

A copy of this preliminary prospectus supplement has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus supplement may not be complete and may have to be amended.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement (this "**Prospectus Supplement**"), together with the accompanying short form base shelf prospectus dated April 7, 2024 (the "**Base Shelf Prospectus**") and, as supplemented by this Prospectus Supplement, collectively this "**Prospectus**") to which it relates, as amended or supplemented, and each document incorporated by reference into this Prospectus Supplement and the 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.*

*The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, the securities offered hereby may not be offered or sold, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. person, except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby to, or for the account or benefit of, persons in the United States or U.S. persons. See "Plan of Distribution".*

Information has been incorporated by reference in this Prospectus Supplement and the Base Shelf Prospectus from documents filed with securities commissions or similar authorities in the Canadian provinces of British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Satellos Bioscience Inc. at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, ON M5J 2J3, Telephone (647) 660-1780, and are also available electronically at www.sedarplus.ca.

PRELIMINARY PROSPECTUS SUPPLEMENT

To the Short Form Base Shelf Prospectus dated April 7, 2024

New Issue

December 16, 2024



SATELLOS BIOSCIENCE INC.

Up to \$●

Up to ● Common Shares or Pre-Funded Warrants

Price: \$● per Common Share or \$● per Pre-Funded Warrant

Satellos Bioscience Inc. (the "**Company**" or "**Satellos**" or "**we**" or "**our**") is hereby qualifying the distribution of up to ● common shares of the Company (the "**Common Shares**") at a price of \$● per Common Share (the "**Common Share Offering Price**" and such Common Shares, the "**Offered Shares**") for aggregate gross proceeds of up to \$● (the "**Offering**"). In lieu of an Offered Share, purchasers may elect to purchase one pre-funded common share purchase warrant of the Company (each, a "**Pre-Funded Warrant**") at a price of \$● per Pre-Funded Warrant (the "**Pre-Funded Warrant Offering Price**", and together with the Common Share Offering Price, the "**Offering Price**"). Each Pre-Funded Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share in the capital of the Company (each, a "**Warrant Share**"). The Pre-Funded Warrants will not expire. The Pre-Funded Warrants will have a nominal exercise price of \$0.00001 per Warrant Share. The Pre-Funded Warrants may be exercised on a "net" or "cashless" basis.

The distribution of the Offered Shares and Pre-Funded Warrants qualified by this Prospectus is referred to herein as the "**Offering**". See "*Description of Securities Being Distributed*".

The Offering is made on a commercially reasonable "best efforts" agency basis pursuant to the terms and conditions of an agency agreement (the "**Agency Agreement**") entered into between Bloom Burton Securities Inc. (the "**Lead Agent**"), • (collectively, the "**Agents**") and the Company.

The Company may be considered a "connected issuer" of the Lead Agent under applicable Canadian securities laws. The Lead Agent is an affiliate of Bloom Burton Development Company and Bloom Burton & Co. Inc., each of whom either beneficially owns or exercises control and direction over securities of the Company. In addition, Brian Bloom, a director of the Company, is also an officer and director of the Lead Agent and, together with Jolyon Burton, exercises joint control and direction over all Bloom Burton entities. The Bloom Burton entities and Brian Bloom together, hold approximately 8% of the issued and outstanding common shares of Satellos and approximately 9% on a fully diluted basis. See "*Relationship Between the Company and the Agent*".

There is no minimum amount of funds that must be raised under the Offering. This means that the Company could complete the Offering after raising only a small portion of the offering amount set out above.

The outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "MSCL". On December 13, 2024, the last trading day on the TSX prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the TSX was \$0.97. The Company has applied to list the Offered Shares and Warrant Shares on the TSX. Listing is subject to the approval of the TSX in accordance with applicable listing requirements. The Company does not intend to apply to list the Pre-Funded Warrants on any securities exchange. **There will be no market through which the Pre-Funded Warrants may be sold and purchasers may not be able to resell the Pre-Funded Warrants purchased in the Offering. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Pre-Funded Warrants and the extent of issuer regulation. See "*Risk Factors*".**

Pursuant to the terms of the Agency Agreement, the Offered Shares and the Pre-Funded Warrants will be issued and sold in the Provinces of British Columbia, Alberta and Ontario by the Agents. The Offered Shares and the Pre-Funded Warrants will be offered in each of such provinces through the Agents or their affiliates who are registered to offer the securities for sale in such provinces and such other registered dealers as may be designated by an Agent. The Offered Shares and the Pre-Funded Warrants may also be offered for sale to, or for the account or benefit of, persons in the United States and U.S. persons by or through one or more United States registered broker-dealers affiliated with or appointed as sub-agents by the Agent (each a "**U.S. Placement Agent**"), under certain exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. In addition, the Agents are entitled to offer the Offered Shares and the Pre-Funded Warrants outside of Canada and the United States to non-U.S. persons, provided that the Agents shall not take any action in connection with the distribution of the Offered Shares or the Pre-Funded Warrants that would result in the Company being obligated to comply with the prospectus, registration, reporting or other similar requirements of the securities laws of any jurisdiction. See "*Plan of Distribution*".

An investment in the securities offered hereunder is speculative and involves a high degree of risk. The risk factors identified in this Prospectus and the documents incorporated by reference herein should be carefully reviewed and evaluated by prospective investors before purchasing the securities being offered hereunder. See "*Risk Factors*" in this Prospectus and the documents incorporated by reference herein.

	Price to the Public	Agents' Commission ⁽¹⁾	Net Proceeds to the Company ⁽²⁾
Per Offered Share	\$●	\$●	\$●
Per Pre-Funded Warrant	\$●	\$●	\$●
Total	\$●	\$●	\$●

Notes:

- (1) The Company has agreed to pay the Agents, on each Closing Date, a commission (the "**Agents' Commission**") equal to 7% of the aggregate gross proceeds raised on such Closing Date. The Company will not be required to pay any Agents' Commission to the Agents in connection with sales to certain purchasers noted on a president's list to be agreed to between the Lead Agent and the Company (the "**President's List**"). The above assumes no sales to purchasers on the President's List.
- (2) After deducting the Agents' Commission, but before deducting expenses of the Offering (including listing fees) estimated to be approximately \$●, which will be paid from the gross proceeds of the Offering.

In connection with the Offering, and subject to applicable laws, the Agents may effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. **Such transactions, if commenced, may be discontinued at any time.** See "*Plan of Distribution*".

Subscriptions for Offered Shares and Pre-Funded Warrants will be received by the Agents subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Subject to certain limited exception, it is anticipated that the Offered Shares will be issued in "book-entry only" form and represented by a global certificate or certificates, or be represented by uncertificated securities, registered in the name of CDS Clearing and Depositary Services Inc. ("**CDS**") or its nominee, and will be deposited with CDS. Except in limited circumstances, no beneficial holder of Offered Shares will receive definitive certificates representing their interest in the Offered Shares. Beneficial holders of Offered Shares will receive only a customer confirmation from the Agents or another registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares is acquired. Certain other holders may receive definitive certificates representing their interests in the Offered Shares. Certificates representing the Pre-Funded Warrants will be in definitive form and available for delivery to purchasers at the applicable Closing Date of the Offering. The Company expects that delivery of the Pre-Funded Warrants will be made against payment therefor on or about the applicable Closing Date.

The Offering Price was determined by arm's length negotiation between the Company and the Lead Agent in accordance with the applicable policies of the TSX and in the context of the market. The completion of the Offering may occur in one or more separate closings on one or more dates (each, a "**Closing Date**") as the Company and the Lead Agent may agree. It is expected that the initial closing of the Offering will occur on or about December ●, 2024, or such other date as the Company and the Lead Agent may agree.

Any investment in securities of the Company involves significant risks that should be carefully considered by prospective investors before purchasing the Offered Shares or Pre-Funded Warrants. The risks outlined in this Prospectus Supplement, the Base Shelf Prospectus, and in the documents incorporated by reference herein and therein, should be carefully reviewed and considered by prospective investors in connection with any investment in the Offered Shares or Pre-Funded Warrants. Prospective investors should carefully read the "Risk Factors" section in this Prospectus Supplement, the Base Shelf Prospectus and the documents incorporated by reference herein and therein, as well as the information under the heading "Special Note Regarding Forward-Looking Information" in this Prospectus Supplement and consider such notes and information in connection with an investment in the Offered Shares or Pre-Funded Warrants.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences that depend on each prospective investor's specific circumstances. Such consequences may not be described fully in this Prospectus Supplement or the accompanying Base Shelf Prospectus, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Offered Shares or Pre-Funded Warrants. Investors should read the tax discussion in this Prospectus Supplement and consult their own tax advisors with respect to their own particular circumstances. See "*Certain Canadian Federal Income Tax Considerations*", "*Eligibility for Investment*" and "*Risk Factors*".

There can be no assurance that any or all of the Offered Shares or Pre-Funded Warrants being offered will be sold. See "*Plan of Distribution*".

The Offering is not underwritten or guaranteed by any person. The Agents, as principals, conditionally offer the Offered Shares and Pre-Funded Warrants, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*", and subject to approval of certain legal matters on behalf of the Company by Mintz LLP, with respect to Canadian legal matters, and on behalf of the Agents by Baker & McKenzie LLP, with respect to Canadian legal matters. The U.S. Placement Agents that may be appointed by the Agents will not be registered as dealers in any Canadian jurisdiction and, accordingly, they will not, directly or indirectly, solicit offers to purchase or sell the Offered Shares or Pre-Funded Warrants in Canada.

You should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Agents have not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this Prospectus and the documents incorporated by reference herein. **Information contained on the website of the Company shall not be deemed to be a part of this Prospectus or incorporated herein by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest under the Offering.** The Company is offering to sell, and seeking offers to buy, the Offered Shares and the Pre-Funded Warrants only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. The Company does not undertake to update information contained or incorporated by reference in this Prospectus, except as required by applicable securities laws.

Prospective investors should be aware that the acquisition or disposition of the Offered Shares or the Pre-Funded Warrants described herein may have tax consequences in Canada. This Prospectus may not describe these tax consequences fully. You should consult and rely on your own tax advisor with respect to your own particular circumstances. See "*Certain Canadian Federal Income Tax Considerations*" in this Prospectus.

