This prospectus is a preliminary short form base shelf prospectus. This preliminary short form base shelf prospectus has been filed under legislation in each of the provinces of Canada, other than Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirement is available.

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. *This preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws. Accordingly, these securities may not be offered or sold in the United States (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This preliminary short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".*

Information has been incorporated by reference in this preliminary short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Theralase Technologies Inc. at 41 Hollinger Road, Toronto, Ontario, M4B 3G4, Telephone (416) 699-5273, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue May 21, 2021

Theralase Technologies Inc.
$100,000,000

Common Shares
Warrants
Units
Subscription Receipts

This short form base shelf prospectus ("**Prospectus**") relates to the offering for sale by Theralase Technologies Inc. ("**Theralase**" or the "**Corporation**") from time to time, during the 25-month period that this Prospectus, including any amendments thereto, remains valid, of up to $100,000,000 in the aggregate of: (i) common shares ("**Common Shares**") in the capital of Theralase; (ii) warrants ("**Warrants**") to purchase other Securities (as defined below) of Theralase; (iii) units ("**Units**") comprising one or more of the other Securities, and (iv) subscription receipts ("**Subscription Receipts**" and together with the Common Shares, Warrants and Units collectively referred to herein as the "**Securities**"). The Securities may be offered separately or together, in amounts, at prices and on terms determined based on market conditions at the time of the sale and as set forth in an accompanying prospectus supplement ("**Prospectus Supplement**").

All base shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each

Prospectus Supplement containing the specific terms of any Securities will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

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

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

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to Theralase. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. This Prospectus may qualify as an "at-the-market distribution" as such term is defined in National Instrument 44-102 – *Shelf Distributions* ("**NI 44-102**").

In connection with any offering of Securities, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an "at-the-market distribution", as defined in NI 44-102, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities. See "*Plan of Distribution*".

The Common Shares trade on the TSX Venture Exchange ("**TSXV**") under the symbol "TLT" and on the OTCQB marketplace under the symbol "TLTFF". On May 20, 2021, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was $0.20 and on the OTCQB marketplace was $0.18 USD. The offering of any securities under this Prospectus and any Prospectus Supplement is subject to approval of certain legal matters on behalf of Theralase by Cassels Brock & Blackwell LLP.

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

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

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

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

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

Theralase is a medical technology company based in Toronto, Canada. Theralase's head and registered office is located at 41 Hollinger Road, Toronto, Ontario, M4B 3G4.

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ABOUT THIS PROSPECTUS

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

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

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

Theralase may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings up to an aggregate amount of $100,000,000. This Prospectus provides a general description of the Securities that Theralase may offer. All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of those Securities to which the Prospectus Supplement permits.

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

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

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking information and statements within the meaning of applicable Canadian securities laws (herein referred to as "**forward-looking statements**") that involve known and unknown risks, uncertainties and/or other factors that may cause actual results, performance, achievements or industry results to be materially different from any future results, performance, achievements or industry results expressed or implied by such forward-looking statements. All information and statements in this Prospectus which are not statements of historical fact may be forward-looking statements. Such statements and information may be identified by looking for words such as **"may", "believe", "could", "expect", "will", "intend", "should", "plan", "objective", "predict", "potential", "project", "anticipate", "estimate"** or similar words or the negative thereof or other comparable terminology, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions. Forward-looking statements included in this Prospectus include, but are not limited to, statements with respect to: the outlook of the revenues, business

and timing of initiatives of Theralase; any potential impact on the Corporation or its business as a result of the novel coronavirus disease ("**COVID-19**"); the competitive environment in which Theralase operates; the business strategy and objectives of Theralase; research, development and/or commercialization plans, as well as acquisition and disposition plans, of Theralase; preclinical and/or clinical studies, status, timing and/or strategies; the supply of and demand for products or services; Theralase's future revenue projections; Theralase's ability to meet its current and future obligations; Theralase's ability to execute its business and/or growth strategy; management's assessment of future plans and/or operations; the intention and/or ability of Theralase to pay dividends on the Common Shares; the terms of the Securities and any offering made under this Prospectus; the plan of distribution of any Securities; the filing of and matters to be set out in one or more Prospectus Supplements; and the expected use of the proceeds from the sale of Securities under this Prospectus.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and/or other things contemplated by the forward-looking statements will not occur. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect, including those assumptions listed below or those discussed elsewhere in this Prospectus. Some of the assumptions made by Theralase, upon which such forward-looking statements are based, include assumptions about: the business operations of Theralase continuing on a basis consistent with prior years; the ability of Theralase to access suitable financing from time to time on favourable terms; certain inputs used to determine Theralase's internal projected cash burn rate; the continuation of executive management, operating management, key personnel and key consultants or the non-disruptive replacement of them on reasonable terms; the ability of Theralase to maintain reasonably stable operating, general administrative, sales and marketing, research and development expenses; future success of current research, development and commercialization activities of Theralase; the ability of Theralase to achieve research, development and commercial milestones; unexpected impacts of COVID-19; direct and indirect market competition; the ability of Theralase to secure all or any required regulatory or certification approvals; geographical protection over the intellectual property of Theralase in the markets where Theralase intends to do business; market acceptance, revenue generation and profitability of Theralase's products under development; the stability of current economic conditions, the strength of the economy in Canada, the United States and elsewhere; and currency strength, exchange rates, interest rates and commodity prices being reasonably stable at current rates.

