit Committee and its function, see "*Audit Committee*".

Governance and Compensation Committee

The Board has established a Governance and Compensation Committee comprised of Mr. Randy Bruder, Mr. Guy Anderson and Mr. Matt Perraton. The Governance and Compensation Committee is chaired by Mr. Matt Perraton and all three members are independent directors.

The Governance and Compensation Committee operates under the Governance and Compensation Mandate (Schedule "C" hereto). In addition to carrying out its statutory legal responsibilities (including review of the Company's governance and compensation practices), the Governance and Compensation Committee reviews all governance issues and compensation reviews. The Governance and Compensation Committee regularly consults with the members of Management to assist it in the effective discharge of its duties. The Governance and Compensation Committee also recommends to the Board of Directors, best practices and policies in the governance and compensation of the Company.

ETHICAL BUSINESS CONDUCT

The Board of Directors has adopted a *Code of Business Ethics and Conduct* (**"Code")** as detailed in the Mandate of the Governance and Compensation Committee, Schedule C.

NOMINATION OF DIRECTORS

The Board of Directors of the Corporation is mandated to recruit and consider director candidates and to make recommendations to the Board. In so doing, it considers, in addition to any other factors it deems relevant: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing director to possess; (iii) the competencies, skills and background each nominee will bring to the Board; (iv) the time that each nominee will have available to devote to the Corporation's business; and (v) whether the nominee will be an independent director. Directors are encouraged to identify potential candidates. An invitation to stand as a nominee for election to the Board will normally be made to a candidate by the Board through the Chairman of the Corporation or his delegate. The Board is of the view that the Corporation's affairs dictate that a composition of at least four Directors serves to promote effectiveness and efficiency in the direction of the Corporation while preserving its diversity.

COMPENSATION

Director and executive compensation is governed by the Governance and Compensation Committee. Refer to "Statement of Executive and Directors Compensation - Compensation Discussion and Analysis".

ASSESSMENTS

The Board does not formally review the contribution and effectiveness of the Board, its committees or its members. The Board believes that its size facilitates an informal process of discussion and evaluation.

ADDITIONAL INFORMATION ON THE CORPORATION

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Additional financial information is provided in the Company's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2016. All such current corporate documents will be provided free of charge to any Shareholder of the Corporation upon request to the Corporation directed to 1945 Queen Street East, Toronto, Ontario M4L 1H7, CANADA.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

APPOINTMENT OF AUDITORS

Shareholders will be requested to appoint Marcum LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration and the terms of their engagement. Marcum LLP was first appointed as the auditor of the Corporation effective March 24, 2017.

In the absence of a contrary specification made in the Instrument of Proxy, the persons named in the accompanying Instrument of Proxy intend to vote for the appointment of Marcum LLP, as auditors of the Corporation to hold office until the next Annual General Meeting of Shareholders and to authorize the Directors to fix their remuneration.

Marcum LLP was appointed as auditors of the Corporation by the Board on or about March 24, 2017 to fill the vacancy created by the resignation of Collins Barrow Toronto LLP ("**Collins Barrow**"). Collins Barrow resigned as auditors of the Corporation prior to the expiry of their term in office. The Board accepted the resignation of Collins Barrow as auditors of the Corporation and approved the appointment of Marcum LLP as the Corporation's successor auditors. No "reportable events" as such term is defined in NI 51-102 was associated with the change of auditors.

In order to effect the change of auditors discussed above, the Corporation filed a change of auditors reporting package (the "**Reporting Package**") on the System for Electronic Document Analysis Retrieval ("SEDAR") on April 3, 2017. The Reporting Package was prepared and filed in accordance with the requirements of Section 4.11 of NI 51-102, and consists of (i) a change of auditor notice dated March 24, 2017; (ii) a letter from the former auditor dated March 31, 2017; and (iii) a letter from the successor auditor dated March 31, 2017.

A copy of the Reporting Package is attached hereto as Schedule "E".

RE-APPROVAL OF THE CORPORATION'S 2004 STOCK OPTION PLAN

The purpose of the Corporation's 2004 Stock Option Plan is to attract and retain service providers, employees, officers and Directors to the Corporation and to motivate them to advance the interests of the Corporation by affording them the opportunity to acquire an equity interest in the Corporation through stock options. The Plan is subject to annual approval in accordance with the rules and policies of the TSXV.

The complete text of the Corporation's 2004 Stock Option Plan is attached as Schedule "C" to this Management Information Circular. At the Meeting, Shareholders will be asked to approve the following resolution:

"**BE IT RESOLVED THAT:**

1. The 2004 Stock Option Plan in the form attached as Schedule "D" to the Management Information Circular of the Corporation dated May 30, 2017**("Plan")** is hereby approved, ratified and confirmed.

2. Any director or officer of the Corporation is authorized to execute and deliver all other documents and do all other acts and things as may be necessary or desirable to give effect to this resolution.

In the absence of a contrary specification made in the Instrument of Proxy, the persons named in the enclosed Instrument of Proxy intend to vote in favour of the foregoing resolution. Approval of the foregoing resolution will require the affirmative vote of a majority of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting.

APPROVAL OF ADVANCE NOTICE BY-LAW

On December 13, 2016, the Board adopted By-Law No. 3 of the Corporation (the "**Advance Notice By-Law**") to establish a framework for the an advance notice of nomination of directors (the "**Advance Notice Requirement**"), in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a requisition to call a meeting of Shareholders made pursuant to the provisions of the Act; or (b) a Shareholder proposal made pursuant to the provisions of the Act.

