Avivagen

AVIVAGEN INC.
MANAGEMENT PROXY CIRCULAR
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 5, 2016

MANAGEMENT SOLICITATION

This Management Proxy Circular, dated February 23, 2016, is furnished in connection with the solicitation of proxies by the management of Avivagen Inc. (the "**Corporation**") for use at the Annual General Meeting of the Shareholders of the Corporation (the "**Meeting**") to be held on April 5, 2016 at 10:00 a.m. Eastern Time, at the Corporation's head office located at 100 Sussex Drive, Ottawa, Ontario, Canada for the purposes set out in the Notice of Meeting. This solicitation is made by the management of the Corporation. It is expected that the solicitation will primarily be by mail. Proxies may also be solicited personally or by telephone by regular employees of and by agents engaged by the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation. Except as otherwise stated, the information contained herein is given as of February 23, 2016 (the "**Record Date**").

The form of proxy forwarded to shareholders with the Notice of Meeting confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the Notice of Meeting or other matters which may properly come before the Meeting.

REGISTERED SHAREHOLDERS – VOTING BY PROXY

The persons named in the enclosed form of proxy for the Meeting are officers of the Corporation.

A registered holder of common shares of the Corporation (the "Common Shares") has the right to appoint some other person, who need not be a shareholder, to represent the shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting such other person's name in the blank space provided or by executing another proper form of proxy.

Completed forms of proxy must be received by Computershare Trust Company of Canada, the transfer agent of the Corporation, at Computershare Investor Services, Proxy Department, 8th Floor, 100 University Ave., Toronto, Ontario, Canada M5J 2Y1 no later than 10:00 a.m. (Eastern Standard Time) on April 1, 2016 or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting.

The form of proxy affords the registered shareholder an opportunity to specify that the shares registered in his or her name shall be voted for, against or withheld from voting in respect of the matters to come before the Meeting, as applicable.

On any ballot that may be called for, the shares represented by proxies in favour of management nominees will be voted for, against or withheld from voting in respect of the matters to come before the Meeting in accordance with the instructions given in such proxies.

In respect of proxies in which the shareholders have not specified that the proxy nominees are required to vote for, against or withhold from voting in respect of the matters scheduled to come before the Meeting, the shares represented by the proxies in favor of management nominees will be voted for the matters described in the Notice of Meeting.

Management knows of no matters scheduled to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the shares represented by proxies in favor of management nominees will be voted on such matters in accordance with the best judgment of the proxy nominees.

A proxy given by a registered shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Any such instrument revoking a proxy must be deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof or be deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

NON-REGISTERED HOLDERS – VOTING INSTRUCTION FORM

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many shareholders are "non-registered" shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy (collectively the "**Meeting Materials**") to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders of Common Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Shareholders. If you are a Non-Registered Shareholder, your name and address will appear on the voting instruction form sent to you by an Intermediary (bank, broker or trust company). A Non-Registered Shareholder may vote or appoint a proxy by mail, phone, fax or on the Internet in accordance with the voting instruction form. Your Intermediary, as registered holder, will submit the vote or proxy appointment to the Corporation on your behalf. You must submit your voting instruction form in accordance with the instructions and within the time limits set by your Intermediary. If you or a person you designate plan to attend the meeting and vote, you must appoint yourself or that person as proxy using the voting instruction form.

The Non-Registered Shareholder should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instructions form is to be delivered.

A Non-Registered Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure than an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

NOTICE AND ACCESS

The Corporation is sending proxy-related materials to Non-Registered Shareholders using Notice and Access. Notice and Access is a set of rules for reducing the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online. Non-Registered Shareholders will still receive the Notice of Meeting, and may choose to receive a hard copy of the information circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the audited annual financial statements of the Corporation for the year ended October 31, 2015 and the MD&A relating to such financial statements are available on SEDAR at www.sedar.com and on the Corporation's website at [http://www.avivagen.com/investors/]. Shareholders are reminded to review these online materials when voting.

Pursuant to the requirements of the *Canada Business Corporations Act*, registered shareholders of the Corporation will receive hard copies of this Circular, the Notice of Meeting, the form of proxy, the audited annual financial statements of the Corporation for the year ended October 31, 2015 and the MD&A relating to such financial statements.

The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 -- Request for Voting Instructions Made by Intermediary, and that in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

AUTHORIZED CAPITAL, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares. The holders of Common Shares are entitled to one vote in respect of each Common Share held at all meetings of the shareholders of the Corporation. No group or groups of shareholders have the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

According to the Corporation's registrar and transfer agent, 196,667,061 Common Shares were issued and outstanding on the Record Date. Holders of outstanding Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, no party beneficially owns, directly or indirectly, or exercises control or direction over voting securities, carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

On the Record Date, to the Corporation's knowledge, all directors and senior officers of the Corporation as a group directly and indirectly with related parties owned beneficially, or exercised control or direction over, 14,382,753 Common Shares representing approximately 7.462% of the issued and outstanding Common Shares.

MEETING MATTERS

ELECTION OF DIRECTORS

Under the articles of amalgamation of the Corporation, the number of directors of the Corporation may range from 3 to 10.

The Board of Directors is currently composed of seven directors, namely Cameron Groome, Dr. Graham Burton, David Hankinson, Amin Khalifa, David Allan, Vanessa Grant, and Kym Anthony. The term of office of each current director will expire on the close of the Meeting. Mr. Khalifa has indicated to the Corporation that he does not intend to stand for re-election. It is proposed that the Board of Directors continue to be composed of seven directors and that each person whose name appears hereunder be elected as a director of the Corporation to serve until the close of the next annual meeting of the shareholders or until a successor is elected or appointed.

It is intended that on any ballot that may be called for relating to the election of directors, the shares represented by proxies in favor of management nominees will be voted in favor of the election of such persons as directors of Corporation, unless a shareholder has specified in his or her proxy that his or her shares are to be withheld from voting in the election of directors.

The nominees for election to the Board of Directors will be elected if approved by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting and entitled to vote thereon.

INFORMATION CONCERNING NOMINEES AS DIRECTORS

The name, present position and office with the Corporation, present principal occupation or employment, period of service as a director and number of Common Shares of the Corporation held by each of the individuals who are nominated for election as directors are as set in the table that follows.