Forward-looking statements reflect current expectations of management regarding future events and operating performance as of the date of this Prospectus. Such information: involves significant risks and uncertainties; should not be read as guarantees of future performance or results; and will not necessarily be accurate indications of whether such results will be achieved, if at all. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the risks related to: limited operating history; working capital; capital resources; ability to retain key personnel; protection of intellectual property; competition; implementation delays; strategic alliances; trade secret protection; product deficiencies; dependence on third party suppliers; volatility of share price; regulatory or certification approvals; early stage of product development; reliance on third parties; clinical study risk; clinical study timing delays; patient enrolment; failure to achieve milestones; currency risk; material weakness in Theralase's internal control over financial reporting; credit risk; product liability and patent-related rights of the U.S. government in anti-cancer technology. See "*Risk Factors*".

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

update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with or delivered to securities commissions or similar authorities in each of the provinces of Canada, other than Québec. Copies of the documents incorporated herein by reference or a copy of the permanent information record may be obtained on request without charge from the Chief Financial Officer of Theralase at 41 Hollinger Road, Toronto, Ontario, M4B 3G4 or by accessing the disclosure documents available through the Internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at www.sedar.com.

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

(a) Annual Information Form ("**AIF**") of Theralase dated October 6, 2020 for the year ended December 31, 2019;

(b) Audited consolidated financial statements of Theralase for the years ended December 31, 2020 and December 31, 2019, together with the notes thereto and the independent registered public accounting firm's report thereon ("**Annual Financial Statements**");

(c) Management's Discussion and Analysis of Theralase for the year ended December 31, 2020;

(d) Management Information Circular of Theralase dated August 24, 2020 regarding the Annual and Special Meeting of Shareholders of Theralase held on September 24, 2020; and

(e) Material change report ("**MCR**") of Theralase dated March 2, 2018 regarding the settlement agreement between the Corporation, Roger Dumoulin-White and the Staff of the Ontario Securities Commission (the "**OSC**") (See "*Legal Proceedings and Regulatory Actions*" in this Prospectus).

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

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

constitute part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.

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

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

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

ABOUT THERALASE

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

General

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

The Common Shares are listed on the TSXV under the symbol "TLT" and on the OTCQB marketplace under the symbol "TLTFF". On May 20, 2021, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was $0.20 and on the OTCQB marketplace was $0.18 USD.

The registered office and head office of Theralase are located at 41 Hollinger Road, Toronto, Ontario, M4B 3G4.

Corporate Structure

Theralase has two wholly-owned subsidiaries: Theralase Inc. and Theralase Biotech Inc. Theralase Inc. was incorporated pursuant to the CBCA on July 13, 1995. Theralase Biotech Inc. was incorporated under the laws of Delaware on May 7, 2004.

Management Team

The following three individuals are part of the management team at Theralase:

Dr. Shawn Shirazi, Ph.D., M.Sc., B.Sc. – Chief Executive Officer

Dr. Shirazi, obtained his B.Sc. in Chemistry from York University (Toronto, Ontario, Canada) and a M.Sc. and Ph.D. in Pharmacology from the University of Ottawa (Ottawa, Ontario, Canada).

Dr. Shirazi brings over 20 years of hands-on experience in: pharmaceutical drug formulation and development, clinical trial management, Good Manufacturing Practices ("**GMP**") international drug manufacture, international regulatory guidelines and quality assurance in GMP drug manufacture. He has held senior roles with both start-ups and large pharmaceutical organizations, including: Executive Director and Vice President of Research and Development for Torpharm Inc (Division of Apotex), Senior Director Global Research and Development of Perrigo Company (NYSE: PRGO) and Chief Operating Officer – North America for *Daxinganling Lingonberry* Boreal *Biotech Co*. *Ltd*. (Leading manufacturer of high quality plant extracts, based in China), During his career, Dr. Shirazi has led the generic drug development programs for numerous pharmaceutical organizations, resulting in multiple "First To File" drug applications, allowing product exclusivity, as well as global leadership of research and development and merger and acquisition portfolios.