The Advance Notice By-Law became effective upon its approval by the Board. However, pursuant to the provisions of the Act, the Advance Notice By-Law will cease to be effective unless approved, ratified and confirmed by a resolution adopted by a simple majority of the votes cast by Shareholders at the Meeting. The full text of the Advance Notice By-Law is set forth in Schedule "F" to this Management Information Circular.

Among other things, the Advance Notice Requirement fixes a deadline by which Shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of Shareholders where directors are to be elected and sets forth the information that a Shareholder must include in the notice for it to be valid.

In the case of an annual meeting of Shareholders, notice to the Corporation must be given not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

Notwithstanding the foregoing, in the case of an annual or special meeting of Shareholders where "notice-and-access" is used for the delivery of proxy-related materials and the initial public announcement is not less than 50 days before the date of the meeting, notice to the Corporation must be given not less than 40 days prior to the date of the meeting.

The Board believes that the Advance Notice Requirement provides a clear process for Shareholders to follow to nominate directors and sets out a reasonable time frame for nominee submissions along with a requirement for accompanying information, allowing the Corporation and the Shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation. The purpose of the Advance Notice Requirement is to treat all Shareholders fairly by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and sufficient information with respect to all nominees and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Requirement should assist in facilitating an orderly and efficient meeting process.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Requirement.

Advance Notice By-Law Approval Resolution

At the Meeting, Shareholders will be asked to consider, and, if deemed appropriate, approve, with or without variation, a resolution (the "**Advance Notice By-Law Approval Resolution**"), confirming, ratifying and approving the adoption of the Advance Notice By-Law by the Board. The text of the Advance Notice By-Law Approval Resolution is as follows:

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Advance Notice By-Law, which by-law was approved by the Board on December 13, 2016, be and is hereby confirmed, ratified and approved; and

2. any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing."

In the absence of a contrary specification made in the Instrument of Proxy, the persons named in the enclosed Instrument of Proxy intend to vote in favour of the Advance Notice By-Law Approval Resolution. Approval of the foregoing resolution will require the affirmative vote of a majority of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting.

BOARD APPROVAL

The contents of this Management Information Circular, and the sending thereof to the Shareholders of the Corporation, have been approved by the Board of Directors.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED this 30th day of May, 2017

Roger Dumoulin-White
President & CEO

SCHEDULE "A"
MANDATE OF THE BOARD OF DIRECTORS

ROLE

The directors are elected by the shareholders and are committed to the oversight of the assets and affairs of the Corporation, including responsibility for, to the extent feasible, satisfying itself as to the integrity of the President and Chief Executive Officer and other senior officers. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure to enhance and preserve the assets of the Corporation and the underlying value of the Corporation.

The Board expects management to provide information in a timely manner and maintain processes, which enable the Board to identify issues, challenges, and opportunities for the Corporation and to otherwise discharge its responsibilities.

DEFINITIONS

Definitions – In this Mandate:

a) **"Board"** means the Board of Directors of the Corporation;
b) **"CEO"** means the Chief Executive Officer of the Corporation;
c) **"Chair"** means the Chairperson of the Board;
d) **"Director"** means a member of the Board; and
e) **"Mandate"** means this mandate, as amended from time to time.

BOARD MEMBERSHIP

A. The Board shall consist of such number of Directors as the Board may determine from time to time, provided that such number shall be within the minimum and maximum number of Directors set out in the Corporation's articles.

B. Independence of Members
   1) At least one quarter of the directors shall be resident Canadians.
   2) At least one half of the Directors shall be independent Directors as defined by applicable securities guidelines.

C. Nomination and Appointment of Directors
   1) The Board shall nominate individuals for election as Directors by the shareholders.
   2) In selecting candidates for nomination as Directors, the Board shall:
      (i) consider what competencies and skills the Board, as a whole, should possess; and
      (ii) assess what competencies and skills each existing Director possesses.
      (iii) consider recommendations with respect to the size and composition of the Board.

D. Election and Appointment of Directors
   Directors shall be elected by the shareholders at each annual meeting of shareholders or at such times, in such manner and for such term as the articles or bylaws of the Corporation may prescribe, provided that notwithstanding the expiry of their term, each Director shall remain in office until they are re-elected, replaced or removed.

E. Vacancy
   The Board may appoint a Director to fill a vacancy which occurs in the Board between annual elections of Directors to the extent permitted by the Canadian Business Corporation Act **("CBCA")**.

F. Removal of Members
   Any Director may be removed from office by an ordinary resolution of the shareholders at a special meeting of shareholders.

G. Additional Directors
   In addition to filling vacancies on the board, the directors may at any time, without exceeding the number of directors provided by the articles of the Corporation, appoint one or more additional directors who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of shareholders.

BOARD CHAIR

A. Board to appoint Chairman of the Board

The Chair shall be a Director. The Chairman of the Board shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties. The Director who is currently serving as Chairman of the Board shall continue as Chair until his or her successor is appointed.

MEETINGS OF THE BOARD

A. Time and Place of Meetings

Meetings of the Board shall be held from time to time and at such place as the Board and the Chair may determine.

B. Frequency of Board Meetings

Subject to the Corporation's by-laws, the Board shall meet at least four times per year on a quarterly basis.

C. Quorum

Unless otherwise fixed in the by-laws of the Corporation, a quorum of the Board shall be a majority of Directors; including the Chairman of the Board.

D. Secretary

The Board shall appoint a person who may, but need not, be a member of the Board, to be secretary and who shall attend and be the secretary of meetings of the Board, shareholders and committees of the Board.