Name and Residence	Present Position and Offices with the Corporation	Present Principal Occupation or Employment and Principal Occupation or Employment within the 5 preceding years	Director Since	Number of Common Shares of the Corporation Held[(1)]
G.F. Kym Anthony Toronto Canada	Director	2007 to Present - Chair, Hybrid Partners and Executive Chair, Top Meadow Investments, Inc.	April 4, 2014	3,095,238
David Allan Ontario, Canada	Director	January 1995 to Present – Principal at Cresswell Advisors Inc. August 2011 to January 2014 – Executive Chairman of the Board of Stem Cell Therapeutics, Inc. (now Trillium Therapeutics, Inc.) January 1994 to March 2013 – Chairman (and form 1998-2011 CEO) of YM BioSciences Inc	May 14, 2015	2,465,586
Dr. Graham Burton Ontario, Canada	Director, Director Commercialization Science	March 11, 2013 to present – Director Commercialization Science of the Corporation August 2005 to March 11, 2013 – President of the Corporation November 2010 to March 11, 2013 – Managing Director of Research Co-Ordination of the Corporation	August 4, 2005	2,375,111
Vanessa Grant Ontario, Canada	Director	September 2012 to Present – Partner at Gowling Lafleur Henderson LLP October 2004 to September 2012 – Partner at McCarthy Tetrault	May 14, 2015	166,667
Cameron Groome Ontario, Canada	Chief Executive Officer, President, Director	March 2013 to present – Chief Executive Officer and President of the Corporation August 2012 to February 2013 – External Board Advisor, Trillium Therapeutics June 2006 to April 2012 – Executive Vice President, Corporate and Strategic Development, Bioniche Life Sciences Inc.	April 24, 2013	1,187,000
David Hankinson Nova Scotia, Canada	Director	March 11, 2013 to present – Executive Director of the Corporation October 2010 to March 11, 2013 – Chief Executive Officer of the Corporation	August 4, 2005	126,562
Paul Mesburis Ontario, Canada	N/A	2009 to Present – Independent Director of Prometic Life Sciences Inc. 2015 to Present – Director of Access Energy (Asia) Pte. Ltd. and Access Energy (Thailand Company Limited 2014 to Present – Independent Director of EEstor, Inc. 2009 to 2012 – Senior Portfolio Manager and Chief Compliance Officer of Excel Investment Counsel Inc.	N/A	0

Notes to Table:

(1) Number of Common Shares of the Corporation known to the Corporation to be beneficially owned, directly or indirectly, or over which control or direction was exercised on the Record Date. Other common shares may be held by intermediaries.

APPOINTMENT OF AUDITORS

At the Meeting, the shareholders of the Corporation will be called upon to appoint the auditors to serve until the next annual meeting of the shareholders of the Corporation and to authorize the Board of Directors to fix the remuneration of the auditors as appointed.

Management proposes to nominate NVS Chartered Professional Accountants Professional Corporation for appointment as auditor of the Corporation to hold office until the next annual meeting of shareholders. NVS Chartered Professional Accountants Professional Corporation has served as the auditor of the Corporation since 2012. It is intended that on any ballot that may be called relating to the appointment of auditors and the fixing of their remuneration by the directors, that the shares represented by proxies in favour of management nominees will be voted in favour of the appointment of NVS Chartered Professional Accountants Professional Corporation and the fixing of their remuneration by the directors, unless a shareholder has specified in his or her proxy that his or her shares are to be withheld from voting.

The appointment of NVS Chartered Professional Accountants Professional Corporation as auditor of the Corporation will be authorized if it is approved by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting and entitled to vote thereon.

CONFIRMATION OF BY-LAW NO. 2

BACKGROUND

On January 12, 2016, the board of directors approved By-law No. 2 (the "**By-law**") of the Corporation to:

- require advance notice of director nominees; and
- to provide that the courts of the Province of Ontario and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for the bringing of certain actions against the Corporation.

ADVANCE NOTICE

The purpose of the By-law requiring advance notice of director nominees is to ensure that an orderly nomination process is observed, that shareholders are well-informed about the identity, intentions and credentials of director nominees and that shareholders vote in an informed manner after having been afforded reasonable time for appropriate deliberation.

The By-law fixes a deadline by which shareholders must provide notice to the Corporation of nominations for election to the board and sets out the information that a shareholder must include in the notice. The deadline by which the notice must be delivered to the Corporation is set out in the table below.

Meeting Type	Nomination Deadline
Annual meeting of shareholders	Either (a) no more than 10 days after the date of the first public filing or announcement of the date of the meeting, if the meeting is to be held on a date that is fewer than 50 days after the date of that public filing or announcement or (b) no fewer than 30 days prior to the date of the meeting, if the meeting is to be held on a date that is at least 50 days after the date of that public filing or announcement.
Special meeting of shareholders (which is not also an annual meeting)	No more than 15 days after the date of the first public filing or announcement of the date of the meeting.

The By-law does not affect nominations made pursuant to shareholder proposals or the requisition of a meeting of shareholders, in each case made in accordance with the provisions of the Act.

The By-Law also specifies the information and accompanying documentation that a nominating Shareholder must provide with respect to the nominating Shareholder and the nominee for the notice to be effective.
No person nominated by a Shareholder will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice By-law. The Board may, in its sole discretion, waive any requirement of the Advance Notice By-law.

FORUM SELECTION

The purpose of the By-law with respect to requiring that certain actions be brought in the courts of the Province of Ontario is to minimize the cost and risk to the Corporation of multijurisdictional litigation.

The By-law provides that, to the fullest extent permitted by law, the courts of the Province of Ontario be the sole and exclusive forum for any:

- derivative action or proceeding brought on behalf of the Corporation;
- action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation;
- action or proceeding asserting a claim arising out of any provision of the Act or the articles or the by-laws of the Corporation (as either may be amended from time to time); or
- action or proceeding asserting a claim or otherwise related to the affairs of the Corporation.

MORE INFORMATION

The full text of the By-law is set out in Appendix "A" to this circular and is available on SEDAR at www.sedar.com.