Geoff MacKay, William (Bill) Jarosz, Dr. William (Bill) McVicar, Adam Mostafa, Franklin M. Berger and Stephanie Brown, all being directors of the Company, reside outside of Canada (the "**Non-Resident Directors**"). The Non-Resident Directors have appointed the following agent for service of process:

<u>Name of the Non-Resident Director</u>	<u>Name and Address of Agent</u>
Geoff MacKay	Satellos Bioscience Inc.
William (Bill) Jarosz	Royal Bank Plaza, South Tower
Dr. William (Bill) McVicar	200 Bay St., Suite 2800
Adam Mostafa	Toronto, M5J 2J1
Stephanie Brown	
Franklin M. Berger	

Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign

jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See "*Risk Factors*".

Unless otherwise noted, all currency amounts in this Prospectus Supplement are stated in Canadian dollars.

The Company's head and registered office is located at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, Ontario, M5J 2J1 and its telephone number is (416) 708-0522.

No Canadian securities regulator has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

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Base Shelf Prospectus

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NOTICE TO READER

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the Base Shelf Prospectus and the documents incorporated by reference herein and therein. The second part, the Base Shelf Prospectus, gives more general information about securities the Company may offer from time to time, some of which may not apply to the Offering. Both documents contain important information investors should consider when making an investment decision. This Prospectus Supplement may add, update or change information contained in the Base Shelf Prospectus. Before investing, purchasers of the Offered Shares or Pre-Funded Warrants pursuant to the Offering should carefully read both this Prospectus Supplement and the Base Shelf Prospectus together with the additional information about the Company referred to in the section of this Prospectus Supplement titled "Documents Incorporated by Reference". This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purposes of the Offering. Other documents are also incorporated or deemed to be incorporated by reference into this Prospectus Supplement and into the Base Shelf Prospectus. See "*Documents Incorporated by Reference*".

Purchasers of Offered Shares or Pre-Funded Warrants pursuant to the Offering should rely only on the information contained in or incorporated by reference into this Prospectus Supplement and the Base Shelf Prospectus. If information in this Prospectus Supplement is inconsistent with the Base Shelf Prospectus or the information incorporated by reference therein, you should rely on this Prospectus Supplement. The Company has not authorized any other person to provide purchasers with additional or different information. If anyone provides purchasers with additional or different information, such purchasers should not rely on it.

The Company is offering to sell, and seeking offers to buy, these securities only in jurisdictions where offers and sales are permitted. Purchasers should assume that the information appearing in this Prospectus Supplement and the Base Shelf Prospectus, as well as information the Company has previously filed with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario that is incorporated herein and in the Base Shelf Prospectus by reference, is accurate as of their respective dates only. The Company's business, financial condition, results of operations and prospects may have changed since those dates. The Company does not undertake to update the information contained or incorporated by reference in this Prospectus Supplement or the Base Shelf Prospectus, except as required by applicable securities laws. This Prospectus Supplement shall not be used by anyone for any purpose other than in connection with the Offering.

References in this Prospectus Supplement to "Satellos", "we", "us" or "our" refer to the Company and its direct and indirect wholly-owned subsidiaries, unless the context indicates otherwise.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

All dollar amounts in this Prospectus Supplement are expressed in Canadian dollars unless otherwise indicated. References to "US\$" are to U.S. dollars.

The following table sets out, for the period indicated, certain exchange rates based upon the exchange rates published by the Bank of Canada during the respective periods. The rates are set out as Canadian dollars per US\$1.00.

	Nine Months Ended September 30, 2024	12 Months Ended December 31, 2023	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Closing	\$1.3499	\$1.3226	\$1.3544	\$1.2678
High	\$1.3858	\$1.3875	\$1.3856	\$1.2942
Low	\$1.3316	\$1.3128	\$1.2451	\$1.2040
Average	\$1.3604	\$1.3497	\$1.3011	\$1.2535

On December 13, 2024, the daily average exchange rate for Canadian dollars in terms of United States dollars, as quoted by the Bank of Canada was US\$1.00 = \$1.4231.

SPECIAL NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS

This Prospectus Supplement and the Base Shelf Prospectus, and the documents incorporated herein by reference, contain certain forward-looking statements that relate to the Company's current internal expectations, estimates, projections, assumptions, beliefs and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- our proposed use of the net proceeds from this Offering;
- the anticipated listing of the Offered Shares and Warrant Shares on the TSX;
- our belief that the Company will be successful in raising additional capital to continue as a going concern;
- the expected research and development timelines, therapeutic benefits, effectiveness and safety of our product candidates;
- our belief that the Company's products and research and development efforts are targeting diseases and conditions with significant unmet medical treatment needs;
- our belief that the Company has made, and will continue to make progress towards the achievement of certain milestones or objectives;
- our expectation with respect to meeting milestones and the minimum amount of funds the Company expects to need to raise in order to achieve such milestones and garner additional funding;
- the initiation, timing, cost, progress, outcomes, resource needs and success of our research and development activities, plans and programs;
- our expectations regarding our ability to design, test and patent novel drug products suitable for advancement into Investigational New Drug ("**IND**") enabling studies and clinical trials and the anticipated timelines surrounding such enabling studies;
- our belief that we will not receive substantive comments on our IND applications;
- our intentions of developing inhibitors to AAK1 (including but not limited to SAT-3247) and in showing that such potential inhibitors demonstrate clinical efficacy Duchenne muscular dystrophy ("**Duchenne**") and in other indications, such as other degenerative muscle diseases, muscle injury or trauma, or muscle regeneration generally;
- our expectations that we will identify predictive biomarkers as discussed herein which will translate into or be useful in conducting human clinical trials;

- our belief that the results of Satellos' research and development activities, preclinical studies, safety studies or clinical trials have the potential to be commercially competitive with research and development activities, preclinical studies, safety studies or clinical trials conducted by other parties;
- discoveries we have made in muscle stem cell regulation having the potential to represent insights into a potential root cause of degenerative muscle disorders which has previously not been recognized and which may be therapeutically relevant in the treatment of degenerative muscle disorders;
- our belief that the Company's technology can be commercialized, and that such commercialization could be done as effectively or more effectively than other technologies to treat degenerative muscle disorders and conditions or other medical disorders or conditions, or at all;
- our ability to discover, optimize, select and advance into and through clinical development our therapeutic drug development candidates in a timely, cost-efficient and effective manner, or at all;
- our ability to translate our discoveries in muscle stem cell regulation into safe and therapeutically effective drug products and the broad applicability of such products;
- our ability to enter into research and/or commercial development collaborations or partnerships to successfully and profitably advance our drug development candidates;
- our ability and that of our partners (if any) to advance SAT-3247 into, and successfully complete, one or more Phase II clinical trials as outlined herein;
- our plans to utilize and deploy MyoRegenX™ in our programs to develop next generation programs and our continued relationship with OHRI (as defined below);
- our ability to develop the Company's novel discoveries into viable therapeutic treatments suitable for clinical development, including, but not limited to, our ability to determine appropriate dosing regimens;
- the ability of our products to effectively and safely treat Duchenne and other degenerative muscle disorders and conditions or other medical disorders or conditions and the applicability of our products to other disorders and conditions;
- our expectations regarding future enrolment into clinical trials and the timing of future enrolment into clinical trials for our product candidates;
- our ability to establish and maintain relationships with collaborators with acceptable preclinical and/or clinical research and development capability and regulatory and commercialization expertise to enable the development and future commercialization of our technology or products and the benefits to be derived from such collaborative efforts;
- our ability to enter into agreements or partnerships with pharmaceutical or biotechnology companies that have research and clinical development and/or sales and marketing capabilities and the expected benefits that could be derived therefrom;
- our ability to generate and protect our intellectual property;
- our ability to operate our business without infringing upon the intellectual property rights of others;

- our ability to engage third party services with specialized domain expertise for the drafting and submitting of regulatory applications to conduct clinical trials in humans;
- our ability to establish suitable chemistry, manufacturing and controls and good manufacturing procedures protocols;
- the manufacturing capacity of third-party manufacturers for our product candidates;
- our expectations regarding federal, provincial and foreign regulatory requirements;
- the timing of, and the costs of obtaining and maintaining, regulatory approvals in the United States, Canada and other jurisdictions;
- our plans to meet with the United States Food and Drug Administration (the "**FDA**") or other regulators, file applications to obtain drug designations and initiate clinical studies;
- the rate and degree of market acceptance and clinical utility of our future products, if any;
- existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us pursuant to such arrangements;
- the implementation and execution of our commercial and operational strategy;
- our ability to engage and retain the consultants or employees required to grow our business;
- the potential revenue that may be generated from our products, pricing and reimbursement of the patient cost of our drug products by insurers or national health systems, as the case may be, in those jurisdictions where the Company intends to sell its drug products and our ability to achieve profitability;
- developments relating to our competitors and our industry, including the success of competing therapies that are or become available;
- the potential growth of the market and demand for our products as well as the estimated pricing and subsequent revenue generation of any potential therapeutics we discover;
- our future financial performance, including projected expenditures, future revenue, capital requirements and our needs for additional financing; and
- general business and economic conditions and the evolving regulatory landscape.

Such forward-looking statements reflect our current views with respect to future events, are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Satellos as of the date of such statements, are inherently subject to significant medical, scientific, business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance, achievements, prospects or opportunities to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including, but not limited to:

- obtaining positive results from our research and development activities, including clinical trials;
- our ability to obtain regulatory approvals;

- assumptions regarding general business, market, economic and regulatory conditions;
- assumptions regarding the cost and timing of each study;
- the Company's ability to successfully advance its preclinical and clinical development programs and execute its plans substantially as currently envisioned;
- the Company's ability to identify and advance a suitable drug candidate;
- assumptions related to the pricing and reimbursement of the Company's drug products in jurisdictions in which the Company intends to sell its drug products;
- the Company's current positive relationships with third parties will be maintained and the potential to develop new partnerships;
- our ability to continue to use existing licenses for the development of our product(s);
- the availability (and sources) of financing on reasonable terms;
- future expenditures to be incurred by the Company, including research and development and operating costs;
- the Company's ability to attract and retain skilled consultants and employees;
- assumptions regarding market competition, market capture and pricing;
- the products and technology offered by the Company's competitors; and
- the Company's ability to protect its intellectual property.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined herein under the heading "*Risk Factors*". Certain risks and uncertainties that could cause such actual events or results expressed or implied by such forward-looking statements and information to differ materially from any future events or results expressed or implied by such statements and information include, but are not limited to:

- risks related to the early stage of our products;
- uncertainties related to preclinical product development activities and clinical trial outcomes;
- uncertainties related to current economic conditions;
- risks related to rapid technological change;
- uncertainties related to forecasts and timing of clinical trials and regulatory approval;
- competition in the market for therapeutic products, including those to treat Duchenne and related diseases;
- risks related to potential product liability claims;
- availability of financing and access to capital and the risks associated with the Company's ability to continue as a going concern;
- market acceptance and commercialization of products;

- the availability, costs and supply of materials;
- risks related to the effective management of our growth;
- risks related to the reliance on partnerships and licensing agreements;
- risks related to our reliance on key personnel;
- risks related to the regulatory approval process for the manufacture and sale of therapeutic products;
- risks related to the reimbursement process in various jurisdictions where the Company plans to sell its drug products; and
- our ability to secure and protect our intellectual property.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Although the forward-looking statements contained in this Prospectus are based upon what the Company's management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements.