E. Right to Vote

Each Director shall have the right to vote on matters that come before the Board unless precluded by the CBCA.

F. Invitees

The Board may invite officers and employees of the Corporation or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

G. Meeting of Independent Directors

The independent Directors shall have regularly scheduled meetings at which members of management are not present.

BOARD OBLIGATIONS AND RESPONSIBILITIES

The Board discharges its responsibility for oversight by delegating to the Corporation's President and Chief Executive Officer the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its Audit Committee. In addition to this regular committee, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board's primary roles are overseeing corporate performance and attempting to provide for the quality, depth and continuity of management needed to meet the Corporation's strategic objectives. Other principal duties include, but are not limited to, the following categories:

A. Appointment, compensation, assessment, succession planning of the President and Chief Executive Officer

1) Select and appoint the President and Chief Executive Officer of the Corporation.
2) Develop a compensation policy for the Corporation's President and Chief Executive Officer, notably compensation structure, annual salary adjustments as well as the creation and administration of short and long term incentive plans, stock options, indirect advantages and benefits.
3) Review and establish all forms of compensation to the President and Chief Executive Officer.
4) Oversee, as required, employment contracts and terminations of the President and Chief Executive Officer, notably severance pay.
5) Develop a written position description for the President and Chief Executive Officer.
6) Examine on an annual basis the performance of the President and Chief Executive Officer, with respect to pre-established objectives.
7) Oversee that succession-planning programs are in place, including programs to train, develop and approve a new President and Chief Executive Officer.

B. Compensation of Directors
1) Establish the compensation of Directors.
2) Examine the compensation of Directors in relation to the risks and duties of their position.

C. Stock Option Grants
1) Oversee, review and recommend Board approval of the Corporation Stock Option Plan.
2) Delegate, at its discretion, the plan's administration to the President and Chief Executive Officer.
3) Examine, oversee and approve stock option grants, specifically:
   (i) the people to whom options are granted;
   (ii) the number of options granted;
   (iii) the exercise price of the options;
   (iv) the exercise period of the options; and
   (v) all other conditions relating to options granted.

D. Strategic Direction and Planning
1) Review and approve the Corporation's strategic plan.
2) Review the strategic plan annually, taking into account opportunities and risks, and monitoring the Corporation's performance against the plan.
3) Review and approve the Corporation's annual operating budget.
4) Identify key business risks facing the Corporation and the implementation of appropriate systems to manage these risks.
5) Consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for shareholders.

E. Monitoring of Financial Performance and Other Financial Reporting Matters
1) Review and approve the annual audited financial statements and the interim financial statements and the notes and Management's Discussion and Analysis ("**MD&A**") accompanying such financial statements.
2) Review and approve material transactions outside the ordinary course of business and those matters required to be approved under the Corporation's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, acquisitions and dispositions of material capital assets and material capital expenditures.

F. Corporate Governance
1) Adopt and enforce good corporate governance practices and processes. Annually, review and approve the Statement of Corporate Governance Practices as found in the Proxy Circular.
2) Approve a Code of Business Conduct and Ethics and ensure compliance with applicable legal and stock exchange listing requirements.
3) Monitor the efficiency and the integrity of the Corporation's internal controls and information system.
4) Obtain reasonable assurance of the integrity of the President and Chief Executive Officer, and that he uphold principles of integrity within the ranks of the Corporation.
5) Oversee the implementation of a Corporation disclosure policies and procedures.
6) Be available to receive feedback from stakeholders.

G. Environmental Oversight

Implement appropriate environmental stewardship and health and safety management systems that are sufficient within the terms and practices of its industries, to ensure compliance with applicable laws and Corporation policies.

H. Policies and Procedures
1) Approve and review compliance with all significant policies and procedures by which the Corporation is operated;
2) Approve policies and procedures designed to ensure that the Corporation operates within applicable laws and regulations and in accordance with ethical and moral standards.
3) Enforce its policy respecting confidential treatment of the Corporation's proprietary information and the confidentiality of Board deliberations.

I. Communications and Reporting

1) Approve and review, from time to time as circumstances warrant, a Corporate Disclosure Policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media, and the communities in which the business of the Corporation is conducted.
2) Oversee the financial results and require legal disclosure is reported timely, fairly, and in accordance with generally accepted accounting standards.
3) Oversee the Corporation's implementation of systems to accommodate feedback from shareholders.

J. Director commitment and Continuing Education

4) Keep up-to-date with the Corporation's business, its competitors, corporate governance and regulatory issues.
5) Upon request, join a committee and actively participate at its meetings.
6) Be accessible, at least by telephone, to personnel and other Corporation Directors, as required.
7) Keep confidential information discussed during meetings.
8) Attend regular and special Board meetings.
9) Get to know other members of the Board and promote collegial decision-making.

EVALUATION OF BOARD PERFORMANCE

1) Establish a process for the assessment of the Board of Directors as a whole, as well as the performance and contribution of individual directors.
2) Review and reassess the adequacy of its mandate on a regular basis.

SCHEDULE "B"
AUDIT COMMITTEE MANDATE

The Audit Committee ("**Audit Committee**") of the Board of Directors of Theralase Technologies Inc. ("**Company**") shall have the responsibilities and duties as outlined below:

MANDATE

The mandate of the Audit Committee is:

a) To perform such duties as may be required by the applicable legislation, regulations and policies, including those of the Ontario Securities Commission ("**OSC**") and the TSX Venture Exchange ("**TSXV**"), as further described under the heading "Duties" below.

b) To assist the Board of Directors ("**Board**") in fulfilling its oversight responsibilities for:

   i. the integrity of the Company's financial statements;
   ii. the Company's compliance with legal and regulatory requirements;
   iii. the independent external auditors' qualifications and independence;
   iv. the performance of the Company's independent external auditors; and
   v. the system of internal control over financial reporting ("**internal controls**").

c) To perform such other duties as may from time to time be assigned to the Audit Committee by the Board.