The By-law took effect upon approval by the board of directors on January 12, 2016. If the By-law is approved by shareholders at the Meeting, it will continue to be effective. If the By-law is not approved by shareholders at the Meeting, it will terminate and be of no further force or effect.

PROPOSED RESOLUTION AND BOARD'S RECOMMENDATION

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the By-law (the "**By-law Resolution**"):

> "**BE IT RESOLVED THAT** By-law No. 2 of the Corporation, as set out in Appendix "A" to the management proxy circular of the Corporation dated February 23, 2016, is confirmed, without amendment, as a by-law of the Corporation, and any director or officer of the Corporation is authorized and directed to execute and deliver all documents and to do all other things as in that person's opinion may be necessary or desirable for the purpose of giving effect to this resolution."

To be effective, the By-law Resolution must be approved by at least a majority of the votes cast at the Meeting.

The board of directors has unanimously approved the By-law and recommends to shareholders of the Corporation that they vote **FOR** the By-law Resolution.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by that proxy are to be voted against the By-law Resolution, the persons named in the enclosed form of proxy intend to vote **FOR** the By-law Resolution.

GENERAL MATTERS

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This compensation discussion and analysis describes and explains the Corporation's policies and practices with respect to the compensation of its named executive officers, being each of the Chief Executive Officer and the Chief Financial Officer (collectively, the "**NEOs**").

Objectives of the Compensation Strategy

The Corporation's executive compensation philosophy is to provide competitive compensation to attract and retain talented staff capable of achieving the Corporation's strategic and performance objectives. Accordingly, an appropriate portion of total compensation for the CEO is variable and linked to individual and corporate performance. The CFO compensation is fixed. Consistent with this philosophy, the primary objectives of the Corporation's compensation program for its NEOs are:

- To attract and retain talented, high-achieving executives who will contribute to the success of the Corporation and increase of long-term shareholder value;
- To motivate the executive management team to meet and exceed operating targets and long-term strategic goals; and

- To align the interests of management and the Corporation's shareholders by emphasizing performance-based compensation that recognizes individual and corporate performance, and which helps increase long-term shareholder value.

The compensation program seeks to align management interests with shareholder interests through long-term incentives linking compensation to performance. The long-term incentive may be in the form of stock option grants and stock appreciation rights, which create a direct correlation between variations in the Corporation's stock price and the compensation of the NEOs.

Compensation Committee

The full Board of Directors is tasked with (i) reviewing and studying compensation and compensation policies for the Corporation; (ii) reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of the Chief Executive Officer's performance for the most recently completed year; and (iii) reviewing the performance of the senior officers of the Corporation, including the level of long-term incentives awarded to each. The compensation for all remaining executives (except for that contractually provided for) is determined by the Chief Executive Officer.

Elements of Executive Compensation

Compensation of the Corporation's NEOs for the fiscal year ended October 31, 2015 included the following components:

- base salary; and
- may include long-term incentives in the form of stock options granted pursuant to the Corporation's stock option plan (the "**Option Plan**"), bonus entitlements and stock appreciation rights.

The Corporation believes that these elements of compensation, when combined, provide an appropriate mix of conventional and incentive-based compensation. The base salary, on the one hand, provides for a stable income, while the incentive compensation under the Option Plan recognizes longer-term contributions and aligns management and shareholder interests.

In establishing base salaries and granting stock options and stock appreciation rights, the Board of Directors considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation. To date, a benchmarking exercise has not been undertaken in respect of compensation of NEOs. Stock options already held by NEOs are considered in granting new options.

OPTION BASED AWARDS

In establishing levels of stock option grants, the Board of Directors considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation. The Corporation's Option Plan is described in detail below.

SUMMARY COMPENSATION TABLE

The following table sets forth all compensation earned by each NEO during each of the Corporation's three most recently completed financial years.

Name and Principal Position	Fiscal Year	Salary[2][3] ($)	Share-based awards[6] ($)	Option-based awards[4][5][6] ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation[1][2][3][4] ($)	Total compensation ($)
					Annual incentive plans[2]	Long-term incentive plans[2]			
Cameron Groome[2] Chief Executive Officer	2015	150,000	-	17,793	-	-	-	18,479	186,272
	2014	151,538	-	27,586	-	-	-	2,727	181,851
	2013	129,988	161,455	165,324	-	-	-	-	456,767

Name and Principal Position	Fiscal Year	Salary[2][3] ($)	Share-based awards[6] ($)	Option-based awards[4][5][6] ($)	Non-equity incentive plan compensation ($) Annual incentive plans[2]	Non-equity incentive plan compensation ($) Long-term incentive plans[2]	Pension value ($)	All other compensation[1][2][3][4] ($)	Total compensation ($)
Chris Boland[3] Chief Financial Officer	2015	141,960	-	9,730	-	-	-	1,909	153,599
	2014	144,676	-	8,074	-	-	-	-	152,750
	2013	129,543	-	16,650	-	-	-	-	146,193

Notes to Table:

(1) The value of perquisites and other personal benefits, securities or property not described elsewhere in this circular, for each Named Executive Officer is zero. Mr. Groome received a bonus in 2015 of $15,000, the value of health and dental benefits were $3,479.

(2) Mr. Groome was appointed as the Chief Executive Officer and President on March 11, 2013. Mr. Groome's annual salary is $150,000 plus a $150,000 bonus upon the achievement of certain performance milestones. Mr. Groome is also entitled to a bonus of $200,000 common share stock appreciation rights upon the acquisition of a new technology.

(3) Mr. Boland was appointed as the Chief Financial Officer of the Corporation on July 3, 2012. Mr. Boland is compensated at $150 per hour on an expected 1,000 hours of service per year and stock options. Mr. Boland is not entitled to stock appreciation rights or variable bonuses.

(4) Where applicable, the foregoing table includes options and cash payments made to them in their role as directors of the Corporation, except for Mr. Boland who is not a director of the Corporation.

(5) Based on the vested and grant date fair value calculated using the Black Scholes model. The Corporation chose the Black Scholes model because it is a commonly used and accepted method of calculating grant date fair value. The assumptions underlying the model included: expected dividend yield of nil, expected volatility of 122% to 155%, risk-free interest rate of 0.65% to 1.75% and expected option life of 3 to 5 years.