The Company disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments, or otherwise, except as required by law.

All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

MARKET AND INDUSTRY DATA

Certain independent third party and industry data contained (or incorporated by reference) in this Prospectus Supplement is based upon information from government or other independent industry or scientific publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company nor its representatives, have conducted their own independent verification of such information. While the Company believes this information to be reliable, third-party information is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical or scientific survey. In addition, this third-party information has been prepared as of a specific date and therefore does not contemplate changes in facts and circumstances following such date. Neither the Company nor any of its representatives has independently verified any of the research, findings or data from independent third-party sources referred to in this Prospectus Supplement or ascertained the underlying assumptions relied upon by such sources. Unless specifically stated, none of the third-party information cited in this Prospectus Supplement is incorporated by reference herein. All third-party information source references are provided for the reader's convenience only and do not form a part of this Prospectus Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purpose of the Offering. Other documents are also incorporated, or deemed to be incorporated, by reference in the Base Shelf Prospectus and reference should be made to the Base Shelf Prospectus for full particulars thereof.

Information has been incorporated by reference in the Base Shelf Prospectus and this Prospectus Supplement from documents filed with or delivered to securities commissions or similar authorities in each of the Provinces of British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference or a copy of the permanent information record may be obtained on request without charge from the Chief Financial Officer of the Company at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, ON M5J 2J3, Telephone (647) 660-1780 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.sedarplus.ca.

As at the date hereof, the following documents of the Company, filed with or delivered to the securities commissions or similar authorities in each of the Provinces of British Columbia, Alberta and Ontario, are specifically incorporated by reference into and form an integral part of this Prospectus Supplement, 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 Supplement or in any other subsequently filed document that is also incorporated by reference in this Prospectus Supplement, as further described below:

- (a) the revised annual information form of the Company for the year ended December 31, 2023, dated March 27, 2024 (the "**AIF**");
- (b) the audited annual consolidated financial statements of the Company as at and for the years ended December 31, 2023 and 2022, and the auditor's report thereon and notes thereto;
- (c) the revised management's discussion and analysis of the Company for the years ended December 31, 2023 and 2022, dated March 27, 2024;
- (d) the unaudited consolidated financial statements of the Company for the three and nine months ended September 30, 2024, and September 30, 2023, together with the notes thereto (the "**Interim Financial Statements**");
- (e) the management's discussion and analysis of the Company for the three and nine months ended September 30, 2024, and September 30, 2023;
- (f) the management information circular of the Company dated May 29, 2023 relating to the annual and special meeting of the shareholders of the Company held on June 29, 2023;
- (g) the management information circular of the Company dated April 10, 2024 relating to the annual and special meeting of the shareholders of the Company held on May 14, 2024; and
- (h) the template version of the indicative term sheet for the Offering dated December 16, 2024.

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 the Base Shelf Prospectus or this Prospectus Supplement, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus Supplement and prior to the termination of any offering of Offered Shares or Pre-Funded Warrants hereunder shall be deemed to be incorporated by reference into this Prospectus Supplement.

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 the Base Shelf Prospectus and this Prospectus Supplement, 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 the Base Shelf Prospectus or this Prospectus Supplement; rather only such statement as so modified or superseded shall be considered to constitute part of the Base Shelf Prospectus and this Prospectus Supplement.

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

References to the Company's website in any documents that are incorporated by reference into this Prospectus Supplement and/or the Base Shelf Prospectus do not incorporate by reference the information on such website into this Prospectus and the Company disclaims any such incorporation by reference, except as specifically set forth herein.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are used in connection with the Offering are not part of this Prospectus Supplement to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus Supplement. Any template version of any marketing materials that has been, or will be, filed under the Company's profile on SEDAR+ at www.sedarplus.ca before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this Prospectus Supplement.

THE CORPORATION

The following description of the Company is derived from selected information about the Company contained in the documents incorporated by reference and does not contain all of the information about the Company and its business that should be considered before investing in the Offered Shares or Pre-Funded Warrants. This Prospectus Supplement, the Base Shelf Prospectus and the documents incorporated by reference herein and therein should be reviewed and considered by prospective purchasers in connection with their investment in the Offered Shares or Pre-Funded Warrants. This Prospectus Supplement may add to, update or change information in the Base Shelf Prospectus. You should carefully read this entire Prospectus Supplement and the Base Shelf Prospectus, including the risks and uncertainties discussed in the section titled "Risk Factors", and the information incorporated by reference in this Prospectus Supplement, including the Company's consolidated financial statements, before making an investment decision.

Summary Description of the Business

Satellos Bioscience Inc. was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") on July 27, 2012 ("**Pre-Arrangement Satellos**"). iCo Therapeutics Inc. ("**iCo**") was incorporated under the *Business Corporations Act* (British Columbia) on April 20, 2006 and completed a reverse take-over transaction by way of statutory arrangement onto the TSX Venture Exchange.

On August 13, 2021, Pre-Arrangement Satellos and iCo completed a plan of arrangement (the "**Arrangement**") under section 192 of the CBCA, pursuant to which, among other things, iCo acquired all of the issued and outstanding shares of Pre-Arrangement Satellos. In connection with the Arrangement, iCo (now, Satellos): (a) was continued under the CBCA; (b) amalgamated with Satellos to form the Company as it now exists, which continues to carry on the pre-Arrangement business of Pre-Arrangement Satellos and iCo; and (c) consolidated its outstanding Common Shares on a 20:1 basis.

As announced on February 14, 2024, the Company commenced trading on the TSX on February 15, 2024 under the symbol "MSCL", and was delisted from the TSX Venture Exchange effective as of the close of the market on February 14, 2024.

The Company has three wholly owned subsidiaries, Amphotericin B Technologies, Inc. (an entity incorporated under the *Business Corporations Act* (British Columbia)) ("**Amp B**"), Satellos Bioscience Australia Pty Ltd. (an entity incorporated under the laws of Australia) and Satellos Bioscience US, Inc. (an entity incorporated under the laws of Delaware, USA).

The Company's head office is located at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, Ontario, M5J 2J3, and the Company's registered and records office is located at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, Ontario, M5J 2J3.

Satellos is a clinical-stage drug development company dedicated to developing life-improving medicines to treat degenerative muscle diseases. Satellos has invented SAT-3247 as a first-of-its-kind, orally administered small molecule drug designed to restore skeletal muscle regeneration initially in Duchenne muscular dystrophy ("**DMD**"). Satellos has generated evidence in preclinical models of DMD to support its hypothesis that correcting muscle stem cell polarity through treatment with SAT-3247 has the potential to restore skeletal muscle regeneration, thereby enhancing repair and increasing muscle strength. The Company's lead drug candidate, SAT-3247, is currently in clinical development as a potential disease-modifying treatment for DMD. Additionally, Satellos continues to leverage its research and proprietary discovery platform MyoReGenX™, to identify additional degenerative muscle diseases where deficits in muscle regeneration may occur that are amenable to therapeutic intervention for future development.

Recent Developments

Except as set out below, there have been no material developments in the business of the Company since the date of the Interim Financial Statements, which have not been disclosed in this Prospectus Supplement, the Base Shelf Prospectus or the documents incorporated by reference herein and therein.

On November 14, 2024, the Company announced the appointment of Stephanie Brown to the Company's board of directors.

On December 11, 2024, the Company announced that dosing of all participants in the five planned single-ascending dose cohorts and first two of four planned multiple ascending dose cohorts of its approved Phase 1a clinical trial had been completed, and that the first of up to ten participants with DMD had received the first dose in the Company's approved 28-day Phase 1b safety and pharmacokinetics trial; all being conducted by the Company in Australia under the purview of a Human Research Ethics Committee (HREC) operating under the regulatory authorization of Australia's Therapeutic Goods Administration's (TGA's) Clinical Trial Notification (CTN) scheme.

RISK FACTORS

An investment in the Offered Shares or Pre-Funded Warrants is subject to a number of risks, including those set forth in the AIF, and in the management's discussion and analysis for the Company's most recently completed financial year and in the Base Shelf Prospectus under "Risk Factors". The occurrence of any of these risks could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In these circumstances, the market price of the Common Shares could decline, and you may lose all or part of your investment. These risks are not the only risks the Company faces; risks and uncertainties not currently known to the Company or that it currently deems to be immaterial may also materially and adversely affect the Company's business, financial condition, results of operations and prospects. Investors should also refer to the other information set forth or incorporated by reference in this Prospectus Supplement and the Base Shelf Prospectus. This Prospectus Supplement also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. See "*Special Note Regarding Forward-Looking Information*". Prospective investors should carefully consider these risks in addition to information contained in this Prospectus Supplement and the information incorporated by reference herein, as well as the following risk factors, before purchasing Offered Shares or Pre-Funded Warrants:

Risk Factors Relating to the Business of the Company

Investing in the Company's securities is speculative and involves a high degree of risk

You should carefully consider the risks set out below and under the heading "*Risk Factors*" in the AIF, and the other documents incorporated by reference in this Prospectus that summarize the risks that may materially affect the Company's business before making an investment in the Company's securities. Please see "*Documents Incorporated by Reference*". If any of these risks occur, the Company's business, results of operations or financial condition could be materially adversely affected. In that case, the trading price of the securities could decline, and you may lose all or part of your investment. The risks set out in the documents indicated above are not the only risks the Company faces. You should also refer to the other information set forth in this Prospectus as well as those incorporated by reference herein and therein, including financial statements and the related notes.

The Company has a history of negative operating cash flow

The Company had negative operating cash flow for the financial year ended December 31, 2023 and the nine months ended September 30, 2024. The Company anticipates that it will have negative operating cash flow for the foreseeable future and that it will need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. 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 favourable to the Company.