AUTHORITY

The Audit Committee has authority to:

a) conduct or authorize investigations into any matters within its scope of responsibility;

b) meet with Company officers, independent external auditors and legal advisors; as applicable and necessary; and

c) determine appropriate compensation for the Company's external auditors.

DUTIES

The Audit Committee shall:

Financial Information

a) review the quarterly and annual consolidated financial statements of the Company prior to their approval by the Board and disclosure to the public, which review shall be completed in a timely manner and shall include discussion with management and the external auditors on significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;

b) review the quarterly and annual MD&A of the Company's current financial results, position and future prospects prior to its review and approval by the Board;

c) review quarterly and annual financial press releases;

d) discuss significant financial risk exposures and the steps the Company's management has taken to monitor, control and report such exposures;

e) review with management and the external auditors all matters required to be communicated to the Committee under Generally Accepted Accounting Principles ("**GAAP**");

f) review the process relating to the certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's quarterly and annual consolidated financial statements as may be required under applicable securities legislation.

Compliance

a) review material financial transactions of the Company which may be brought to its attention by the external auditors or by Company management;

b) review litigation matters, when relevant and material;

c) review this Mandate annually for the Audit Committee and evaluate the Audit Committee's effectiveness in fulfilling its mandate.

Internal Controls

a) require Company management to implement and maintain appropriate internal control procedures over financial reporting. Review, evaluate and approve these procedures;

b) maintain procedures for processing material complaints regarding accounting, internal controls or auditing matters; and

c) establish procedures for responding to material complaints regarding environmental and related matters.

External Auditors

a) have responsibility for the oversight of the independent external auditors who shall report directly to the Audit Committee;

b) retain and/or terminate the Company's external auditors, subject to the appropriate shareholder action at the Company's shareholder meetings;

c) annually review the report of the external auditors;

d) review and recommend to the Board the annual fee for the audit and review the Company's audit-related expenses;

e) meet with the independent external auditors and with the Company's Chief Financial Officer to review the annual consolidated financial statements, including the Company's disclosures under the MD&A; and

f) review with the external auditors any audit problems or difficulties and management's response in such circumstances.

Reporting and Other Duties

a) report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting;

b) provide for open communications between the internal audit functions, the external auditors and the Board;

c) institute and oversee special investigations of Company financial and related matters, as determined by the Board.

COMPOSITION OF THE AUDIT COMMITTEE

Structure

The Audit Committee shall comprise not less than two directors, a majority of whom shall be resident Canadians, and all of whom shall be "**Independent Directors**," as such term is defined in the TSXV corporate governance guidelines.

Each member of the Audit Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Audit Committee. All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices and GAAP.

Independence

No member of the Audit Committee may be a current officer or employee of the Company, or of any of its subsidiaries or affiliates, nor shall have held such position within the 24 months prior to his or her appointment. No member may be a person who is affiliated with the Company, or of any of its subsidiaries or affiliates, as determined by the Board for the purposes of the TSXV Guidelines on Corporate Governance. No member may hold 5% or more of the voting shares of the Company. Directors' fees (annual retainer and/or attendance fees) and incentive stock options are the only compensation a member of the Audit Committee may receive from the Company.

Appointment of Audit Committee Members

Members are appointed or reappointed annually by the Board, such appointments to be effective immediately following the Annual General and Special Meeting of the shareholders of the Company. Members shall hold office until their successors are appointed or until they cease to be Directors of the Company.

Vacancies

The Board shall fill vacancies for the remainder of any current term of appointment of members of the Audit Committee.

Appointment and Qualifications of Audit Committee Chair

The Board shall appoint from the Audit Committee membership a Chair of the Audit Committee to preside at their meetings. In the absence of the Chair, one of the other members of the Audit Committee present shall be chosen by the Audit Committee to preside at that meeting.

MEETINGS

Calling of Meetings

Meetings of the Audit Committee may be called by:

(i) the Chair
(ii) any member of the Audit Committee; or
(iii) the independent external auditors.

The Audit Committee may call a meeting of the Board to consider any matter of material concern to the Audit Committee.

The Audit Committee shall not transact business at a meeting unless a majority of the members present are resident Canadians except where:

a) a resident Canadian member who is unable to be present approves in writing or by telephonic, electronic or other communication facilities the business transacted at such meeting; and

b) a resident Canadian majority of members would have been present if the absent member had been present.

Any resolution consented to at any time during the Company's existence by the signatures of all the members of the Audit Committee is as valid and effective as if passed at a meeting of the members of the Audit Committee duly called, constituted and held for that purpose.

Notice of Meetings

Notice of meetings of the Audit Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication, or by telephone, at least 12 hours before the meeting to each member of the Audit Committee at the member's address or communication number last recorded with the Company. An Audit Committee member may in any manner waive notice of a meeting of the Audit Committee, and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Notice to the Internal Auditor and Independent External Auditor

The independent external auditors are entitled to receive notice of meetings of the Audit Committee when their work for the Company is on the agenda of such meeting. The said auditors have the right, but not the obligation, to attend and be heard at each such meeting and to have the opportunity to discuss matters with the independent Directors, without the presence of management or the other Directors, at the discretion of the independent Directors.