(6) Mr. Groome was provided recruitment incentives of share based awards (value of $161,455) and option based awards (value of $165,324) upon his hire on March 11, 2013.

INCENTIVE PLAN AWARDS

Outstanding Option-based and Share-based awards

The following table sets out all of the options and share-based awards that had been granted and were outstanding to any of the NEOs as at October 31, 2015.

Name	Option-Based Awards: Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[1]
Cameron Groome	2,687,763	$0.10	March 11, 2018	0
	516,667	$0.07	May 20, 2019	0
	416,666	$0.065	August 20, 2020	0
Chris Boland	250,000	$0.10	March 11, 2018	0
	300,000	$0.07	May 20, 2019	0
	200,000	$0.065	August 20, 2020	0

Notes: (1) Calculated based on the difference between the market value of the shares underlying the options at the end of the financial year ended October 31, 2015 and the exercise price of such option.

Name	Share-based Awards: Number of unexercised share-based awards (#)	Share-based award exercise price ($)	Share-based award expiration date	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Cameron Groome[1]	2,424,242	$0.0825	March 11, 2018	0	0	0

Notes: (1) On March 11, 2013, the Corporation granted 2,424,242 stock appreciation rights (SARs) to the CEO with an exercise price of 8.25 cents. The SARs issued to the CEO vest and are exercisable immediately, at the option of the executive, at the excess of the current stock price over the exercise price. The SARs are redeemable into cash or common shares of the Corporation, at the option of the Corporation. The SARs are exercisable for a five-year period.

Incentive plan awards – value vested or earned during the year

The following table sets out the value of incentives earned by the NEOs or vested in their favour during the financial year ended October 31, 2015.

Name	Option-based awards – Value vested during the year ($)[1]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Cameron Groome	$17,793	0	0
Chris Boland	$9,730	0	0

Note: (1) Mr. Groome was also issued 2,424,242 stock appreciation rights upon his appointment as the CEO and President of the Corporation in 2013.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Pursuant to an executive employment agreement dated March 11, 2013, Cameron Groome is employed by the Corporation as Chief Executive Officer and President. As of the date of this Circular, the compensation payable to Mr. Groome under his employment agreement is composed of a base salary in the amount of $150,000 per year, plus two bonus entitlements pursuant to the terms thereof in the amount of $150,000 in cash and $200,000 in share-based awards respectively, based on achieving certain milestones. Upon achieving certain financial milestones Mr. Groome is entitled to a $150,000 cash bonus. Also, upon the acquisition of a new technology, Mr. Groome is entitled to a bonus of $200,000 in common share stock appreciation rights. Mr. Groome was also granted 2,424,242 stock appreciation rights and 2,687,763 stock options as a hiring incentive.

In the event that Mr. Groome is terminated by the Corporation without just cause, the Corporation is required to pay Mr. Groome an amount of pay in lieu of notice equal to a maximum of two year's base salary, starting at three months commencing March 11, 2013 with the balance vesting at the rate of one month pay per one month of employment. In the event of a change of control of the Corporation, Mr. Groome may elect, during the six-month period immediately following the date of the change of control, to terminate the employment agreement by providing sixty days' written notice, whereby Mr. Groome will be entitled to a lump sum payment equal to two year's base salary calculated based on Mr. Groome's base salary as of the date on which he elects to terminate the employment agreement.

Pursuant to an employment agreement dated July 3, 2012, Chris Boland is employed by the Corporation as Chief Financial Officer. As of the date of this Circular, the compensation payable to Mr. Boland under his employment agreement is composed of a base salary in the amount of $150 per hour on an expected service of 1,000 hours per year. In the event that Mr. Boland is terminated by the Corporation without just cause, the Corporation is required to pay Mr. Boland an amount of pay in lieu of notice equal to one year base salary ($150,000).

Payments on Termination

The following table provides details regarding the estimated incremental payments from the Corporation to each of the NEOs who were employed by the Corporation on October 31, 2015 assuming termination on October 31, 2015.

Name	Termination benefits
Cameron Groome	$300,000
Chris Boland	$150,000

COMPENSATION OF DIRECTORS

Each independent director was entitled to receive $8,000 in cash compensation for the fiscal year ended October 31, 2015, with an additional $4,000 paid to the Audit Committee Chair, all payable quarterly. In addition, fees payable for meetings to outside directors were $600 for Board meetings, $400 for Committee meetings and an additional $200 for the Chairs of such meetings. As of October 31, 2015, $14,600 of directors' fees remains unpaid.

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors who are not NEOs during the financial year ended October 31, 2015.

Name	Fees earned ($)	Share-based awards ($)(1)	Option-based awards ($)(1)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)(2)	Total ($)
Kym Anthony	14,400	13,715	17,305	-	-	-	45,420
David Allan	7,200	-	19,323	-	-	-	26,523
Dr. Graham Burton	-	-	3,722	-	-	65,188	68,910
Dr. Janusz Daroszewski(3)	-	-	3,722	-	-	67,672	71,394
Vanessa Grant	6,400	-	19,323	-	-	-	25,723
David Hankinson	-	-	3,722	-	-	34,571	38,293
Amin Khalifa	18,000	-	3,722	-	-	-	21,722
Dr. Chandra Panchal(4)	6,000	-	2,609	-	-	-	8,609

Notes: (1) Based on the vested grant date fair value calculated using the Black-Scholes model. The Corporation chose the Black-Scholes model because it is a commonly used and accepted method of calculating grant date fair value. The assumptions underlying the model included: expected dividend yield of nil, expected volatility of 122% to 155% (being 1 to 5 years), risk-free interest rate of 0.65% to 1.75% and expected option life of 5 years.

(2) Includes income earned as an employee to the Corporation.

(3) Upon the achievement of certain financial milestones, Dr. Daroszewski is entitled to an increase in salary to $120,000 per year as well as a one-time bonus of $165,000. Dr Daroszewski resigned from the Board of Directors on May 14, 2015.

(4) Dr. Chandra Panchal resigned from the Board of Directors on May 14, 2015

Directors - Outstanding Share-based and Option-based awards

The following table sets out all of the options and share-based awards in favour of the Corporation's directors who are not NEOs as at October 31, 2015.