Risk Factors Related to the Offering and the Offered Shares and Pre-Funded Warrants

There can be no assurance that the Offering will be completed

The completion of the Offering is subject to the completion of definitive binding documentation and satisfaction of a number of conditions. There can be no certainty that the Offering will be completed.

There will be no market for the Pre-Funded Warrants

The Company has not applied and does not intend to apply to list the Pre-Funded Warrants on any securities exchange. There will be no market through which the Pre-Funded Warrants may be sold and purchasers may not be able to resell the Pre-Funded Warrants purchased in the Offering. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Pre-Funded Warrants, and the extent of issuer regulation. The Pre-Funded Warrant Offering Price was determined by negotiation between the Company and the Agent.

Holders of Pre-Funded Warrants have no rights as a shareholder, except as provided in the Pre-Funded Warrants

Until a holder of Pre-Funded Warrants acquires Common Shares upon exercise of Pre-Funded Warrants, such holder of Pre-Funded Warrants will have no rights with respect to the Common Shares underlying such Pre-Funded Warrants except as provided in the Pre-Funded Warrants. Upon exercise of the Pre-Funded Warrants, such holder will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

Management has indicated its plan for the use of proceeds of any particular Offering in this Prospectus Supplement, but will ultimately exercise its discretion respecting how such funds are put to use

The Company currently intends to allocate the net proceeds received from a particular Offering as described in this Prospectus Supplement, however, management will have discretion in the actual application of the net proceeds, and may elect to allocate the net proceeds differently from that described under "Use of Proceeds" if it believes it would be in the Company's best interests to do so. Shareholders may not agree with the manner in which the Company chooses to allocate and spend the net proceeds of the Offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business. Additionally, the Company may not be successful in implementing the Company's business strategies and the Company may need to reallocate the net proceeds of the Offering to other purposes, including potentially to working capital.

There is no guarantee of any positive return on securities of the Company

There is no guarantee that Offered Shares or Warrant Shares will earn any positive return in the short-term or long-term. A holding of securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Enforcement of judgments against foreign persons may not be possible

Canadian investors should be aware that each of the Non-Resident Directors resides outside of Canada; as a result, it may not be possible for purchasers of the Offered Shares and/or Pre-Funded Warrants to effect service of process within Canada upon the Non-Resident Directors. All or a substantial portion of the assets of each of the Non-Resident Directors are likely to be located outside of Canada and, as a result, it may not be possible to satisfy a

judgment against the Non-Resident Directors in Canada or to enforce a judgment obtained in Canadian courts against the Non-Resident Directors outside of Canada.

The price of the Common Shares in public markets may experience significant fluctuations

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including but not limited to: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on Common Shares; (vi) sales or perceived sales of Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Subsequent offerings will result in additional dilution

The Company may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into equity securities) and may issue additional equity securities to finance operations, acquisitions or other projects. The Company cannot predict the size of future issuances of equity securities or the size and terms of future issuances of debt instruments or other securities convertible into equity securities or the effect, if any, that future issuances and sales of our securities will have on the market price of our Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to securityholders. The Company's board of directors has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, the Company's shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that the Company will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of our Common Shares at prices less than the current market price for the Common Shares. Additionally, holders of stock options and warrants exercisable for Common Shares may elect to exercise their stock options or warrants into Common Shares. Such exercises could further dilute your investment.

CONSOLIDATED CAPITALIZATION

Since September 30, 2024, the date of the Interim Financial Statements, there have been no material changes in the Company's consolidated share and loan capital other than as outlined under "*Prior Sales*" below.

The following table shows the effect of the Offering on the issued capital of the Company. The following table should be read in conjunction with the Interim Financial Statements incorporated by reference in this Prospectus Supplement:

Description	Outstanding as at September 30, 2024	Outstanding as at September 30, 2024 after giving effect to the Offering, and the transactions outlined under " <i>Prior Sales</i> " ⁽¹⁾
Common Shares	113,380,814	•
Stock Options	13,147,089	13,879,589
Warrants	11,745,169	10,851,111
Total Debt	Nil	Nil
Pre-Funded Warrants	39,702,780	39,702,780

Notes:

(1) Assuming no Pre-Funded Warrants are issued in connection with the Offering.

USE OF PROCEEDS

The net proceeds of the Offering are estimated to be \$● after deducting the Agents' Commission of \$● and the expenses of the Offering (estimated to be \$●).

Principal Purposes

The Company currently anticipates using the net proceeds of the Offering as set forth in the following table:

Use	Allocation of Net Proceeds
Phase 2 clinical development of SAT-3247	\$●
General corporate and administrative expenses	\$●
TOTAL	\$●

The Company intends to spend the funds available to it as stated above. However, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary or appropriate. The actual amount that the Company spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those referred to under "Risk Factors" in this Prospectus.

The Company had negative operating cash flow for the nine months ended September 30, 2024. To the extent the Company has negative cash flows in future periods, the Company may use a greater portion of its general working capital to fund such negative cash flow than it would use if it had positive cash flows.

Business Objectives and Milestones

The Company expects to accomplish the following business objectives and milestones using the net proceeds of the Offering:

Business Objective	Milestone(s) that must occur for Business Objective to be Accomplished	Anticipated Timing to Achieve Business Objective	Estimated Cost
Advancement of SAT-3247 clinical development program	Obtain regulatory approval to conduct and complete enrolment in Phase 2 clinical study of SAT-3247 in DMD boys ≥12 years old	Q4 2025	\$●
	Obtain regulatory approval to conduct and initiate a proof of concept clinical study of SAT-3247 in 7-9 year old DMD boys	Q4 2025	\$●

While the Company believes that it has the skills and resources necessary to accomplish these business objectives, there is no certainty that the Company will be able to do so within the timelines indicated above, or at all. See "Risk Factors". In addition to the net proceeds of the Offering, the Company expects to finance the above noted milestones through revenues from operations and additional financings, if required.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offered Shares

The authorized capital of the Company consists of an unlimited number of Common Shares. The holders of Common Shares (including Offered Shares and Warrant Shares) are entitled to receive notice of and to attend all annual and special meetings of the Company's shareholders and to one vote in respect of each Common Share held at the record date for each such meeting. The holders of Common Shares are entitled, at the discretion of the Company's board of directors, to receive out of any or all of the Company's profits or surplus properly available for the payment of dividends, any dividend declared by the Company's board of directors and payable by the Company on the Common Shares. The holders of the Common Shares will participate *pro rata* in any distribution of the assets of the Company upon liquidation, dissolution or winding-up or other distribution of the assets of the Company. Such participation will be subject to the rights, privileges, restrictions and conditions attached to any of the Company's securities issued and outstanding at such time ranking in priority to the Common Shares upon the liquidation, dissolution or winding-up of the Company. Common Shares are issued only as fully paid and are non-assessable. Common Shares will only be issued through the book-based system administered by CDS in Canada, except in limited circumstances. See "*Description of Securities Being Distributed - Book-Based System*".

As at December 16, 2024, the Company had 113,600,814 Common Shares issued and outstanding. After giving effect to the Offering (assuming ● Offered Shares and no Pre-Funded Warrants are sold), the Company would have ● Common Shares issued and outstanding (assuming no further exercises or issuances of convertible securities).

Pre-Funded Warrants

The Pre-Funded Warrants issued under the Offering will be issued in certificated form. The following description is subject to the detailed provisions of the form of certificate for the Pre-Funded Warrants (the "**Warrant Certificate**"). Reference should be made to the Warrant Certificate for the full text of attributes of the Pre-Funded Warrants.

Each whole Pre-Funded Warrant will entitle the holder to acquire, subject to adjustment as summarized below, one Warrant Share. The Pre-Funded Warrants will not expire. The Pre-Funded Warrants will have a nominal exercise price of \$0.00001 per Pre-Funded Warrant. The Pre-Funded Warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to the Company a duly executed exercise notice, thereby canceling all or a portion of such holder's Pre-Funded Warrants. The Pre-Funded Warrants may be exercised on a "net" or "cashless" basis. The Pre-Funded Warrants and the Warrant Shares have not been registered under the U.S. Securities Act or any applicable state securities laws, and the Pre-Funded Warrants may not be exercised by or on behalf of, or for the account or benefit of, a person in the United States or a U.S. person unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Certificate.

The Warrant Certificate will provide that the share ratio and exercise price of the Pre-Funded Warrants will be subject to adjustment in the event of certain share dividends or distributions or of a subdivision or consolidation of the Common Shares or similar events. If the Company makes any dividend or other pro rata distribution to the holders of Common Shares (a "**Distribution**") (other than share dividends resulting in an adjustment described above, or the grant, issue or sale of Purchase Rights as described below), then a holder of Pre-Funded Warrants will be entitled to receive such securities and/or other property (including cash) as if the holder had exercised the Pre-Funded Warrants immediately before the record date for such Distribution (without regard to any restrictions on exercise of the Pre-Funded Warrants as described below; provided that if the Distribution would cause the holder's beneficial ownership of Common Shares to exceed the Specified Percentage, then the relevant portion of the Distribution will be held in abeyance until such time as the Specified Percentage would not be exceeded). If the Company completes a rights offering or similar grant, issuance or sale of options or convertible securities or rights to purchase securities to the holders of the Company's Common Shares on a pro rata basis ("**Purchase Rights**"), then a holder of Pre-Funded Warrants will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights

which the holder could have acquired if the holder had exercised the Pre-Funded Warrants immediately before the record date for such grant, issuance or sale of the Purchase Rights (without regard to any restrictions on exercise of the Pre-Funded Warrants as described below; provided that if the holder's right to participate in the Purchase Rights would cause the holder's beneficial ownership of Common Shares to exceed the Specified Percentage, then the holder will not be entitled to participate in the Purchase Rights to that extent, and such right to participate will be held in abeyance until such time as the Specified Percentage would not be exceeded). If the Company reorganizes, consolidates, amalgamates or merges with any other body corporate, if the Company reclassifies its Common Shares or the Common Shares are effectively converted or exchanged for other securities, cash or property (other than a subdivision, consolidation or share dividend resulting in an adjustment as described above), if holders of shares of the Company representing more than 50% of the voting power of the shares of the Company tender their shares in a take-over bid, tender offer, exchange offer or pursuant to a stock purchase agreement or other business combination, or the Company transfers all or substantially all of its assets (in each case, and as may be described in further detail in the terms of the Warrant Certificate, a "**Fundamental Transaction**"), then a holder of Pre-Funded Warrants, upon exercise of the Pre-Funded Warrants, will be entitled to receive such securities and/or other property (including cash) as if the holder had exercised the Pre-Funded Warrants before such Fundamental Transaction (without regard to any restrictions on exercise of the Pre-Funded Warrants as described below).