Dr. Arkady Mandel, M.D., Ph.D., DSc. – Chief Scientific Officer and Director

Dr. Mandel earned his designation as a medical doctor from the Moscow State Medical University in 1978. His medical residency included internships in dermatology, infectious diseases, urology and venereal diseases at the Central Research Institute of Dermatology and Venerology in 1980, followed by a Ph.D. from the same institution in 1982. Dr. Mandel was then awarded, in recognition of his scientific knowledge, original research, publications and extensive contributions to the field of clinical medicine the highest academic research degree in science, that of a Doctor of Science. Dr. Mandel's Doctor of Science accreditation majored in biochemistry, microbiology, immunology, biophysics, and photobiology, and was awarded jointly from the Academy of Sciences and the U.S.S.R. Ministry of Public Health in 1989. Dr. Mandel is one of the key founders of the therapeutic use of lasers in dermatology and other areas of clinical medicine, as well as the originator and developer of phototherapy methods that offer numerous benefits to patients throughout the world.

Kristina Hachey, CPA – Chief Financial Officer

Ms. Hachey earned her designation as a CPA in 2002. Ms. Hachey graduated from Ryerson University with a bachelor's degree in business management and Administration, majoring in Accounting and Finance, minoring in International Business. Ms. Hachey has been employed as Theralase's Chief Financial Officer since May 2004. Prior to joining Theralase, Ms. Hachey served as VP Finance of Kensington Capital Partners from April 1998 to May 2004.

Summary Description of Business

Theralase® is a clinical stage pharmaceutical company with two main divisions.

The Anti Cancer Therapy ("**ACT**") division is dedicated to the research and development of light activated Photo Dynamic Compounds ("**PDCs**") and their associated drug formulations, intended to safely and effectively destroy various cancers, bacteria and viruses.

The Corporation is currently in clinical evaluation, having commenced a Phase II clinical study utilizing the in-licensed PDC, TLD-1433 (September 11, 2011), for the indication of Non-Muscle Invasive Bladder Cancer ("**NMIBC**"). The Corporation holds a US composition of matter patent for TLD-1433 granted in May 24, 2016 and expiring in 2034.

The Cool Laser Technology ("**CLT**") division designs, develops, manufactures and commercializes medical laser systems and other technologies for the activation of PDCs as well as designs, develops, manufactures and markets patented and proprietary super-pulsed laser technology indicated and cleared by Health Canada and the Food and Drug Administration ("**FDA**") for the treatment of chronic knee pain and when used off-label for treating numerous nerve, muscle and joint conditions. The Corporation has a strong intellectual patent portfolio with 12 issued patents (9 - ACT Division and 3 - MLT Division). In addition, the Corporation has 34 filed patent applications in various stages of approvals (pending, published and allowed).

For more information about the business of Theralase, please refer to the Corporation's AIF available on SEDAR at www.sedar.com.

CONSOLIDATED CAPITALIZATION

Since the date of Theralase's most recently filed financial statements there has been no material change in the share or loan capital of the Corporation on a consolidated basis other than disclosed in "*Prior Sales*".

DESCRIPTION OF SECURITIES

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

Description of Common Shares

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

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

Description of Warrants

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

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

Prospectus. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement.

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

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

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

Description of Units

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

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

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

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

- the designation, number and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;

- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;

- certain material Canadian tax consequences of owning the Securities comprising the Units; and

- any other material terms and conditions of the Units.

Description of Subscription Receipts

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

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

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

- the number of Subscription Receipts;

- the price at which the Subscription Receipts will be offered;

- the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities;

- the designation, number and terms of the other Securities that may be exchanged upon conversion of each Subscription Receipt;

- the designation, number and terms of other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;

- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;

- certain material Canadian tax consequences of owning the Subscription Receipts; and

- any other material terms and conditions of the Subscription Receipts.

PRIOR SALES

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

Security Type	Date of Issue/Grant	Issue/Exercise Price	Number Issued/Granted
Exercise of warrants [1]	January 2, 2020	$0.35	500

Notes:

1) Common Shares were issued on the exercise of common share purchase warrants that were issued on August 22, 2019, pursuant to a non-brokered private placement by the Corporation. Such warrants expire on August 22, 2024.

TRADING PRICE AND VOLUME

The Common Shares trade on the TSXV under the symbol "TLT" and on the OTCQB marketplace under the symbol "TLTFF". The following table sets out, for the 12 months preceding the date of this Prospectus, the high and low closing sales prices and monthly trading volumes of the Common Shares.