	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 (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
David Allan	600,000	$0.09	May 19, 2020	-	-	-	-
Vanessa Grant	600,000	$0.09	May 19, 2020	-	-	-	-
Kym Anthony	600,000	$0.07	May 20, 2019	-	SEE BELOW	SEE BELOW	SEE BELOW
	250,000	$0.065	August 20, 2020	-			
Dr. Graham Burton	1,500,000	$0.10	March 11, 2018	-	-	-	-
	100,000	$0.07	May 20, 2019	-	-	-	-
	100,000	$0.065	August 20, 2020	-	-	-	-
David Hankinson	500,000	$0.10	April 19, 2016	-	-	-	-
	1,500,000	$0.10	March 11, 2018	-	-	-	-
	100,000	$0.07	May 20, 2019	-	-	-	-
	100,000	$0.065	August 20, 2020	-	-	-	-

Name	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 ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Amin Khalifa	32,000	$0.10	April 27, 2017	-	-	-	-
	150,000	$0.10	March 11, 2018	-	-	-	-
	100,000	$0.07	May 20, 2019	-	-	-	-
	100,000	$0.065	August 20, 2020	-	-	-	-

Notes: (1) Calculated based on the difference between the market value of the shares underlying the options at the end of the financial year ended October 31, 2014 and the exercise price of such option.

Name	Share-based Awards					
	Number of unexercised share-based awards (#)	Share-based award exercise price ($)	Share-based award expiration date	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Kym Anthony[(1)]	600,000	$0.07	May 20, 2019	225,000	0	0

Notes: (1) On May 20, 2014, the Corporation issued 600,000 SARs to the Chairman of the Board with an exercise price of $0.07. The SARs are redeemable into cash or common shares of the Corporation, at the option of the Corporation. The SARs are exercisable for a five-year period.

Incentive plan awards – value vested or earned during the year

The following table sets out the value of incentives earned by the Corporation's directors who are not NEOs or vested in their favour during the financial year ended October 31, 2015.

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 ($)
Kym Anthony	17,305	13,715	-
David Allan	19,323	-	-
Dr. Graham Burton	3,722	-	-
Dr. Janusz Daroszewski[(1)]	3,722	-	-
Vanessa Grant	19,323		
Dave Hankinson	3,722	-	-
Amin Khalifa	3,722	-	-
Dr. Chandra Panchal[(1)]	2,609	-	-

Notes: (1) Dr. Chandra Panchal and Dr. Janusz Daroszewski resigned from the Board of Directors on May 14, 2015.

EQUITY COMPENSATION PLAN INFORMATION

The Corporation's Option Plan was approved by the shareholders of the Corporation in connection with the formation of the Corporation as a result of the amalgamation of Occell Inc. and Triumph Acquisition Corp. The purpose of the Option Plan is to develop the interest of and provide an incentive to eligible employees, officers, directors and consultants of the Corporation in the Corporation's growth and development by granting to eligible employees, officers, directors and consultants, from time to time, options to purchase Common Shares of the Corporation, thereby advancing the interest of the Corporation and its shareholders. All employees, directors and consultants of the Corporation are eligible to participate in the Option Plan. The extent to which any employee, director or consultant shall be entitled to be granted options pursuant to the Option Plan shall be determined in the discretion of the Board of Directors. Unless otherwise specified by the Board of Directors at the time of granting an option, and except as otherwise provided in the Option Plan, each option granted to an employee, director or consultant shall vest and be exercisable as to 1/3 on each of the first three anniversaries of the date of grant, such that the option will become fully exercisable on the third anniversary of the date of grant, and shall remain exercisable to and including the fifth anniversary of the date of grant. The stock options and Stock Appreciation Rights granted in the current fiscal year vest over 8 quarters. The stock options and Stock Appreciation Rights granted in the prior fiscal year vested immediately, except for the CEO's hiring incentive stock option grant, which vested over the year.

The following table sets out certain information relating to outstanding options granted pursuant to equity compensation plans as of October 31, 2015:

Plan Category	**Number of securities to be issued upon exercise of outstanding options and rights (a)**	**Weighted-average exercise price of outstanding options and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) (Note 1)**
Equity compensation plans approved by security holders (Stock Option Plan)	16,295,096	$0.0895	2,360,567
Equity compensation plans not approved by security holders (Stock Appreciation Rights)	3,024,242	$0.080	N/A
Total	19,319,338	$0.088	2,360,567

Notes: (1) The Corporation's stock option plan allows for the issuance of up to 18,655,663 options as of October 31, 2015.

EXECUTIVE AND AUDIT COMMITTEES

The Corporation is not required to have and does not have an executive committee of the Board of Directors. The Corporation has an Audit Committee of the Board of Directors composed of Amin Khalifa, Kym Anthony, and David Allan. Mr. Khalifa is Chair of the Audit Committee. All members of the Audit Committee are independent and are financially literate. Mr. Allan has been the Chair or member of numerous Audit Committees in Canadian public companies, the chief executive of a financially-regulated investment bank and a Governor of the Toronto Stock Exchange. Mr. Khalifa has held chief financial officer and other executive positions with public and private corporations and has an MBA in finance and a BS in Industrial Engineering from Lehigh University. Mr. Anthony received his BA from Simon Fraser University and his MBA from the University of Western Ontario. Mr. Anthony had served as Chairman of DFG Investment Advisors since 2007. Mr. Anthony had also served as Executive Chairman of Hybrid Partners, Inc. until 2014, and has also served on the Boards of ComDev International and ProMetic Sciences. A copy of the Audit Committee's charter is attached as Appendix "B". The Corporation, as a TSX Venture Exchange issuer, is relying on the exemption in Section 6.1 of National Instrument 52-110, exempting the Corporation from the requirements of Part 3 and Part 5 of National Instrument 52-110.