The Warrant Certificate will also provide that, during the period in which the Pre-Funded Warrants are exercisable, it will give notice to holders of Pre-Funded Warrants of certain stated events (including any voluntary or involuntary dissolution, liquidation; winding-up; a stock split or consolidation or other reclassification of the Common Shares; a stock dividend or other distribution upon the Common Shares; or a Fundamental Transaction), at least 10 days (or in some cases 30 days) prior to the record date or effective date, as the case may be, of such events.

There is currently no market through which the Pre-Funded Warrants may be sold, and purchasers may not be able to resell the Pre-Funded Warrants purchased under this Prospectus. The Warrant Certificate will provide that notwithstanding any other terms thereof, the Company shall not effect the exercise of any portion of the Pre-Funded Warrants, and the holder of Pre-Funded Warrants shall not have the right to exercise any portion of the Pre-Funded Warrants, and any such exercise shall be null and void *ab initio* and treated as if the exercise had not been made, to the extent that immediately prior to or following such exercise, the holder of the Pre-Funded Warrants, together with its affiliates and other "attribution parties" as may be defined in the Warrant Certificate, beneficially owns or would beneficially own a number of Common Shares in excess of a specified percentage (typically 4.99% or 9.99%, to be determined at Closing) (the "**Specified Percentage**") of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of such Pre-Funded Warrants. Notwithstanding the foregoing, subject to applicable TSX policies, a holder of Pre-Funded Warrants, upon notice to the Company at least 61 days in advance, may increase or decrease the Specified Percentage subject to certain restrictions. These restrictions include the requirement that a holder wishing to increase the Specified Percentage above 9.99% shall be required to deliver personal information form(s) as required by any recognized stock exchange on which the Common Shares are then listed and such personal information form(s) must have been approved by the stock exchange, as applicable. In addition, the Specified Percentage may not exceed 19.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of such Pre-Funded Warrants. **No fractional Warrant Shares will be issuable upon the exercise of any Pre-Funded Warrants. In lieu of any fractional shares that would otherwise be issuable, the number of Warrant Shares to be issued shall be rounded down to the next whole number and the Company shall pay the holder in cash the fair market value for any such fractional shares. Holders of Pre-Funded Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.**

The Company has not applied and does not intend to apply to list the Pre-Funded Warrants on any securities exchange. There will be no market through which the Pre-Funded Warrants may be sold and purchasers may not be able to resell the Pre-Funded Warrants purchased in the Offering. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Pre-Funded Warrants, and the extent of issuer regulation.

Book-Based System

Registration of interests in, and transfers of, the Offered Shares will be made only through the book-based system of CDS. Offered Shares must be purchased and transferred only through a CDS participant. All rights of an owner of Offered Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS participant through which the owner holds such Offered Shares. Upon purchase of any Offered Shares, the owner will receive only the customary confirmation. References in this Prospectus Supplement to a holder of Offered Shares means, unless the context otherwise requires, the owner of the beneficial interest in such Offered Shares. Physical certificates evidencing Offered Shares will not be issued unless specifically requested or required. Notwithstanding the foregoing, Offered Shares offered or sold to, or for the account or benefit of, certain U.S. persons or persons in the United States may be issued in certificated, individually registered form.

The Company and the Agent will not have any liability for: (i) records maintained by CDS relating to the beneficial interests in the Offered Shares or the book-based accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS participants.

The ability of a beneficial owner of Offered Shares to pledge such Offered Shares or otherwise take action with respect to such owner's interest in such Offered Shares (other than through a CDS participant) may be limited due to the lack of a physical certificate to the extent that such owner has not requested a physical certificate from the Company. The Company has the option to terminate registration of the Offered Shares through the book-based system in which case certificates for Offered Shares, in fully registered form may be issued to beneficial owners of such Offered Shares or to their nominees.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement the Company will have appointed the Agents to act as its agents to conduct the Offering on a commercially reasonable "best efforts" agency basis, for the distribution of ● Offered Shares and/or Pre-Funded Warrants, at the Common Share Offering Price (in the case of Offered Shares) or the Pre-Funded Warrant Offering Price (in the case of Pre-Funded Warrants) payable in cash to the Company against delivery of the Offered Shares or Pre-Funded Warrants, as applicable. The Agent has agreed to assist with the Offering on an agency basis and is not obligated to purchase any of the Offered Shares and/or Pre-Funded Warrants for its own accounts.

The Offering Price was determined by negotiation between the Company and the Lead Agent in accordance with the applicable policies of the TSX and in the context of the market. Among the factors considered in determining the Offering Price were the market price of the Common Shares, prevailing market conditions, the historical performance and capital structure of the Company, the Lead Agent's estimate of the business potential and earnings prospects of the Company, the availability of comparable investments, an overall assessment of management of the Company and the consideration of the foregoing factors in relation to market valuation of companies in related businesses.

The completion of the Offering may occur in one or more separate closings on one or more Closing Dates, as the Company and the Lead Agent may agree. It is expected that the initial Closing Date will occur on or about December ●, 2024, or such later date as may be agreed upon by the Company and the Lead Agent.

There can be no assurance that any or all of the Offered Shares and/or Pre-Funded Warrants being offered will be sold.

The outstanding Common Shares are listed and posted for trading on the TSX under the symbol "MSCL". On December 13, 2024, the last trading day on the TSX prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the TSX was \$0.97. The Company has applied to list the Offered Shares and Warrant

Shares on the TSX. Listing is subject to the approval of the TSX in accordance with applicable listing requirements. **The Company does not intend to apply to list the Pre-Funded Warrants on any securities exchange.**

Each Pre-Funded Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share at a nominal exercise price of \$0.00001. The Pre-Funded Warrants will not expire. The Pre-Funded Warrants will be created and issued pursuant to the terms of the Warrant Certificates to be dated as of the date of issuance thereof and issued by the Company. The Warrant Certificates will contain provisions designed to protect holders of the Pre-Funded Warrants against dilution upon the happening of certain events. No fractional Pre-Funded Warrants will be issued and no cash consideration will be paid in lieu of fractional shares. **There is no market through which the Pre-Funded Warrants may be sold and purchasers may not be able to resell such securities. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such securities, and the extent of issuer regulation. See "Description of the Securities Being Distributed — Pre-Funded Warrants".**

The obligations of the Agents under the Agency Agreement may be terminated by the Agents at any time at their sole discretion on the basis of its assessment of the state of the financial markets and on the occurrence of certain stated events. While the Agents have agreed to use their commercially reasonable "best efforts" to sell the Offered Shares and Pre-Funded Warrants offered hereby, the Agents are not obligated to purchase Offered Shares and Pre-Funded Warrants that are not sold.

Subscriptions for the Offered Shares and Pre-Funded Warrants will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Pursuant to the Agency Agreement, the Agents may offer the Offered Shares and Pre-Funded Warrants to the public pursuant to the securities legislation of each of the Provinces of British Columbia, Alberta and Ontario. The Agents may also offer for sale the Offered Shares and Pre-Funded Warrants to, or for the account or benefit of, persons in the United States and U.S. persons by or through one or more U.S. Placement Agents. In addition, the Agents are entitled to offer the Offered Shares and Pre-Funded Warrants outside of Canada and the United States to non-U.S. persons provided that the Agent shall not take any action in connection with the distribution of the Offered Shares and Pre-Funded Warrants that would result in the Company being obligated to comply with the prospectus, registration, reporting or other similar requirements of the securities laws of any jurisdiction.

In consideration for the Agents' services with respect to the Offering, the Company shall pay the Agents a cash fee of 7% of the aggregate gross proceeds of the Offering, payable on the closing of the Offering. The Company has also agreed to reimburse the Agents for its reasonable out-of-pocket fees and expenses, including the fees and expenses of its legal counsel whether or not the Offering is completed. The Company will not be required to pay any Agents' Commission to the Agents in connection with sales to purchasers on the President's List.

The Offering will be conducted under the book-based system of CDS; accordingly, a subscriber who purchases Offered Shares will only receive a customer confirmation from the registered dealer that is a CDS participant from or through whom Offered Shares are purchased. CDS will record the CDS participants who hold securities on behalf of owners who have purchased or transferred securities in accordance with the book-based system. Except in limited circumstances, certificates evidencing Offered Shares and Warrant Shares will not be issued unless a request for a certificate is made to the Company. Physical certificates representing the Pre-Funded Warrants will be in definitive form and available for delivery to certain purchasers at closing of the Offering.

The Company has agreed to indemnify the Agents and each of its affiliates, and their respective directors, officers, employees, partners, agents and advisors against any and all losses (except loss of profit), claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind, that arise out of or are based, directly or indirectly, upon the performance of the professional services rendered to the Company by the Agents and its affiliates or their respective directors, officers, employees, partners, agents and advisors pursuant to the Agency Agreement. This indemnity does not apply to the extent such losses, claims, actions, suits, proceedings, damages,

liabilities or expenses as to which indemnification is claimed arise solely out of gross negligence, wilful misconduct or fraud in the performance of such professional services.

The Agents may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Canadian Investment Regulatory Organization relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

United States

The Offered Shares and Pre-Funded Warrants offered hereby have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and, accordingly, may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. persons except in accordance with the Agency Agreement and pursuant to exemptions from registration under the U.S. Securities Act and applicable U.S. state securities laws. The Agents have agreed that it will not offer or sell the Offered Shares or Pre-Funded Warrants to, or for the account or benefit of, persons in the United States or U.S. persons, except that offers of Offered Shares and Pre-Funded Warrants may be made to, or for the account or benefit of, persons in the United States or U.S. persons by or through one or more U.S. Placement Agents. The Agency Agreement will provide that the Offered Shares and Pre-Funded Warrants may be offered to, or for the account or benefit of, persons in the United States or U.S. persons that are (i) "accredited investors," as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (an "**Accredited Investor**"), and/or (ii) "qualified institutional buyers," as defined in Rule 144A under the U.S. Securities Act, that are also Accredited Investors ("**Qualified Institutional Buyers**"), in each case for sale directly by the Company pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws. The Agency Agreement will also provide that the Agents will offer and sell the Offered Shares and Pre-Funded Warrants outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S promulgated under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares or Pre-Funded Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the U.S. Securities Act.