	TSXV			OTCQB		
Calendar Period	**High ($)**	**Low ($)**	**Volume**	**High (US$)**	**Low (US$)**	**Volume**
May 2020	0.30	0.21	5,634,700	0.22	0.14	1,989,000
June 2020	0.26	0.23	3,622,900	0.19	0.16	1,337,700
July 2020	0.25	0.16	7,494,400	0.19	0.12	4,262,900
August 2020	0.25	0.16	10,679,500	0.19	0.10	4,140,300
September 2020	0.19	0.14	6,733,800	0.15	0.11	2,429,300
October 1 2020	0.16	0.13	7,823,300	0.13	0.08	2,836,500
November 2020	0.24	0.12	13,765,900	0.19	0.09	4,707,800
December 2020	0.23	0.18	4,611,400	0.18	0.12	3,614,000
January 2021	0.25	0.17	7,581,900	0.25	0.13	3,988,900
February 2021	0.32	0.20	11,697,800	0.26	0.15	6,655,700
March 2021	0.31	0.23	6,394,200	0.24	0.18	3,169,300
April 2021	0.28	0.23	3,185,400	0.22	0.19	1,648,800
May 1-20, 2021	0.24	0.20	2,498,592	0.19	0.17	3,683,944

DIVIDENDS

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

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement relating to a specific offering and sale of Securities. Theralase will use the net proceeds from the sale of Securities: (i) for research and development expenses relating to Glio Blastoma Multiforme ("**GBM**") and Non-Small Cell Lung Cancer ("**NSCLC**") toxicology, Phase Ib and Phase II studies; (ii) for research and development expenses relating to a coronavirus (BSL-3) Vaccine; and (iii) for general corporate and working capital purposes, as further detailed below.

		Total Offering
Research and development related to:		
GBM and NSCLC clinical studies	$	52,390,000
Coronavirus (BSL-3) clinical studies	$	37,610,000
General corporate and working capital	$	10,000,000
Total Net Procceds	**$**	**100,000,000**

GBM and NSCLC clinical studies

The Corporation completed non-Good Laboratory Practice ("**GLP**") toxicology studies with Rutherrin® to determine the maximum recommended human dose of Rutherrin®, when administered systemically into the human body, via intravenous injections. Rutherrin® combines Theralase's lead PDC, TLD-1433, with transferrin to create a preferential and targeted delivery of TLD-1433 inside cancer cells, with a mandate of "hunting" and "destroying" cancer cells; wherever, they may reside in the body. Theralase® has completed two non-GLP animal models. Upon successful financing, Theralase® plans to commence GLP toxicology studies with an aim to achieving Health Canada and FDA regulatory approval to commence a Phase Ib clinical study in GBM and NSCLC. If the Phase Ib clinical study is successful, then the Corporation plans to commence a Phase II clinical study in both or either conditions. The approximate cost and timing of this initiative is approximately $52,390,000 and 30 months, as further detailed below.

Development Milestones - GBM and NSCLC	**Start (Month)**	**End (Month)**	**Duration (Months)**	**Year 1 ($'000s)**	**Year 2 ($'000s)**	**Year 3 ($'000s)**
Toxicology						
GLP Toxicology Analysis	-	3	3	3,000	-	-
Investigator's Brochure	2	3	1	90	-	-
				3,090	**-**	**-**
Phase Ib Clinical Study						
Clinical Protocol	3	5	2	300	-	-
Health Canada Regulatory Submissions	5	7	2	100	-	-
Clinical Study Site Set-Up Costs	6	9	3	200	-	-
Enroll and treat patients	9	15	6	1,500	1,500	-
				2,100	**1,500**	**-**
Phase II Clinical Study						
Clinical Protocol	15	17	2	-	100	-
Health Canada & FDA Regulatory Submissions	17	19	2	-	200	-
Clinical Study Site Set-Up Costs	18	21	3	-	400	-
Enroll and treat patients	21	30	9	-	15,000	30,000
				-	**15,700**	**30,000**
Annual Project Cost				**5,190**	**17,200**	**30,000**
Total Project Cost						**52,390**