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	**Audit Fees(1)**	**Audit Related Fees(2)**	**Tax Fees(3)**	**All Other Fees(4)**	**Total**
October 31, 2015	$22,500	$2,337	NIL	NIL	$24,837
October 31, 2014	$22,500	$2,949	NIL	NIL	$25,449

Notes:
(1) The aggregate fees billed by the Corporation's external auditors for professional services rendered for the audit of the consolidated financial statements of the Corporation and its subsidiary.
(2) The aggregate fees, including expenses reimbursed, billed by the Corporation's external auditors for services related to the audit of the Corporation's financial statements. October 31, 2015 is an estimate.
(3) The aggregate fees, including expenses reimbursed, billed by the Corporation's external auditors for the preparation of corporate tax returns, tax compliance, tax advice and tax planning services.
(4) The aggregate fees, including expenses reimbursed, billed by the Corporations' external auditors for services rendered to the Corporation and its subsidiary, other than the services described above.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As of the end of October 31, 2015, no director, executive officer, senior officer, employee, any proposed nominee for election as a director or any of their associates or former director, executive officer, employee or any of their associates were indebted to the Corporation.

DIRECTOR AND OFFICER LIABILITY INSURANCE

The Corporation provides insurance for the benefit of its directors and officers against liability incurred by them in these capacities. The current aggregate policy limit for the Corporation's insurance policy is $3,000,000 with deductible amounts of $250,000 ($250,000 in the prior fiscal year) with respect to corporate reimbursement and securities claims payable by the Corporation and a side policy for the benefit of directors and officers for $2,000,000. The aggregate annual premium paid by the Corporation in the fiscal year ended October 31, 2015 is $22,300 ($22,300 for the October 31, 2016 fiscal year) for a $3,000,000 corporate policy and a $2,000,000 side policy held for the benefit of the directors and officers.

CORPORATE BANKRUPTCIES

To the knowledge of the Corporation, none of the individuals proposed for election as directors is, as at the date hereof, or has been within 10 years before the date hereof, a director or officer of any company that, while that individual was acting in that capacity or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or manager appointed to hold its assets.

CORPORATE GOVERNANCE DISCLOSURE

INDEPENDENT DIRECTORS

Four out of the seven current directors on the Corporation's Board of Directors, namely David Allan, Kym Anthony, Vanessa Grant, and Amin Khalifa are considered independent directors as they do not, in the view of the Board of Directors, have a relationship with the Corporation which could be reasonably expected to interfere with the exercise of their independent judgement. The remaining directors on the Corporation's Board of Directors, namely Cameron Groome, Dr. Graham Burton, and David Hankinson are not considered independent directors as each is an employee and officer of the Corporation. Paul Mesburis, if elected as a board member at the Meeting, will be considered an independent director.

DIRECTORSHIPS ON OTHER BOARDS

Except as disclosed below, to the knowledge of the Corporation, none of the current members of the Board of Directors serves as a director of any other reporting issuer.

Paul Mesburis currently serves as Chairman of the Audit & Risk Committee of ProMetic Life Sciences Inc.(TSX).

Cameron Groome serves as a director and member of the audit committee of Microbix Biosystems Inc. (TSX).

ORIENTATION AND CONTINUING EDUCATION

The Board of Directors has determined that it is an unnecessary use of resources for the Corporation to formally develop an orientation program for new members at this time. To date the Corporation has not developed or identified a need to develop a continuing education program for its directors at this time.

ETHICAL BUSINESS CONDUCT

The Corporation is committed to conducting business in an ethical manner. To that end, the Board of Directors has adopted a code of conduct which requires all directors, officers, employees and consultants to conduct the business of the Corporation in strict compliance with both the letter and spirit of all applicable laws and in full adherence with the highest standards of business integrity and ethics. The Corporation has no knowledge of any breach of the code of conduct.

NOMINATION OF DIRECTORS

The Corporation's Board of Directors has traditionally had a low turnover rate so the Corporation has not adopted formal policies aimed at identifying and recruiting new candidates. When a new member of the Board of Directors has been required, as was the case in 2015 due to the resignation of Dr. Janusz Daroszewski and Dr. Chandra Panchal and the retirement of Mr. Amin Khalifa, the Corporation's management and members of the Board of Directors make attempts to identify the strengths in a director that would benefit the Board of Directors and then seek out individuals from within their networks who may possess such strengths. In the case of Vanessa Grant and David Allan, who were appointed to the Board of Directors at the May 14, 2015 Board of Directors meeting, Mr. Anthony and Mr. Groome identified these individuals and brought to the attention of the Board of Directors. Mr. Groome and Mr. Anthony had initial discussions with Mr. Allan and Ms. Grant before their names and profiles were presented to the Board of Directors as a whole. The Board of Directors agreed that Mr. Allan and Ms. Grant would make good candidates. Following Mr. Khalifa's notice of intention to not stand for re-election, Mr. Anthony and Mr. Groome identified Paul Mesburis as a potential candidate for the board.

COMPENSATION

To date the compensation for the directors and the Chief Executive Officer has been reviewed and determined by the Board of Directors as a whole. As of the end of the fiscal year ended October 31, 2015 the Board of Directors has not yet adopted a formal policy with respect to the compensation of directors and has compensated outside directors through the use of options and cash remuneration as disclosed elsewhere in this Circular. The Board of Directors reviews the compensation of the Chief Executive Officer with a view to ensuring compensation levels are commensurate with responsibilities.

ASSESSMENTS

In the most recently completed fiscal year, the Board of Directors believes that it and its committees have performed effectively. The Board of Directors has not implemented any formal policy or structure to assess its effectiveness but may do so in the future if it is thought to be in the best interests of the Corporation and its shareholders.

DEADLINE FOR SHAREHOLDER PROPOSALS

If any person entitled to vote at an annual meeting of the Corporation's shareholders wishes to propose any matter for consideration at the next annual and general meeting, in order for such proposal to be considered for inclusion in the materials mailed to shareholders in respect of such meeting, such proposal must be received by the Corporation no later than 90 days before the anniversary date of this Notice.

Pursuant to the terms of the Corporation's By-Law No. 2, any shareholder wishing to nominate a director for consideration at the Meeting must follow the process set out in By-Law No. 2 (attached here as Appendix "A") and submit a nomination no fewer than 30 days prior to the date of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

Further financial information regarding the Corporation is provided in the Corporation's comparative financial statements and management discussion and analysis ("**MD&A**") for the year ended October 31, 2015. Shareholders of the Corporation may visit www.sedar.com or contact Dr. Graham Burton, a director of the Corporation, at the head office of the Corporation at 100 Sussex Drive, Ottawa, Ontario, Canada, K1A 0R6 to request copies of the Corporation's financial statements and related MD&A free of charge.