The Pre-Funded Warrants will not be exercisable by, or on behalf of, or for the account or benefit of, a person in the United States or a U.S. person, nor will certificates representing the Warrant Shares issuable upon exercise of the Pre-Funded Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company; provided, however, that a holder who is an Accredited Investor or a Qualified Institutional Buyer at the time of exercise of the Pre-Funded Warrants who purchased Pre-Funded Warrants in the Offering to, or for the account or benefit of, persons in the United States or U.S. persons as an Accredited Investor or a Qualified Institutional Buyer, as applicable, will not be required to deliver an opinion of counsel in connection with the exercise of Pre-Funded Warrants.

The Offered Shares, the Pre-Funded Warrants and the Warrant Shares issuable upon exercise of the Pre-Funded Warrants issued to, or for the account or benefit of, persons in the United States or U.S. persons will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Securities that are offered, sold or issued to, or for the account or benefit of, persons in the United States or U.S. persons that are Accredited Investors will be subject to a legend to the effect that such securities are not registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to

certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

TRADING PRICE AND VOLUME

Common Shares

The outstanding Common Shares are traded on the TSX under the trading symbol "MSCL" and were previously traded on the TSX Venture Exchange until February 15, 2024. The following table sets forth the reported trading prices and monthly aggregate trading volumes of the Common Shares for the 12-month period prior to the date of this Prospectus Supplement (Source: Bloomberg):

Period	High Trading Price	Low Trading Price	Volume
December 2023	\$0.490	\$0.400	784,649
January 2024	\$0.610	\$0.450	1,595,858
February 2024	\$0.800	\$0.500	2,269,489
March 2024	\$0.730	\$0.440	856,887
April 2024	\$0.600	\$0.440	1,897,909
May 2024	\$0.540	\$0.380	1,048,302
June 2024	\$0.640	\$0.490	1,447,727
July 2024	\$0.560	\$0.465	949,016
August 2024	\$0.560	\$0.450	1,259,962
September 2024	\$0.540	\$0.450	1,131,416
October 2024	\$0.900	\$0.480	4,816,101
November 2024	\$0.890	\$0.670	2,185,287
December 1 - 13, 2024	\$1.320	\$0.690	2,175,737

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date of this Prospectus Supplement:

Date	Type of Security	Issue/Exercise Price	Number of Securities
January 30, 2024	Options ⁽¹⁾	\$0.52	280,000
June 17, 2024	Options ⁽¹⁾	\$0.54	150,000
June 21, 2024	Common Shares ⁽²⁾	\$0.40	40,531
July 18, 2024	Common Shares ⁽²⁾	\$0.40	6,250
July 18, 2024	Common Shares ⁽⁴⁾	\$0.50	13,750
August 20, 2024	Common Shares ⁽²⁾	\$0.40	72,500
August 22, 2024	Common Shares ⁽²⁾	\$0.40	214,937

Date	Type of Security	Issue/Exercise Price	Number of Securities
September 11, 2024	Common Shares ⁽²⁾	\$0.40	216,188
September 12, 2024	Common Shares ⁽²⁾	\$0.40	25,000
October 29, 2024	Common Shares ⁽³⁾	\$0.60	50,000
November 4, 2024	Common Shares ⁽³⁾	\$0.60	110,000
November 6, 2024	Common Shares ⁽³⁾	\$0.60	20,000
November 7, 2024	Common Shares ⁽³⁾	\$0.60	10,000
November 7, 2024	Common Shares ⁽⁴⁾	\$0.50	10,000
November 8, 2024	Common Shares ⁽³⁾	\$0.60	20,000
November 12, 2024	Options ⁽¹⁾	\$0.85	732,500
November 13, 2024	Common Shares ⁽⁴⁾	\$0.50	66,000
November 13, 2024	Common Shares ⁽³⁾	\$0.60	80,000
November 15, 2024	Common Shares ⁽³⁾	\$0.60	30,000
November 21, 2024	Common Shares ⁽³⁾	\$0.60	3,750
November 26, 2024	Common Shares ⁽³⁾	\$0.60	28,500
November 29, 2024	Common Shares ⁽³⁾	\$0.60	2,500
December 3, 2024	Common Shares ⁽³⁾	\$0.60	6,250
December 11, 2024	Common Shares ⁽⁴⁾	\$0.50	74,558
December 11, 2024	Common Shares ⁽³⁾	\$0.60	187,500
December 12, 2024	Common Shares ⁽³⁾	\$0.60	155,000
December 13, 2024	Common Shares ⁽³⁾	\$0.60	40,000

Notes:

- (1) Granted under the stock option plan of the Company.
- (2) Exercise of broker warrants issued on September 13, 2022 as part of a public offering.
- (3) Exercise of warrants issued on September 13, 2022 as part of a public offering.
- (4) Exercise of broker warrants issued on May 17, 2023 as part of a public offering.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Mintz LLP, counsel to the Company, and Baker & McKenzie LLP, counsel to the Agent, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") to the acquisition, holding and disposition of Offered Shares, Warrant Shares or Pre-Funded Warrants by a holder ("**Holder**" and collectively, the "**Holders**") who acquires Offered Shares or Pre-Funded Warrants pursuant to this Prospectus or acquires Warrant Shares upon the exercise of the Pre-Funded Warrants. For the purposes of this summary, the term "Common Shares" shall also include the Offered Shares and any Warrant Shares acquired upon the exercise of the Pre-Funded Warrants, unless the context otherwise requires. This summary is applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, deals at arm's length with, and is not affiliated with the Company and the Agent and holds Common Shares and Pre-Funded Warrants, and will hold the Warrant Shares, as capital property. Generally, the Common Shares, the Warrant Shares or Pre-Funded Warrants will be considered to be capital property to a Holder provided that the Holder does not hold such Common Shares, Warrant Shares or Pre-

Funded Warrants in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" for purposes of the "mark-to-market" rules in the Tax Act; (ii) that is a "specified financial institution" within the meaning of the Tax Act; (iii) that reports its "Canadian tax results" within the meaning of the Tax Act in a currency other than Canadian currency; (iv) an interest in which is, a "tax shelter investment" within the meaning of the Tax Act; (v) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", each within the meaning of the Tax Act, in respect of Common Shares and/or Pre-Funded Warrants; (vi) that receives dividends on Common Shares under or as part of a "dividend rental arrangement" within the meaning of the Tax Act; or (vii) a Holder that is a corporation resident in Canada (for purposes of the Tax Act) and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada (for purposes of the Tax Act) that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Offered Shares, Warrant Shares or Pre-Funded Warrants, controlled by a non-resident person or group of non-resident persons who do not deal at arm's length with each other, for the purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. This summary does not address the deductibility of interest by a Holder who has borrowed money to acquire the Offered Shares, Warrant Shares or Pre-Funded Warrants or the tax consequences for an individual Holder who acquired Offered Shares, Warrant Shares or Pre-Funded Warrants as a benefit from employment. All such Holders should consult with their own tax advisors with respect to their own particular circumstances.

This summary is based upon the current provisions of the Tax Act and the Regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and Regulations thereunder (the "**Tax Proposals**") which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") which have been made publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law or in the administrative policies or assessing practices of the CRA, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that the Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Common Shares or Pre-Funded Warrants. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Common Shares and Pre-Funded Warrants, based on their particular circumstances.

Currency Conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Common Shares and Pre-Funded Warrants (including dividends, adjusted cost base and proceeds of disposition) must generally be expressed in Canadian Dollars. Amounts denominated in any other currency must be converted into Canadian Dollars generally based on the exchange rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Acquisition of Common Shares and Pre-Funded Warrants

When Common Shares (including an Offered Share) or Pre-Funded Warrants are acquired by a Holder who already owns Common Shares or Pre-Funded Warrants, the cost of newly acquired Common Shares or Pre-Funded Warrants will be averaged with the adjusted cost base of all Common Shares or Pre-Funded Warrants, respectively,

owned by the Holder as capital property before that time for the purpose of determining the Holder's adjusted cost base of all Common Shares and Pre-Funded Warrants, as the case may be, held by such person.

Exercise of Warrants

The exercise of an Pre-Funded Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act and consequently no gain or loss will be realized by a Holder upon such an exercise. When an Pre-Funded Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Pre-Funded Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all other Common Shares owned by the Holder and held as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for purposes of the Tax Act and any applicable tax treaty or convention, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). Certain Resident Holders who might not otherwise be considered to hold Common Shares as capital property may, in certain circumstances, be entitled to have such Common Shares (but, for avoidance of doubt, not Pre-Funded Warrants) and all other "Canadian securities" as defined in the Tax Act owned by them in the year in which the election is made and all subsequent taxation years treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. This election will not be available for Pre-Funded Warrants. **Resident Holders contemplating such an election should consult their own advisors.**

Expiry of Pre-Funded Warrants

The Pre-Funded Warrants will not expire. However, if the Pre-Funded Warrants do have an expiry date, in the event of the expiry of an unexercised Pre-Funded Warrant, the Resident Holder will realize a capital loss equal to the Resident Holder's adjusted cost base of such Pre-Funded Warrant. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "*Capital Gains and Losses*".

Dividends

Taxable dividends received or deemed to be received on the Common Shares will be included in computing the Resident Holder's income. In the case of a Resident Holder that is an individual (other than certain trusts) such dividends will be subject to the gross-up and dividend tax credit rules applicable in respect of taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced gross-up and dividend tax credit will generally be available to a Resident Holder that is an individual in respect of dividends designated by the Company as "eligible dividends" in accordance with the rules of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends" and the Company has made no commitments in this regard. Resident Holders who are individuals (other than certain trusts) may be subject to alternative minimum tax in respect of taxable dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividends that is included in its income for a taxation year received or deemed to be received on the Common Shares will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received (or deemed to be received) by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Resident Holders that are "private corporations" (as defined in the Tax Act) or "subject corporations" (as defined in the Tax Act) may be subject to a refundable tax under Part IV of the Tax Act on dividends received (or

deemed to be received) on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. This refundable tax generally will be refunded to a Resident Holder that is a corporation when sufficient taxable dividends are paid to its shareholders while it is a private corporation or subject corporation.

A Resident Holder that is throughout its taxation year a "Canadian-controlled private corporation", or that is a "substantive CCPC" at any time in the year, as those terms are defined in the Tax Act, may be liable for an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the Tax Act to include dividends received or deemed to be received in respect of Common Shares, but not dividends or deemed dividends that are deductible in computing the dividend recipient's taxable income.