Coronavirus (BSL-3) clinical studies

The Corporation has proven in preclinical studies that TLD-1433 i is effective in the destruction of Influenza and Zika viruses at low nanomolar concentrations. These studies were expanded to include coronaviruses (Biological Safety Level ("BSL") 2). As a cautionary note, COVID-19 is caused by coronavirus (BSL-3), not coronavirus (BSL-2). It was

shown, that TLD-1433 was able to destroy coronavirus (BSL-2) with drug doses 5 times lower than what was used to kill Influenza H1N1 virus and Zika virus. These drug doses are significantly lower than those used by the Corporation to treat cancers and are considered safe for human use. All coronaviruses are highly similar in their structure and these results suggest that Theralase's proposed vaccine could be highly effective against the SARS-CoV-2 virus responsible for COVID-19. Upon successful financing, Theralase® will commence optimizing the concentration of PDC required, the activation methodology and how to potentially administer the treatment to humans to be used as a vaccine (prevention of a patient from contracting COVID-19) (BSL-3). If successful, Theralase® will expand the work, to in-vivo (small animal) analysis, toxicology (optimized doses for human delivery), at additional research centers, and if proven successful in human clinical testing through Phase Ib, II and III clinical studies. The approximate cost and timing of this initiative is $37,610,000 and 39 months as further detailed below.

Development Milestones **Coronavirus (BSL-3) Vaccine**	**Start** **(Month)**	**End** **(Month)**	**Duration** **(Months)**	**Year 1** **($'000s)**	**Year 2** **($'000s)**	**Year 3** **($'000s)**	**Year 4** **($'000s)**
Toxicology							
In-Vivo Small Animal Model	-	3.5	3.5	8	-	-	-
Toxicology Analysis	4	7	3	1,268	-	-	-
Investigator's Brochure	6	9	3	150	-	-	-
				1,426	**-**	**-**	**-**
Phase Ib & II Study Vaccine Manufacture							
Vaccine GLP Manufacture	7	12	3	2,760	-		-
Phase Ib Clinical Study							
Clinical Protocol	9	11	2	50	-	-	-
Health Canada Regulatory Submissions	11	13	2	65	65	-	-
Clinical Study Site Set-Up Costs	12	15	3	33	67	-	-
Enroll and treat patients	15	21	6	-	660	-	-
				148	**792**	**-**	**-**
Phase II Clinical Study							
Clinical Protocol	21	23	2	-	50	-	-
Health Canada & FDA Regulatory Submissions	23	25	2	-	75	75	-
Clinical Study Site Set-Up Costs	24	25	1	-	-	50	-
Enroll and treat patients	25	29	4	-	-	4,370	-
				-	**125**	**4,495**	
Phase III Clinical Study							
Health Canada & FDA Regulatory Submissions	29	32	3	-	-	150	-
Clinical Study Site Set-Up Costs	33	34	1	-	-	50	-
Enroll and treat patients	34	39	5	-	-	11,066	16,598
				-	**-**	**11,266**	**16,598**
Annual Project Cost				**4,334**	**917**	**15,761**	**16,598**
Total Project Cost							**37,610**

General corporate and working capital

General corporate and working capital funds are expected to be allocated over the next 24 to 36 months as follows:

(a) Legal, audit, and finance staff expenses ($750,000);
(b) Senior management allocation ($1,500,000);

(c) Other, including office space, travel expenses, investor relations, consulting, non-management personnel costs and other general administrative expenses ($5,000,000)
(d) Unallocated working capital ($2,750,000).

Compared to the completed 2020 fiscal year, costs over the next 12 months are anticipated to be higher with the retention of additional staff and increased costs to support the Phase II NMIBC Study.

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

As of March 31, 2020, Theralase had working capital in the range of approximately $7,200,000 to $7,700,000 and a working capital ratio of approximately: 13.7 to 1.

Theralase had negative cash flow from operating activities of $4,446,166 for the most recently completed financial year ended December 31, 2020. In addition to other uses of net proceeds to be specified in a Prospectus Supplement, to the extent that Theralase has negative cash flow in future periods, Theralase may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. See "*Risk Factors*".

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

Cash Burn Analysis

Historical Cash Burn for the Twelve Months ended December 31, 2020

For the twelve months ended December 31, 2020, Theralase had a net loss of $5,598,540 comprised of operating expenses of $5,868,220 less gross margin on sales of $269,680. Operating expenses included research and development expenses of $3,448,243 (of which $230,936 was allocated to the CLT Division and $3,217,307 was allocated to the ACT Division) and selling expenses of $447,882. Including administrative expenses of $2,070,261 (or $172,521per month), all other operating expenses (excluding research and development expenses and selling expenses) totaled approximately $1,972,095 (or $164,341 per month). The aggregate negative cash flow from operating activities for the year was $4,446,164 or a cash burn of $370,514 per month). Such amount includes payments of $5,596 on account of prepaid expenses that relate to accounts payables, accruals and other provisions that relate to expenses incurred prior to January 1, 2020.

For additional information, please see the Annual Financial Statements.