APPROVALS AND CERTIFICATION

The contents, mailing and delivery of this Management Proxy Circular have been approved by the Board of Directors of the Corporation.

DATED AT OTTAWA, ONTARIO, this 23rd day of February, 2016.

(SIGNED)

Cameron Groome
Chief Executive Officer and President

APPENDIX "A"
TO THE MANAGEMENT PROXY CIRCULAR

Avivagen Inc.
(the "Corporation")
By-law No. 2

A by-law relating to:

- the advance notice of nominations of directors of the Corporation; and
- to provide that the courts of the Province of Ontario and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for the bringing of certain actions against the Corporation.

ARTICLE 1
ADVANCE NOTICE

1. **Definitions.** In this by-law, the following terms have the following meanings:

   1.1 "**Act**" means the *Canada Business Corporations Act*, as it may be amended or replaced.

   1.2 "**Board**" means the board of directors of the Corporation.

   1.3 "**Meeting Announcement Date**", in respect of a meeting of shareholders, means the date on which the first public announcement of the date of that meeting is made, by way of disclosure in a press release disseminated by the Corporation through a national news service in Canada or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

2. **Nomination Procedures.** Nominations of persons for election as directors of the Corporation at a meeting of shareholders may be made only:

   2.1 by or at the direction of the Board;

   2.2 by or at the direction or request of one or more shareholders pursuant to a proposal submitted in accordance with the provisions of the Act for inclusion in the management proxy circular, or pursuant to a requisition of a meeting of shareholders made in accordance with the provisions of the Act; or

   2.3 by any person (a "**Nominating Shareholder**") if:

      2.3.1 the Nominating Shareholder gives timely notice in proper written form and otherwise complies with the notice procedures as set out in this by-law; and

      2.3.2 the Nominating Shareholder is a registered or beneficial holder of one or more shares of the Corporation carrying the right to vote on the election of directors at that meeting as of the record date for notice for that meeting and as of the date on which the Nominating Shareholder's notice is given under this by-law (and, if not a registered shareholder, the Nominating Shareholder provides to the Corporation evidence of beneficial ownership of the shares).

3. **Timely Notice.** To be timely, a Nominating Shareholder's notice under this by-law in respect of a meeting of shareholders must be given:

   3.1 in the case of an annual (or annual and special) meeting to be held on a date that is 50 days or more after the Meeting Announcement Date, not later than 5:00 p.m. (Toronto time) on the date that is 30 days before the date of that meeting;

   3.2 in the case of an annual (or annual and special) meeting to be held on a date that is less than 50 days after the Meeting Announcement Date, not later than 5:00 p.m. (Toronto time) on the 10th day following the Meeting Announcement Date; and

3.3 in the case of a special meeting (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than 5:00 p.m. (Toronto time) on the 15th day following the Meeting Announcement Date.

4. **Proper Form of Notice.** To be in proper written form, a Nominating Shareholder's notice under this by-law in respect of a meeting of shareholders must set out:

4.1 as to each person whom the Nominating Shareholder proposes to nominate for election as a director of the Corporation:

4.1.1 the name, province or state of residence and country of residence of the proposed nominee;

4.1.2 the principal occupation, business or employment of the proposed nominee for the last five years;

4.1.3 the number of securities of each class of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the proposed nominee, as of the record date for the meeting (if that date has been publicly announced and has occurred) and as of the date of the Nominating Shareholder's notice;

4.1.4 whether the proposed nominee is a "resident Canadian" within the meaning of the Act; and

4.1.5 any other information relating to the proposed nominee that would be required to be disclosed, under the Act and applicable securities laws, in a dissident's proxy circular in connection with solicitations of proxies for the election of directors; and

4.2 as to the Nominating Shareholder:

4.2.1 the name, business address and residential address of the Nominating Shareholder;

4.2.2 the number of securities of each class of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder (or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities), as of the record date for the meeting (if that date has been publicly announced and has occurred) and as of the date of the Nominating Shareholder's notice; and

4.2.3 any other information relating to the Nominating Shareholder that would be required to be disclosed, under the Act and applicable securities laws, in a dissident's proxy circular in connection with solicitations of proxies for the election of directors.

5. **Notice to be Updated.** A Nominating Shareholder's notice under this by-law in respect of a meeting of shareholders must be promptly updated, if applicable, so that the information provided or required to be provided in that notice is true and correct as of the record date for the meeting.

6. **Eligibility for Nomination.** No person will be eligible for election as a director of the Corporation at a meeting of shareholders unless nominated as set out in this by-law. This by-law will not preclude the discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which that shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting will have the power and duty to determine whether a nomination was made in accordance with the procedures set out in this by-law and, if any proposed nomination is not in compliance with this by-law, to declare that the defective nomination will be disregarded.

7. **Delivery of Notice.** A Nominating Shareholder's notice under this by-law must be addressed to the Secretary of the Corporation and delivered to the Corporation by personal delivery (at the Corporation's registered office address) or by fax or email (at the fax number or email address stipulated by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com, as updated). A Nominating

Shareholder's notice will be deemed to have been given and received on the day it is personally delivered or transmitted by fax or email, but if the notice is delivered or transmitted on a day which is not a business day or after 5:00 p.m. (Toronto time), the notice will be deemed to have been given and received on the next business day.

8. **Board Discretion.** Despite any other provision in this by-law, the Board may, in its sole discretion, waive any requirement in this by-law.

ARTICLE 2
FORUM SELECTION

1. Unless the Corporation consents in writing to the selection of an alternative forum, the courts of the Province of Ontario and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for:

1.1 any derivative action or proceeding brought on behalf of the Corporation;

1.2 any action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation;

1.3 any action or proceeding asserting a claim arising out of any provision of the Act or the articles or the by-laws of the Corporation (as either may be amended from time to time); or

1.4 any action or proceeding asserting a claim or otherwise related to the affairs of the Corporation.