Frequency

The Audit Committee shall meet at least quarterly, or as otherwise determined by the Audit Committee.

Quorum

The quorum for a meeting of the Audit Committee shall not be less than 40% of the number of members, subject to a minimum of two members.

Secretary and Minutes

The Chief Financial Officer of the Company shall act as Secretary of the Audit Committee. When the Chief Financial Officer is not available to act as Secretary, or is not, in the discretion of the Audit Committee, designated to so act, any member of the Audit Committee shall be appointed by the other members to act as Secretary of the Audit Committee.

Minutes of meetings of the Audit Committee shall be recorded and maintained by the Secretary of the Audit Committee, or by a member so designated at a meeting, and subsequently presented to the Audit Committee and to the Board, if required by the Board.

SCHEDULE "C"
MANDATE OF THE GOVERNANCE AND COMPENSATION COMMITTEE

The Board of Directors of the Company ("**Board**") considers good corporate governance to be important to the effective operations of the Company and to ensure that the Company is managed so as to optimize shareholder value. The Board is responsible for examining the Company's needs in this regard and address all issues that may arise from its practices. This Board ensures that the Company's corporate governance practices comply with National Instrument 58-101 *Disclosure of Corporate Governance Practices* and oversees their disclosure according to guidelines described in National Policy 58-201 *Corporate Governance Guidelines* (hereinafter collectively referred to as the "**Regulation**").

POSITION DESCRIPTIONS

The Board has developed written position descriptions for the Chairman of the Board and Chair of the Audit Committee. Position descriptions were also developed for the President and Chief Executive Officer and Chief Financial Officer.

ORIENTATION AND CONTINUING EDUCATION

The following actions are taken to ensure the continuing education of existing and new Directors:

a) Management provides Directors, from time to time, with pertinent articles and information relating to the Company's business, its competitors, corporate governance and regulatory issues.

b) Management makes regular presentations to the Board on business activities.

c) Directors are offered continuing education in the form of presentations on new legal and regulatory requirements that impact the Board.

Furthermore, new members of the Board will receive an orientation package, which will include information concerning the business of the Company as well as a description of the role and duties of board members.

The Board does not feel that any additional, more formal education process is warranted at this time; however, as part of its self-assessment process the Board of Directors actively considers, whether any particular business experience or expertise can be added to the Board through the nomination of new Board members.

ETHICAL BUSINESS CONDUCT

The Board has adopted a *Code of Business Ethics and Conduct* ("**Code**") for the Company's Directors, executive officers and employees and reviews it on an annual basis. The Code has been circulated to all employees of the Company, as has a whistleblower policy ("**Whistleblower Policy**") which provides that any issues regarding auditing or accounting or certain other matters can be reported directly to the Audit Committee. The Board has also adopted a Trading, Confidentiality of Insider Information and Use of Social Media Policy that reflects clear guidelines to Directors and officers ("**Insiders**") and all other employees on trading of the Company's securities. This policy requires a consistent and timely dissemination of material information to the public, as per applicable securities legislation.

In the event a director or an executive officer has a material interest in any transaction or agreement, the matter may initially be reviewed by the Governance and Compensation Committee ("**GC Committee**") to determine the scope of the interest and its impact on management's decision-making. The GC Committee will report its findings to the Board of Directors, which will take appropriate action to ensure independent exercise of judgement. In the event a director has a material interest in any transaction or agreement, such director must disclose, without delay, this conflict of interest and follow the rules provided by the General By-Laws of the Company.

NOMINATION OF DIRECTORS

The identification of new candidates for board nomination is overseen by the Board of Directors. The Board of Directors examines on an annual basis the size and composition of the Board. In addition, Board Members identify individuals qualified to become members of the Board and recommend the Director nominees to be put before Shareholders at each Annual General and Special Meeting.

INDEPENDENCE

A majority of the Company's directors are required to be independent directors, as defined by the Regulation.

COMPENSATION

The compensation of the President and Chief Executive Officer and directors of the Company ("**Named Executives**") is proposed by the GC Committee and approved by the Board. On an annual basis, the Board reviews the compensation arrangements for the Named Executives. The Board is responsible for approving any incentive compensation plans, including stock options for the Named Executives. The officers of the Company are responsible for preparing the Management Information Circular, which includes the statement of Executive Compensation, for approval by the Board, for disclosure to shareholders at the Annual General and Special Meeting ("**AGSM**").

ASSESSMENTS

A process exists for the assessment of the Board of Directors as a whole, as well as the performance and contribution of individual Directors. In 2016, the Board carefully considered both the performance of the Board of Directors and its committees as a whole, and assessed the contribution and performance of the individual Directors. The Chairman of the Board also communicated separately with each individual Director to obtain their feedback on Board performance.

SCHEDULE "D"
2004 STOCK OPTION PLAN

Theralase Technologies Inc. (**"Corporation"**) hereby adopts this 2004 Stock Option Plan (**"Plan"**) for directors, officers, employees, consultants and advisors (including the personal holding companies of such individuals) of the Corporation and its affiliates, as follows:

1. **<u>Definitions</u>** In this Plan, the following words and expressions shall have the respective meanings ascribed to them below:

   a. **"Affiliate"** shall have the meaning ascribed thereto in the applicable securities legislation;

   b. **"Board"** shall mean the board of Directors of the Corporation;

   c. **"Consultant" or "Advisor"** shall mean an individual or corporation who performs services for the Corporation on an ongoing basis or who has provided or is expected to provide a service of considerable value to the Corporation, including investor relations services;

   d. **"Eligible Person"** shall mean any Director, officer, employee or consultant or Advisor of the Corporation or its Affiliates and the personal holding company of such individuals;

   e. **"Exercise Price"** of an Option shall mean, if the Corporation is listed on any Stock Exchange, the price payable for a Share upon the exercise of the Option determined by the Board, provided that such price shall in no event be lower than the Market Value of one Share on the last trading day immediately preceding the day on which notice of the grant of the Option is given to the Stock Exchange and the minimum Exercise Price must be at least $0.10 per Share;

   f. **"Market Value"** of a Share on a particular day shall mean the closing price of the Common Shares on such day on the principal Stock Exchange on which the Common Shares traded on such day (or on a day on which there was no trade in the Common Shares, the average bid and asked prices for the Common Shares on such Stock Exchange on such day), provided that the Market Value shall be so determined in Canadian dollars and shall be rounded to the nearest whole cent;

   g. **"Option"** shall mean an option, granted to an Eligible Person in accordance with the terms of this Plan, to acquire a Share from the Corporation upon the exercise of the Option and upon payment of the Exercise Price;

   h. **"Optionee"** in respect of an Option, shall mean the Eligible Person to whom the Option was granted;

   i. **"Share"** shall mean a Common Share in the capital of the Corporation as constituted at the date hereof and any shares of the Corporation into which such a common share is changed, classified, reclassified, subdivided, consolidated or converted whether by reason of an amalgamation or other form of reorganization; and

   j. **"Stock Exchange"** shall mean TSX Venture Exchange, its successors, and such other stock exchange or market as may be prescribed by the Board on which the Shares are then listed for trading or quoted.

2. **<u>Purpose</u>** The purpose of the Plan is to secure for the Corporation and its shareholders the incentive inherent in share ownership by Directors, officers, employees, Consultant or Advisor of the Corporation and its Affiliates who, in the opinion of the Board, will be largely responsible for its future growth and success.

3. **<u>Number of Shares and Lapsed Options</u>** From time to time, Shares may be reserved by the Board, in its discretion, for Options under the Plan, provided that at the time of the grant: the total number of Shares so reserved for issuance by the Board shall not exceed ten (10%) percent of the issued and outstanding listed shares (on a non-diluted basis); the aggregate number of options granted to Consultants or Advisors shall not exceed two (2%) of the outstanding listed Shares in any 12 month period; the aggregate number of options granted to all Employees conducting Investor Relations Activities shall not exceed two (2%) of the outstanding listed Shares in any 12 month period; and the aggregate number of Shares so reserved for issuance to any one Optionee that is a Director, officer or employee shall not exceed five (5%) percent of the outstanding Shares (on a non-diluted basis) in any 12 month period. In the case of an Optionee that is a Consultant or Advisor the aggregate number of shares to be issued shall not exceed one (1%) percent of the issued and outstanding Shares (on a non-diluted basis) at the time of the grant in any 12 month period. In the case of an Optionee that is an insider the aggregate number of shares to be issued to all insiders

shall not exceed ten (10%) percent of the issued and outstanding Shares (on a non-diluted basis) at the time of the grant in any 12 month period. The Shares so reserved by the Board of Directors under the Plan shall be authorized but unissued Shares.

4. **<u>Eligibility and Participation</u>** Options shall not be granted under this Plan to any person other than an Eligible Person.

5. **<u>Grant of Options</u>** The Board shall, from time to time and in its sole discretion, determine the Eligible Persons to whom Options are to be granted under this Plan and may take into consideration the current and potential contributions of a particular Eligible Person to the success of the Corporation and such other factors which the Board deems proper and relevant.

   a. For stock options granted to Employees, Consultants or Advisors, the Issuer represents that the Optionee is a bona fide Employee, Consultant or Advisor.

   b. Options shall be granted by the Board in accordance with this Plan to Eligible Persons in its sole discretion and shall be subject to such approvals as may be required by applicable law or any Stock Exchange upon which any securities of the Corporation are listed for trading or quoted.

   c. The grant of every Option hereunder and the terms thereof, including vesting provisions and conditions, shall be made by written agreement between the Corporation and the Optionee, the provisions of which shall conform to the provisions of this Plan and shall be otherwise satisfactory to the Board in its sole discretion.

   d. A grant of Options under the Plan shall not be construed as giving an Optionee any right to continue in the employment of the Corporation, nor shall it affect the right of the Corporation to terminate the employment of any Optionee.

6. **<u>Exercise of Options</u>** Unless the Board specifically determines otherwise, the Options granted to an Optionee may be exercised by the Optionee, in whole or in part, from time to time at the Optionee's discretion, subject at all times to the terms and conditions of the written agreement between the Corporation and the Optionee.

   a. Provided however, that all Options that have not been exercised by the Optionee shall cease to be exercisable and shall expire upon the earliest of (i) the termination of employment, the termination of services or the services agreement in respect of a Consultant or Advisor, or removal of the Optionee as a Director or officer of the Corporation or its Affiliates for cause; (ii) sixty (60) days after the termination of employment, the termination of services or the services agreement in respect of a Consultant or Advisor (except in the case of a Consultant or Advisor providing investor relations services, in which case, the Options cease to be exercisable ten (10) days after the termination of such services), or an Optionee ceasing to be a Director or officer for reasons other than termination or removal for cause; (iii) ninety (90) days after the death of the Optionee; and (iv) the fifth anniversary of the date on which the Option was granted, or the effective date of such Option, or such earlier date as the Board of Directors may deem appropriate in its sole discretion at the time the Option is granted.

   b. The exercise of an Option will be contingent upon receipt by the Corporation of payment of the full exercise price of such Option within thirty (30) days of such exercise. No Optionee or legal representative, legatee or distributee in respect of an Optionee shall be considered to be a holder of any Share subject to an Option, unless and until such Share has been fully paid for and issued upon the exercise of the Option.