Disposition of Common Shares and Pre-Funded Warrants

A disposition or deemed disposition by a Resident Holder of Common Shares (other than to the Company that is otherwise than a purchase by the Company of Common Shares in the open market in a manner in which such shares would normally be purchased by any member of the public in the open market) or Pre-Funded Warrants (which, as discussed above, does not include an exercise of Pre-Funded Warrants to acquire such Warrant Shares and other than on the expiry of Pre-Funded Warrants, which is discussed above under the subheading "*Expiry of Pre-Funded Warrants*") will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of reasonable costs of disposition, are greater (or less) than such Resident Holder's adjusted cost base of such Common Shares or Pre-Funded Warrants, as the case may be, immediately before the disposition or deemed disposition.

The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "*Capital Gains and Losses*".

Capital Gains and Losses

Subject to the Capital Gains Proposals discussed below, one-half of any capital gain will be included in the Resident Holder's income as a taxable capital gain and one-half of any capital loss must normally be deducted as an allowable capital loss against taxable capital gains realized in the taxation year of disposition or deemed disposition to the extent and under the circumstances described in the Tax Act. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year to the extent and in the circumstances prescribed in the Tax Act.

If the Resident Holder is a corporation, any capital loss arising on the disposition or deemed disposition of a Common Share may, in certain circumstances, be reduced by the amount of any dividends previously received or deemed to have been previously received on the Common Share to the extent and under the circumstances specified by the Tax Act. Similar rules may apply to reduce any capital loss in respect of the disposition or deemed disposition of Common Shares held by a trust or partnership of which a corporation, partnership or trust is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout its taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) or a "substantive CCPC" (as defined in the Tax Act) at any time in the year may be required to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains. Resident Holders who are individuals (other than certain trusts) may be subject to alternative minimum tax in respect of capital gains.

Capital Gains Proposals

Pursuant to Tax Proposals that would amend certain parts of the capital gains regime (the “**Capital Gains Proposals**”), the capital gains inclusion rate generally applicable for the purposes of determining a taxpayer’s taxable capital gains and allowable capital losses for a particular taxation year is proposed to be increased from one-half to two thirds. Where allowable capital losses in excess of taxable capital gains realized in a taxation year are applied against taxable capital gains realized in another taxation year for which a different inclusion rate applies, the amount of the net capital loss that can be applied against the taxable capital gains in that year will be adjusted to match the inclusion rate used to compute those taxable capital gains.

The income of a Resident Holder that is an individual (other than certain trusts) for a particular taxation year in which the increased rate applies will be subject to certain adjustments which are intended to effectively reduce such a Resident Holder’s net inclusion rate to the original one-half for up to \$250,000 of net capital gains realized (or deemed to be realized) by such Resident Holder in the year that are not offset by an amount in respect of capital losses carried back or forward from another taxation year. The Capital Gains Proposals, which are generally proposed to apply for taxation years ending after June 24, 2024, also include transitional rules that effectively adjust a Resident Holder’s capital gains inclusion rate for a taxation year that begins on or before and ends after June 24, 2024 to generally include only one-half of net capital gains realized (or deemed to be realized) on or before June 24, 2024.

Resident Holders should consult and rely on their own tax advisors with respect to the application of these additional taxes based on their own particular circumstances.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times (i) have not been and will not be deemed to be resident in Canada at any time while they hold the Common Shares or Pre-Funded Warrants; and (ii) do not use or hold the Common Shares or Pre-Funded Warrants in carrying on a business in Canada (“**Non-Resident Holders**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. Under the *Canada-United States Tax Convention (1980)*, as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the United States for purposes of the Treaty and fully entitled to benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company’s voting shares).

Dispositions of Common Shares and Pre-Funded Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Common Share or an Pre-Funded Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share or Pre-Funded Warrant constitutes “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Common Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which includes the TSX), at the time of disposition, the Common Shares and Pre-Funded Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month

period immediately preceding the disposition the following two conditions are met concurrently: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Common Shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or an option, an interest or right in such property, whether or not such property exists. Notwithstanding the foregoing, a Common Share or Pre-Funded Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances. A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Common Shares or Pre-Funded Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not "treaty-protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading *"Holders Resident in Canada — Disposition of Common Shares and Pre-Funded Warrants"*. Non-Resident Holders whose Common Shares or Pre-Funded Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company may be considered a "connected issuer" of the Lead Agent under applicable Canadian securities laws. The Lead Agent is an affiliate of Bloom Burton Development Company and Bloom Burton & Co. Inc., each of whom either beneficially owns or exercises control and direction over securities of the Company. In addition, Brian Bloom, a director of the Company is also an officer and director of the Lead Agent and, together with Jolyon Burton, exercises joint control and direction over all Bloom Burton entities. The Bloom Burton entities and Brian Bloom together, hold approximately 8% of the issued and outstanding common shares of Satellos and approximately 9% on a fully diluted basis.

The Company has agreed to pay the Agents, on the applicable Closing Date, the Agents' Commission equal to 7% of the aggregate gross proceeds raised on such Closing Date (or \$● per Offered Share and \$● per Pre-Funded Warrant, assuming no sales to purchasers on the President's List). The Lead Agent will not receive any of the proceeds of the Offering, other than its portion of the Agents' Commission and the Company will not be required to pay any Agents' Commission to the Lead Agent in connection with sales to purchasers on the President's List.

ELIGIBILITY FOR INVESTMENT

In the opinion of Mintz LLP, counsel for the Company, and Baker & McKenzie LLP, counsel to the Agents, based on the provisions of the Tax Act and the Regulations in force as of the date hereof,

- the Offered Shares and Warrant Shares will, if issued on the date hereof, be qualified investments for trusts governed by registered retirement savings plans (each a "**RRSP**"), registered education savings plans (each a "**RESP**"), registered retirement income funds (each a "**RRIF**"), registered disability savings plans (each a "**RDSP**"), deferred profit sharing plans, first home savings accounts (each a "**FHSA**") and tax-free savings accounts (each a "**TFSA**"), all within the meaning of the Tax Act (collectively, "**Plans**") provided that the Offered Shares and Warrant Shares are, on the date hereof, listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSX); and
- the Pre-Funded Warrants will, if issued on the date hereof, be qualified investments for Plans provided that the Warrant Shares are, on the date hereof, listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSX) and the Company is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Plan.

Notwithstanding the foregoing, if the Offered Shares, Warrant Shares or Pre-Funded Warrants held by a TFSA, FHSA, RRSP, RRIF, RDSP or RESP are "prohibited investments" for purposes of the Tax Act, the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP will be subject to a penalty tax as set out in the Tax Act. As of the date hereof, the Offered Shares, Warrant Shares and Pre-Funded Warrants will be a "prohibited investment" if the holder of a TFSA, FHSA or RDSP, the annuitant of a RRSP or RRIF or the subscriber of the RESP, as the case may be: (i) does not deal at arm's length with the Company for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Company. In addition, the Offered Shares, Warrant Shares and Pre-Funded Warrants will not be a "prohibited investment" if the Offered Shares, Warrant Shares and Pre-Funded Warrants are "excluded property", as defined in the Tax Act, for a TFSA, FHSA, RRSP, RRIF, RDSP or RESP. Holders who intend to hold Offered Shares, Warrant Shares or Pre-Funded Warrants in a TFSA, FHSA, RRSP, RRIF, RDSP or RESP should consult their own tax advisors in this regard.

LEGAL MATTERS & INTEREST OF EXPERTS

Certain legal matters relating to the Offering and the validity of the securities offered by this Prospectus Supplement are being passed upon on behalf of the Company by Mintz LLP and on behalf of the Agents by Baker & McKenzie LLP.

As of the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of each of Mintz LLP and Baker & McKenzie LLP, respectively, beneficially own, directly or indirectly, less than 1% of the Company's issued and outstanding securities.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

AUDITORS

The Company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Toronto, Ontario. PricewaterhouseCoopers LLP has advised the Company that it is independent with respect to the Company within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct.

AGENTS FOR SERVICE OF PROCESS IN CANADA

Geoff MacKay, William (Bill) Jarosz, Dr. William (Bill) McVicar, Franklin M. Berger, Adam Mostafa and Stephanie Brown, all being directors of the Company, reside outside of Canada, and have appointed Satellos Bioscience Inc. (Address: Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, ON M5J 2J3) as their agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

PROMOTER

Frank Gleeson may be considered to be a "promoter" of the Company within the meaning of applicable Canadian securities laws (each, a "**Promoter**"). Mr. Gleeson, currently owns, or exercises control or direction over, 3,816,389 Common Shares representing approximately 3.36% of the issued and outstanding Common Shares on a non-diluted basis. Mr. Gleeson receives compensation from the Company for his services as Chief Executive Officer of the Company and has been granted 3,362,917 options pursuant to the Company's stock option plan. The statement as to the number of Common Shares beneficially owned, or over which a Promoter exercises control or direction,

directly or indirectly, not being within the knowledge of the Company, has been obtained from the System for Electronic Disclosure by Insiders (SEDI).

No Promoter of the Company is, as at the date of this Prospectus, or has been within 10 years prior to the date of this Prospectus, a director, chief executive officer, or chief financial officer of any person or company, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the Promoter was acting in such capacity; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the Promoter ceased to act in such capacity and which resulted from an event that occurred while the Promoter was acting in such capacity.

No Promoter of the Company is, as at the date of this Prospectus, or has been within the 10 years prior to the date of this Prospectus, a director or executive officer of any person or company that, while the Promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No Promoter of the Company has, within the 10 years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Promoter.

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, revisions 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.

Original purchasers of Pre-Funded Warrants will have a contractual right of rescission against the Company in respect of the exercise of such Pre-Funded Warrants. The contractual right of rescission will entitle such original purchasers to receive both the original amount paid for such Pre-Funded Warrants, as well as the amount paid upon exercise of such Pre-Funded Warrants, upon surrender of the Warrant Shares issued to such purchaser upon exercise of such Pre-Funded Warrants, in the event that this Prospectus contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the Pre-Funded Warrants under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Pre-Funded Warrants under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers of Pre-Funded Warrants under section 130 of the *Securities Act* (Ontario) or otherwise at law.

Original purchasers of Pre-Funded Warrants are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is, under the securities legislation of certain provinces, limited to the price at which such warrants were 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 exercise of the Pre-Funded

Warrants, 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 advisor.