Projected Cash Burn for Fiscal for Twelve-Month Period April 1, 2021 to March 31, 2022

The Corporation commenced a Phase II NMIBC clinical study on BCG-unresponsive patients. As of the date of this prospectus the Corporation has successfully launched 5 Canadian and 6 U.S. based clinical study sites ("**CSS**") and is expecting to add 2 additional U.S. based CSS later in Q2 2021. The remaining cost of this initiative is approximately $6,063,211 as further detailed below.

Development Milestones NMIBC Phase II Study	2021	2022
Clinical Study Site ("CSS") / Regulatory Approval		
CSS Set-Up Costs and Review Ethics Board Approval	332,756	163,440
Health Canada and FDA Regulatory Submissions - Drug & Device	30,000	50,000
	362,756	213,440
Study II - Drug Manufacture		
Study II Drug - 1 kilogram	607,500	67,500
Study II - Device Manufacture		
Study Device - 20 systems + consumables	95,590	24,000
Study II CSS Costs		
Enroll and treat patients - Canada	544,200	916,235
Enroll and treat patients - United States	599,625	2,632,365
	1,143,825	3,548,600
Annual Project Cost	**2,209,671**	**3,853,540**
Total Project Cost		**6,063,211**

For the twelve-month period commencing March 31, 2021, based on and subject to the assumptions discussed below, Theralase's projected cash burn rate is currently expected to be approximately $6,058,795 (or approximately $504,900 per month). This amount consists of approximately $2,334,720 (or approximately $194,560 per month) in salaries, $689,000 in general administrative expenses (or approximately $57,4177 per month), $92,5000 in marketing expenses (or approximately $7,708 per month),$120,000 in overages and miscellaneous expenses (or approximately $10,000 per month) as well as remaining Phase II NMIBC clinical study costs.

	Next 12 Months April 1, 2021 to March 31, 2022
Sales	950,000
Variable Cost of Sales	380,000
	570,000
Salaries - Administrative and Selling	893,460
Salaries - Research and Development	1,441,260
Administrative Expense	689,000
Marketing Expense	92,500
Miscellaneous Expense	120,000
Research and Development Expense	215,336
ACT-NMIBC Phase II Study Expense	3,177,239
	6,628,795
Revised Yearly Burn Rate	**(6,058,795)**
Monthly Projected Burn Rate	**(504,900)**

Based on cash or cash equivalents of approximately $ 6,700,000 available as at the date of this Prospectus, Theralase expects to have sufficient funds available to fund its historical cash burn rate for approximately 18 months following the date of this Prospectus without requiring alternative sources of funding. Theralase is expected, however, to

require additional funding (including through the issuance of Securities under this Prospectus) to fund its research and development efforts.

Based on the projected monthly burn rate of $504,900, Theralase expects to have sufficient funds available to fund its operating activities including the Phase II NMIBC clinical study for approximately 13.25 months.

Assumptions Relating to Projected Cash Burn for Fiscal for Twelve-Month Period April 1, 2021 to March 31, 2022

Theralase's projected cash burn rate for the twelve-month period commencing April 1, 2021 of approximately $6,058,795 is derived from projected expenses outlined in the table above.

Based on historical performance, Theralase expects revenue from sales will be $950,000 for the twelve-months commencing April 1, 2021. For the twelve months ended December 31, 2020, Theralase had sales of $929,112 and cost of sales of $659,442 (for a gross margin of $269,680). For the fiscal year ended December 31, 2020, selling expenses were $447,882. Theralase expects research and development expenses will increase its projected cash burn rate in 2021, as compared to such expenses incurred for the financial year ended December 31, 2020. For the twelve months ended December 31, 2020, research and development expenses totaled $3,448,243. Theralase expects to devote the majority of its research and development expenses in the twelve-month period to the ACT Division; however, research and development expenses are discretionary in nature and will be undertaken only if appropriate funding is available. The actual amount of research and development expenses devoted to the ACT Division will be a function of the amount of cash available from sales and the Offering ,or other alternative sources that may become available.

The cash burn projection for the twelve-month period commencing April 1, 2021 and related discussion is included to comply with certain securities regulatory requirements, is determined on the basis of the assumptions discussed herein and should not be used for any other purposes. The inputs used to calculate the projected cash burn rate for the twelve-month period commencing April 1, 2021, as well as other inputs and factors that may affect Theralase's actual cash burn rate for the twelve-month period (including, without limitation, actual sales revenues, cost of sales and other selling expenses, general and administrative expenses and research and development expenses) will be updated periodically with reference to actual results as reflected in Theralase's quarterly unaudited and annual audited financial statements, the related MD&A and other continuous disclosure documents that will be filed by Theralase with the applicable securities regulators. Investors should refer to such documents for updated information with respect to the actual cash burn rate.