If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed other than with the court (a "**Foreign Action**") in the name of any securityholder, such securityholder shall be deemed to have consented to:

1.5 the personal jurisdiction of the court in connection with any action or proceeding brought in any such court to enforce the preceding sentence; and

1.6 having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder.

ENACTED by the directors of the Corporation.
DATED January 12, 2016.

"Cameron Groome"

Cameron Groome
Director and Chief Executive Officer

APPENDIX "B"
TO MANAGEMENT PROXY CIRCULAR
AUDIT COMMITTEE CHARTER

PURPOSE

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Avivagen Inc. (the "**Corporation**") is to:

- assist the Board in fulfilling its responsibility to oversee the Corporation's accounting and financial reporting processes and audits of the Corporation's financial statements;
- review the financial reports and other financial information provided by the Corporation, the Corporation's disclosure controls and procedures, and its internal accounting and financial controls;
- review the Corporation's financial statements, management's discussion and analysis and annual and interim profit or loss press releases before public release;
- assume direct responsibility for the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of the external auditor in preparing or issuing an audit report or related work;
- oversee the independence of the external auditor and approve all auditing services and permitted non-audit services provided by the external auditor;
- receive direct reports from the external auditor and resolve any disagreements between management and the external auditor regarding financial reporting;
- review the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and
- carry out the specific responsibilities set forth below in furtherance of this stated purpose.

COMMITTEE MEMBERSHIP AND PROCEDURES

Committee members shall be appointed by the Board. The Board may designate one member of the Committee as its Chair.

The Committee shall be composed of at least three directors. To the extent possible given the number of unrelated or independent directors on the Board, the members of the Committee should be: (i) unrelated directors for purposes of the Toronto Stock Exchange Governance Guidelines; (ii) and satisfy the independence requirements (the "**Independence Rules**") of applicable securities regulators including CSA Multilateral Instrument 52-110 ("**MI-52-110**"), provided that if the circumstances warrant, the Board may designate a non-independent member of the Committee to the extent permitted by the Independence Rules; and (iii) have the ability to read and understand a set of financial statements, including but not limited to balance sheets, income statements and cash flow statements, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

RESPONSIBILITIES

The Committee's role is one of oversight, and it is recognized that the Corporation's management is responsible for preparing the Corporation's financial statements and that the external auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders, and is responsible for auditing those financial statements. In discharging its oversight role, the Committee is granted all responsibilities and authority required by MI 52-110.

The following functions shall be the common recurring activities of the Committee in carrying out its oversight role. The functions are set forth as a guide and may be varied and supplemented from time to time as appropriate under the circumstances.

Appointment of External auditor. The Committee shall have direct responsibility for the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of any accounting firm selected to be the Corporation's external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation.

Appointment of Chief Financial Officer and Internal Auditor. The Committee shall participate in the identification of candidates for the positions of Chief Financial Officer and the manager of the Corporation's internal auditing function, if any, and shall advise management with respect to the decision to hire a particular candidate.

Disclosure Controls and Procedures. The Committee shall review periodically with management the Corporation's disclosure controls and procedures.

Internal Controls. The Committee shall discuss periodically with management and the external auditor the quality and adequacy of the Corporation's internal controls and internal auditing procedures, if any, including any significant deficiencies in the design or operation of those controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls, and discuss with the external auditor how the Corporation's financial systems and controls compare with industry practices.

Accounting Policies. The Committee shall review periodically with management and the external auditor the quality, as well as acceptability, of the Corporation's accounting policies, and discuss with the external auditor how the Corporation's accounting policies compare with those in the industry and all alternative treatments of financial information within International Financial Reporting Standards that have been discussed with management, the ramifications of use of such alternative disclosures and treatments and the treatment preferred by the external auditor.

Pre-approval of All Audit Services and Permitted Non-Audit Services. The Committee shall approve, in advance, all audit services and all permitted non-audit services to be provided to the Corporation by the external auditor; provided that any non-audit services performed pursuant to an exception to the pre-approval requirement permitted by applicable securities regulators shall not be deemed unauthorized.

Annual Audit. In connection with the annual audit of the Corporation's financial statements, the Committee shall:

- request from the external auditor a formal written statement delineating all relationships between the auditor and the Corporation, discuss with the external auditor any such disclosed relationships and their impact on the external auditor's objectivity and independence, and take appropriate action to oversee the independence of the external auditor.
- approve the selection and the terms of the engagement of the external auditor.
- review with management and the external auditor the audited financial statements to be included in the Corporation's Annual Report filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and review and consider with the external auditor the matters required to be discussed under applicable statements of auditing standards.
- perform the procedures set forth below in *"Financial Reporting Procedures*" with respect to the annual financial statements to be reported.
- review with management and the external auditor the Corporation's critical accounting policies and practices.
- recommend to the Board whether, based on the reviews and discussions referred to above, the annual financial statements should be included in the Corporation's Annual Report filed on SEDAR.

Financial Reporting Procedures. In connection with the Committee's review of each reporting of the Corporation's annual financial information, the Committee shall:

- discuss with the external auditor whether all material correcting adjustments identified by the external auditor in accordance with International Financial Reporting Standards and the rules of the applicable securities regulators are reflected in the Corporation's financial statements;
- review with the external auditor all material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;
- review with management and the external auditor any material financial or other arrangements of the Corporation which do not appear on the Corporation's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Corporation's financial statements; and
- resolve any disagreements between management and the external auditor regarding financial reporting.

Charter. The Committee shall review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

RESOURCES AND AUTHORITY

The Committee is granted all authority required by MI 52-110, including without limitation the authority to: (i) investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Corporation; (ii) engage independent legal, accounting or other advisors to obtain such advice and assistance as the Committee determines necessary to carry out its duties and set and pay the compensation for any advisors so engaged; (iii) communicate directly with the external auditors (and internal auditors, if any).

The Committee may request any officer or employee of the Corporation or the Corporation's counsel to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

The Corporation shall provide the Committee all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any external auditor, as well as for any ordinary administrative expenses of the Committee that it determines are necessary or appropriate in carrying out its responsibilities.

COMPLAINT PROCEDURES

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this regard, the Committee shall establish and maintain procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.