7. **<u>Taxes</u>** The Corporation may require an Optionee, as a condition of exercise of an Option, and before such Shares are issued to the Optionee, to pay to or reimburse the Corporation for any taxes which are required to be withheld and remitted by it in respect of the exercise of such Option under any applicable laws.

8. **<u>Effect of Take-over Bid</u>** If a *bona fide* offer for Shares is made to an Optionee or to Shareholders generally, or to a class of Shareholders which includes an Optionee, and the offer, if accepted in whole or in part by any person or persons, would result in the offeror exercising control over the Corporation within the meaning of applicable securities legislation, then the Corporation shall, within ten (10) days following receipt of notice of the offer, notify each Optionee currently holding an Option of the offer, with full particulars thereof; whereupon such Option may be exercised by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise pursuant to the offer.

9. **<u>Legends</u>** Certificates for Shares issued upon exercise of Options shall bear such legend as may be required by applicable law or any Stock Exchange on which the Shares are listed for trading.

10. **Changes to Shares** Notwithstanding any other provision of this Plan, in the event of any change in the outstanding Shares of the Corporation by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, an equitable adjustment shall be made to any Options then outstanding and the Exercise Price (or Prices) in respect of such Options. Such adjustments shall be made by the Board in its sole discretion and, subject to applicable law, shall be conclusive and binding for all purposes of the Plan.

    Disinterested Shareholder approval must be obtained for any reduction in the exercise price of stock options previously issued to Insiders of the Issuer at the time of the proposed amendment. The proposed reduction in exercise price must be approved by a majority of the votes cast by all Shareholders at the Shareholders' meeting excluding votes attaching to shares beneficially owned by Insiders and their associates to whom options may be granted under the stock option plan.

11. **Necessary Approvals** The grant of Options, the obligation of the Corporation to sell and deliver Shares on the exercise of Options, and any amendments to the Plan or to the terms of an Option granted under this Plan, shall be subject to any approvals required by applicable law or any Stock Exchanges on which the Shares are listed for trading being obtained.

12. **Administration of the Plan** The Board may interpret the Plan and make all other determinations that it considers in its sole discretion to be necessary or advisable for the administration of the Plan. The Board may, in its sole discretion, prescribe, adopt, amend and rescind rules and regulations for carrying out and administering the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. The administration of the Plan shall be the responsibility of the appropriate officers of the Corporation duly designated for the purposes thereof by the Board and all costs in respect thereof shall be paid by the Corporation.

13. **Amendments to Plan** Subject to obtaining the consent of applicable securities regulatory authorities in those circumstances where such consent is required, and Shareholder approval in those circumstances where such approval is required to be obtained by any regulatory authority, the Board may amend, modify or terminate the Plan at any time if and when it considers it to be advisable to do so in its sole discretion, except with respect to any Option then outstanding under the Plan.

14. **No Undertaking or Representation** The Corporation makes no undertaking or representation as to the future value or price, or as to the listing on any Stock Exchange, of any Shares issued in accordance with the Plan.

15. **Assignability and Transferability** Options (and any rights thereunder) shall not be assignable or transferable otherwise than by will or pursuant to the laws of succession or descent and distribution not exceeding (90) ninety days from the Optionee's death, and, during the lifetime of an Optionee, shall only be exercisable by the Optionee.

16. **Compliance with Applicable Law** If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or Stock Exchange having jurisdiction or authority over securities of the Corporation or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

17. **Enurement** The Plan shall enure to the benefit of, and be binding upon, the Corporation, its Affiliates and their respective successors and assigns. The Plan shall enure to the benefit of, and be binding upon, an Optionee and the personal representative of a deceased Optionee.

18. **Governing Law and Interpretation** The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

SCHEDULE "E"
REPORTING PACKAGE

THERALASE TECHNOLOGIES INC.
NOTICE OF CHANGE OF AUDITOR

TO: Collins Barrow Toronto LLP
Marcum LLP

AND TO: Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

Re: Notice Regarding Change of Auditor Pursuant to Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”)

Dear Sirs/Mesdames:

Theralase Technologies Inc. (the “**Corporation**”) hereby gives notice that Collins Barrow Toronto LLP (the “**Former Auditor**”) has resigned effective March 24, 2017 and that Marcum LLP (the “**Successor Auditor**”) has been appointed as the Corporation’s auditor effective March 24, 2017 until the next annual meeting of the Corporation.

The resignation of the Former Auditor and the appointment of the Successor Auditor have been approved by the Audit Committee and the Board of Directors of the Corporation.

There have been no modified opinions expressed in the Former Auditor’s reports on the Corporation’s financial statements relating to the period commencing at the beginning of the Corporation’s two most recently completed financial years, being the Former Auditor’s reports on the financial statements ended December 31, 2015 and December 31, 2014. There have been no “reportable events” as such term is defined in NI 51-102.

Dated this 24th day of March, 2017.

THERALASE TECHNOLOGIES INC..

By: “Roger Dumoulin-White”
Name: Roger Dumoulin-White
Title: President and Chief Executive Officer

Collins Barrow Toronto
Collins Barrow Place
11 King Street West
Suite 700, PO BOX 27
Toronto, Ontario M5H 4C7
Canada
T: 416.480.0160
F: 416.480.2646

toronto.collinsbarrow.com

March 31, 2017

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Re: Theralase Technologies Inc.
Notice Regarding Proposed Change of Auditor Pursuant to National Instrument 51-102

Dear Sirs/Mesdames:

We acknowledge receipt of a Notice of Change of Auditor (the "Notice") dated March 24, 2017 delivered to us by the Corporation in respect of the change of auditor of the Corporation.