PLAN OF DISTRIBUTION

Theralase may from time to time during the 25-month period that this Prospectus, including any amendments and supplements hereto, remains valid, offer for sale and issue up to an aggregate of $100,000,000 in Securities hereunder.

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

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at

negotiated prices, including in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the TSX Venture Exchange or other existing trading markets for the Securities. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Corporation. Sales of Securities under an "at-the-market distribution", if any, will be made pursuant to an accompanying Prospectus Supplement. The volume and timing of any "at-the-market distributions" will be determined in the Corporation's sole discretion.

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

In connection with any offering of Securities, other than an “at-the-market distribution”, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an “at the market distribution”, as defined in NI 44-102, no affiliate of such an underwriter or dealer and no person acting jointly or in concert with such an underwriter or dealer will over allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

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

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

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

a U.S. person, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these Securities in the U.S.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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

RISK FACTORS

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

Risks Related to the Offering

Loss of Entire Investment

An investment in the Corporation is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in investments that involve significant risk and who can afford to lose their entire investment should consider an investment in the Corporation.

No Assurance of Active or Liquid Market

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

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

Public Markets and Share Prices

The market price of the Common Shares and any other Securities that may be offered hereunder through a Prospectus Supplement that become listed and posted for trading on the TSXV or any other stock exchange could be subject to significant fluctuations in response to variations in Theralase's operating results or other factors. In addition, fluctuations in the stock market may adversely affect the market price of the Common Shares and any other Securities that may be offered hereunder that become listed and posted for trading on the TSXV or any other stock exchange regardless of the operating performance of Theralase. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the operating performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares and any other Securities that may be offered hereunder that become listed

and posted for trading on the TSXV or any other stock exchange. There can be no assurance of the price at which the Common Shares and any other Securities that may be offered hereunder that become listed and posted for trading on the TSXV or any other stock exchange will trade.

Additional Issuances and Dilution

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

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Corporation to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Corporation may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Discretion in the Use of Proceeds

The Securities offered by this Prospectus may be offered from time to time at the discretion of the Corporation in one or more series or issuances with an aggregate offering amount not to exceed $100,000,000. The net proceeds derived from the issue of the Securities, or any one of them, under any Prospectus Supplement will be the aggregate offering amount thereof less any commission and other issuance costs paid in connection therewith. The net proceeds cannot be estimated as the amount thereof will depend on the number and price of the Securities issued under any Prospectus Supplement.

The Corporation current intends to spend the funds it has available as well as any funds raised under any Prospectus Supplement as stated and estimated in this Prospectus (See "*Use of Proceeds*"). However, although the Corporation has identified certain forward-looking plans and objectives for the use of such proceeds, the Corporation's ability to achieve such plans and objectives could significantly change as a result of a number of internal and external factors, including, without limitation, continued or new impacts of COVID-19 globally and on the Corporation's operations including potential delays in clinic studies, the successful or not successful results of continued research and development activities, from preclinical and clinical studies, patient safety and/or efficacy or the lack of either, the impact of Canada Health and/or FDA regulatory approvals or disapprovals, patient enrollment numbers and other potential risks. Any specific allocation of such net proceeds will be determined at the time of an offering and will be described in the relevant Prospectus Supplement. All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of the Securities, unless otherwise stated in the applicable Prospectus Supplement.

There may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary, including based on currently unknown internal or external factors as noted above. In such circumstances, the net proceeds will be reallocated at the Corporation's sole discretion. Management will have discretion concerning the use of proceeds of any offering, as well as the timing of such expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering.

Management may use the net proceeds of an offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, this may adversely affect the business, operating results or financial position the Corporation.

Holders of Warrants Have No Rights as a Shareholder

Until a holder of Warrants acquires Warrant Shares upon exercise of Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants. Upon exercise of such Warrants, such holder will be entitled to exercise the rights of a shareholder only as to matters for which the record date occurs after the exercise date.

Other Risks

History of Negative Cash Flow

Theralase had negative cash flow from operating activities of $4,446,164 for the most recently completed financial year ended December 31, 2020. To the extent that Theralase has negative cash flow in future periods, Theralase may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms at least as favourable to Theralase as those previously obtained, or at all.

These conditions indicate the existence of material uncertainties that cast substantial doubt about the Corporation's ability to continue as a going concern. The Corporation's ability to continue as a going concern is dependent upon achieving a profitable level of operations and obtaining additional financing, neither of which is assured. The Corporation has been able, to date, to raise capital to continue to market its products and continues to develop sales opportunities which could result in additional sales of its products in the future.

COVID-19

In March, 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic, which continues to spread throughout Canada and around the world. As of the date of this Prospectus, the Corporation is aware of significant changes in its business as a result of COVID-19, notably the unavailability of personnel, personnel working remotely or virtually, significant delays and cancellations in customer purchasing decisions. Management is uncertain of the full extent of these impacts on the Corporation's business and financial results and believes that the business disruption caused by COVID-19 could be temporary; however, there is uncertainty around its duration and hence the potential impact on the business cannot be fully estimated as of the date of this Prospectus. All Canadian clinical study sites have re-commenced new patient enrollment and treatment in the Corporation's Phase II Non-Muscle Invasive Bladder Cancer clinical study, following such clinical study sites having been placed on hold temporarily on March 20, 2020 due to the COVID-19 pandemic. Theralase continues to experience reduced sales in its MLT division due to the ongoing COVID-19 pandemic and has taken actions to reduce expenses by eliminating non-essential personnel and imposing a temporary hiring freeze, to be lifted subject to the Canadian and United States economies demonstrating recovery from COVID-19. COVID-19 is expected to have a material impact on the market and could also impact the ability of the Corporation to obtain financial resources in the future. COVID-19 can cause disruptions to the Corporation's business and operational plans including; shortages of employees, interruption of supplies from third parties upon which the Corporation relies, restrictions that governments impose to address the COVID19 outbreak, and restrictions that the Corporation imposes to ensure the safety of employees and others. At this time, it is not possible to reliably estimate the financial impact of the length or severity of COVID-19 on the business and operations of the Corporation.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On February 26, 2018, Theralase announced that it and Roger Dumoulin-White, former Chairman, President and Chief Executive Officer, had entered into a settlement agreement ("**Settlement Agreement**") with Staff of the OSC. In connection with the Settlement Agreement, Kristina Hachey, a director and Chief Financial Officer of the Corporation, entered into an undertaking with the OSC to surrender for cancellation certain future stock options and to not dispose of any of her securities of Theralase for a period of one year from the date of the OSC order. The said stock options granted to Ms. Hachey were surrendered and cancelled and Ms. Hachey complied with the restriction on disposition of her securities in Theralase, which restriction expired in February 2019. For a description of the material terms of the Settlement Agreement, see the material change report of the Corporation dated March 2, 2018 and filed on SEDAR at www.sedar.com, which is incorporated by reference into, and forms an integral part of, this Prospectus.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal transfer offices of 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1.

AUDITORS

The Annual Financial Statements incorporated by reference in this Prospectus have been audited by Richter LLP, independent registered public accountants, as set forth in its report included in the Audited Financial Statements and which audit report is incorporated by reference in this Prospectus.

EXPERTS

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

As at the date hereof, the designated professionals of Cassels Brock & Blackwell LLP collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of Theralase. Richter LLP has informed the Corporation that it is independent with respect to the Corporation within the meaning of the Code of Ethics of the Chartered Professional Accountants of Canada, and with the Canadian generally accepted audited standards and the standards of the Public Company Accounting Oversight Board (United States), respectively.

PURCHASERS' STATUTORY RIGHTS

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

In an offering of Securities that are convertible, exchangeable or exercisable into other securities of Theralase, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the

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

PURCHASERS' CONTRACTUAL RIGHTS

Original purchasers of Subscription Receipts which are convertible or exchangeable into other securities of Theralase or of Warrants offered separately will have a contractual right of rescission following the conversion or exchange of such securities in the event that this Prospectus, as supplemented by the Prospectus Supplement pursuant to which such securities are issued, or any amendment thereto contains a misrepresentation. The contractual right of rescission will entitle such original purchasers to receive from Theralase, upon surrender of the applicable underlying securities issued upon conversion or exchange of such Subscription Receipts or Warrants, the original amount paid for such securities and any additional amount paid upon conversion or exchange or exercise, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable securities under this Prospectus, as supplemented by the Prospectus Supplement pursuant to which such securities are issued; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such convertible or exchangeable securities under this Prospectus, as supplemented by the Prospectus Supplement pursuant to which such securities are issued.

Original purchasers of Subscription Receipts which are convertible or exchangeable into other securities of Theralase or of Warrants offered separately are further advised that in an offering of such securities, the statutory right of action for damages for a misrepresentation contained in a prospectus is, under the securities legislation of certain of the provinces of Canada, limited to the price at which the convertible or exchangeable security was offered to the public under the prospectus offering. Accordingly, any further payment made at the time of conversion or exchange of the security may not be recoverable in a statutory action for damages in such provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this statutory right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

Dated: May 21, 2021

This preliminary short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

(Signed) Shawn Shirazi
Chief Executive Officer

(Signed) Kristina Hachey
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) Randy Bruder
Director

(Signed) Matthew Perraton
Director