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators, please accept this letter as confirmation that we have reviewed the Notice and, based on our knowledge as at the time of receipt of the Notice, we agree with each of the statements therein.

Yours Sincerely,

Collins Barrow Toronto LLP

Collins Barrow Toronto LLP

Chartered Professional Accountants

March 31, 2017

Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

Re: Notice of Change of Auditors of Theralase Technologies, Inc.

Commissioners:

We have read the Notice of Theralase Technologies, Inc. dated March 24, 2017. We agree with the statements concerning our Firm in such notice. We are not in a position to agree or disagree with other statements of Theralase Technologies, Inc. contained therein.

Very truly yours,

Marcum LLP

/gcp

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SCHEDULE "F"
ADVANCE NOTICE BY-LAW

THERALASE TECHNOLOGIES INC.
(the "Corporation")

By-Law No. 3
A By-Law Relating to Advance Notice of Nomination for Election of Directors

Nomination of Directors

1. Subject to the provisions of the Act, the articles and Applicable Securities Laws, only persons who are nominated in accordance with the procedures set out in this By-Law shall be eligible for election as directors of the Corporation. Nominations of an individual for election to the Board may only be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which such meeting was called is the election of directors of the Corporation, as follows:

   (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

   (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition to call a meeting of shareholders made in accordance with the provisions of the Act; or

   (c) by any person (a "**Nominating Shareholder**") who, (A) at the close of business on the date of the giving of the notice provided for below in this By-Law and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and (B) complies with the notice procedures set forth below in this By-Law.

Timely Notice

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Chief Executive Officer of the Corporation at the registered office of the Corporation in accordance with this By-Law.

3. To be timely, a Nominating Shareholder's notice to the Chief Executive Officer of the Corporation must be made:

   (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the initial Public Announcement (as defined below) of the date of the annual meeting of shareholders was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following such Public Announcement;

   (b) in the case of a special meeting of shareholders that is not also an annual meeting but is called for the purpose of electing directors of the Corporation (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the initial Public Announcement of the special meeting of shareholders was made; and

   (c) notwithstanding the foregoing clauses 3(a) and 3(b), in the case of an annual or special meeting of shareholders where "notice-and-access" is used for the delivery of proxy-related materials and the initial Public Announcement is not less than 50 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

Form and Update of Notice

4. To be in proper written form, a Nominating Shareholder's notice to the Chief Executive Officer of the Corporation must set forth:

(a) as to each individual whom the Nominating Shareholder proposes to nominate for election as a director:

(i) his or her name, age, business address and residence address, and status as a "resident Canadian" (as such term is defined in the Act);

(ii) his or her principal occupation or employment for the past five years;

(iii) the class or series and number of shares in the capital of the Corporation which are owned beneficially, or which are controlled or over which direction is exercised, directly or indirectly, or of record by him or her, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available by the Corporation and shall have occurred) and as of the date of such notice;

(iv) a statement as to whether he or she would be "independent" of the Corporation (within the meaning of Sections 1.4 and 1.5 of National Instrument 52-110 - *Audit Committee*s of the Canadian Securities Administrators, as such provisions may amended from time to time) if elected as a director of the Corporation at such meeting and the reasons and basis for such determination; and

(v) any other information relating to him or her that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice:

(i) the name and address of the Nominating Shareholder;

(ii) the class or series and number of shares in the capital of the Corporation which are owned beneficially, or which are controlled or over which direction is exercised, directly or indirectly, or of record by the Nominating Shareholder or its affiliates and associates and any person acting jointly or in concert with the forgoing ("**Joint Actors**") as of the record date for the meeting of shareholders (if such date shall then have been made publicly available by the Corporation and shall have occurred) and as of the date of such notice;

(iii) full particulars of any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder or any Joint Actor has the right to vote any shares in the capital of the Corporation;

(iv) full particulars of any derivatives, hedges or other economic or voting interests relating to the Nominating Shareholder's interest in the securities of the Corporation; and

(v) any other information relating to such Nominating Shareholder or its Joint Actors that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

5. In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

Eligibility for Nomination

6. No individual shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-Law; provided, however, that nothing in this By-Law shall be deemed to preclude discussions by a shareholder of the Corporation (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the chairman of the meeting. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not determined to be in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Defined Terms

7. For purposes of this By-Law:

(a) "**Act**" means the *Canada Business Corporations Act*, as may be amended from time to time;

(b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, statements, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and

(c) "**Public Announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

References to "Nominating Shareholder" shall be deemed to refer to each shareholder that nominates a person for election as director of the Corporation in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.

Delivery of Notice

8. Notwithstanding any other provision of the by-laws, notice given to the Chief Executive Officer of the Corporation pursuant to this By-Law may only be given by personal delivery, by email (at such email address as may be stipulated from time to time by the Chief Executive Officer of the Corporation for this notice) or by facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery to the Chief Executive Officer at the address of the registered office of the Corporation, or by email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) provided, that if such delivery, electronic communication or transmission is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery, electronic communication or transmission shall be deemed to have been made on the subsequent day that is a business day.

Discretion to Waive by the Board

9. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-Law

MADE by resolution of the Board and effective as of March 24, 2017.

CONFIRMED by the shareholders of the Corporation as of ________________________, 2017.