CERTIFICATE OF THE CORPORATION

Dated: December 16, 2024

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

(signed) "Frank Gleeson"

FRANK GLEESON
Chief Executive Officer

(signed) "Elizabeth Williams"

ELIZABETH WILLIAMS
Chief Financial Officer

On Behalf of the Board of Directors

(signed) "Geoff MacKay"

GEOFF MACKAY
Director

(signed) "Adam Mostafa"

ADAM MOSTAFA
Director

CERTIFICATE OF THE PROMOTER

Dated: December 16, 2024

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

(signed) "Frank Gleeson"

FRANK GLEESON
Promoter

CERTIFICATE OF THE AGENTS

Dated: December ●, 2024

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation British Columbia, Alberta and Ontario.

BLOOM BURTON SECURITIES INC.

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(signed) "●"

(signed) "●"

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This short form base shelf prospectus has been filed under legislation in each of the provinces of British Columbia, Alberta and Ontario 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.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form 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 (the "**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 short form 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 short form prospectus from documents filed with securities commissions or similar authorities in the Canadian provinces of British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Satellos Bioscience Inc. at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, ON M5J 2J3, Telephone (647) 660-1780, and are also available electronically at www.sedarplus.ca.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

April 7, 2024



SATELLOS BIOSCIENCE INC.

\$100,000,000

Common Shares

Preferred Shares

Warrants

Units

Subscription Receipts

Debt Securities

This short form base shelf prospectus ("**Prospectus**") relates to the offering for sale by Satellos Bioscience Inc. ("**Satellos**" or the "**Company**") 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 in the capital of the Company ("**Common Shares**"); (ii) preferred shares in the capital of the Company ("**Preferred Shares**"); (iii) warrants ("**Warrants**") to purchase other Securities (as defined below) of the Company; (iv) units ("**Units**") composed of one or more of the other Securities; (v) subscription receipts ("**Subscription Receipts**"); and (vi) debt securities of the Company (the "**Debt Securities**" and together with the Common Shares, Preferred Shares, Warrants, Units and Subscription Receipts, collectively referred to herein as the "**Securities**"). The Securities may be offered separately or together, in amounts, at prices and on terms determined based on market conditions at the time of the sale and as set forth in an accompanying prospectus supplement (a "**Prospectus Supplement**"). This Prospectus is not intended to qualify "novel" securities as such term is defined in National Instrument 44-102 — *Shelf Distributions*.

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

the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The specific terms of any Securities offered will be described in a Prospectus Supplement, including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms; (ii) in the case of Preferred Shares, the designation of the particular class and/or series of Preferred Shares, the number of Preferred Shares offered, liquidation rights, the issue price, the dividend rate or method of determining the dividend rate, the dividend payment dates, any terms for redemption at the option of the Company or the holder, any conversion or exchange rights and any other specific terms; (iii) 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; (iv) in the case of Units, the number of Units 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 comprising the Units, and any other specific terms; (v) 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; and (vi) in the case of Debt Securities, the designation of the Debt Securities, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations, the nature and priority of any security for the Debt Securities, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions, any arrangements with the trustee for the Debt 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.

The Company 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 the Company 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 the Company 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 the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

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

As announced on February 14, 2024, the Company commenced trading on the Toronto Stock Exchange (the "TSX") on February 15, 2024 under the symbol "MSCL", and was delisted from the TSX Venture Exchange (the "TSXV") effective as of the close of the market on February 14, 2024. On April 5, 2024, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$0.50.

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 the Company 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.

The Company is not making an offer of the Securities in any jurisdiction where such offer is not permitted.

Geoff MacKay, William (Bill) Jarosz, Dr. William (Bill) McVicar, Franklin M. Berger and Adam Mostafa, all being directors of the Company, reside outside of Canada (the "**Non-Resident Directors**"). The Non-Resident Directors have appointed the following agent for service of process:

<u>Name of the Non-Resident Director</u>	<u>Name and Address of Agent</u>
Geoff MacKay	Satellos Bioscience Inc.
William (Bill) Jarosz	Royal Bank Plaza, South Tower
Dr. William (Bill) McVicar	200 Bay St., Suite 2800
Adam Mostafa	Toronto, Ontario
Franklin M. Berger	M5J 2J3

Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See "Risk Factors".

The Company's registered office and head office is located at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, Ontario, M5J 2J3 and its telephone number is (647) 660-1780.

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IMPORTANT NOTICE ABOUT THE INFORMATION IN 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. The Company 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. The Company 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 the Company, 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 "Satellos" and "the Company" refer to Satellos Bioscience 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 executive officers of the Company. Any statements in this Prospectus made by or on behalf of management are made in such persons' capacities as officers of the Company and not in their personal capacities.

The Company 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 the Company 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.

In this Prospectus and any Prospectus Supplement, all dollar amounts are in Canadian dollars unless otherwise indicated. All references to "US\$" or "United States dollars" are used to indicate United States dollar values.

SPECIAL NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS

This Prospectus contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiaries, or the industry in which they operate to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All statements contained herein that are not clearly historical in nature are forward-looking, and the words such as "plan", "expect", "is expected", "budget", "scheduled", "estimate", "predict", "continue", "project", "forecast", "target", "goal", "contemplate", "intend", "anticipate", "seek", "future", "likely", "potential", "possible" or "believe" or similar expressions (including negative and grammatical variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "can", "would", "should", "might", "shall" or "will" be taken, occur or be achieved and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this Prospectus include, but are not limited to, statements with respect to:

- our belief that the Company will be successful in raising additional capital to continue as a going concern;
- the expected research and development timelines, therapeutic benefits, effectiveness and safety of our product candidates;
- our belief that the Company's products and research and development efforts are targeting diseases and conditions with significant unmet medical treatment needs;

- our belief that the Company has made, and will continue to make progress towards the achievement of certain milestones or objectives;
- our expectation with respect to meeting milestones and the minimum amount of funds the Company expects to need to raise in order to achieve such milestones and garner additional funding;
- the initiation, timing, cost, progress, outcomes, resource needs and success of our research and development activities, plans and programs;
- our expectations regarding our ability to design, test and patent novel drug products suitable for advancement into Investigational New Drug ("**IND**") enabling studies and clinical trials and the anticipated timelines surrounding such enabling studies;
- our belief that we will not receive substantive comments on our IND applications;
- our expectations that the Notch pathway and AAK1 drug target (both as further described herein) represent drug development opportunities similar or superior to modulation of the EGFR signaling pathway;
- our intentions of developing inhibitors to AAK1 (including but not limited to SAT-3247 and SAT-3153) and in showing that such potential inhibitors have desirable effects in relevant models of Duchenne muscular dystrophy ("**Duchenne**") and in other indications, such as other degenerative muscle diseases, muscle injury or trauma, or muscle regeneration generally;
- our expectations that we will identify predictive biomarkers as discussed herein which will translate into or be useful in conducting human clinical trials;
- our belief that the results of Satellos' research and development activities, preclinical studies, safety studies or clinical trials have the potential to be commercially competitive with research and development activities, preclinical studies, safety studies or clinical trials conducted by other parties;
- discoveries we have made in muscle stem cell regulation having the potential to represent insights into a potential root cause of degenerative muscle disorders which has previously not been recognized and which may be therapeutically relevant in the treatment of degenerative muscle disorders;
- our belief that the Company's technology can be commercialized, and that such commercialization could be done as effectively or more effectively than other technologies to treat degenerative muscle disorders and conditions or other medical disorders or conditions, or at all;
- our ability to discover, optimize, select and advance into clinical development our therapeutic drug development candidates in a timely, cost-efficient and effective manner, or at all;
- our ability to translate our discoveries in muscle stem cell regulation into safe and therapeutically effective drug products and the broad applicability of such products;
- our ability to enter into research and/or commercial development collaborations or partnerships to successfully and profitably advance our drug development candidates;
- our ability and that of our partners (if any) to advance identified drug development candidates into, and successfully complete, clinical trials;
- our intention to identify and nominate one or more back-up drug candidates and the potential benefits of having such back-ups;

- our plans to utilize and deploy MyoRegenX™ in our programs and our continued relationship with OHRI (as defined below);
- our ability to develop the Company's novel discoveries into viable therapeutic treatments suitable for clinical development, including, but not limited to, our ability to determine appropriate dosing regimens;
- the ability of our products to effectively and safely treat Duchenne and other degenerative muscle disorders and conditions or other medical disorders or conditions and the applicability of our products to other disorders and conditions;
- our expectations regarding future enrolment into clinical trials and the timing of future enrolment into clinical trials for our product candidates;
- our belief that our approach may reduce the risk, time and cost of developing therapeutics by avoiding some of the uncertainty associated with certain research and preclinical stages of drug development;
- our ability to establish and maintain relationships with collaborators with acceptable preclinical and/or clinical research and development capability and regulatory and commercialization expertise to enable the development and future commercialization of our technology or products and the benefits to be derived from such collaborative efforts;
- our ability to enter into agreements or partnerships with pharmaceutical or biotechnology companies that have research and clinical development and/or sales and marketing capabilities and the expected benefits that could be derived therefrom;
- our ability to generate and protect our intellectual property;
- our ability to operate our business without infringing upon the intellectual property rights of others;
- our ability to engage third party services with specialized domain expertise for the drafting and submitting of regulatory applications to conduct clinical trials in humans;
- our ability to establish suitable Chemistry, manufacturing and controls and Good manufacturing procedures protocols;
- the manufacturing capacity of third-party manufacturers for our product candidates;
- our expectations regarding federal, provincial and foreign regulatory requirements;
- the timing of, and the costs of obtaining and maintaining, regulatory approvals in the United States, Canada and other jurisdictions;
- our plans to meet with the United States Food and Drug Administration (the "**FDA**"), file an application to obtain drug designations and initiate studies;
- the rate and degree of market acceptance and clinical utility of our future products, if any;
- existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us pursuant to such arrangements;
- the implementation and execution of our commercial and operational strategy;
- our ability to engage and retain the consultants or employees required to grow our business;

- the potential revenue that may be generated from our products, pricing and reimbursement of the patient cost of our drug products by insurers or national health systems, as the case may be, in those jurisdictions where the Company intends to sell its drug products and our ability to achieve profitability;
- developments relating to our competitors and our industry, including the success of competing therapies that are or become available;
- the potential growth of the market and demand for our products as well as the estimated pricing and subsequent revenue generation of any potential therapeutics we discover;
- our belief that any discoveries by the Rudnicki Lab (as defined below) have the potential to have a positive impact on Satellos and our work;
- our future financial performance, including projected expenditures, future revenue, capital requirements and our needs for additional financing; and
- general business and economic conditions and the evolving regulatory landscape.

Such forward-looking statements reflect our current views with respect to future events, are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Satellos as of the date of such statements, are inherently subject to significant medical, scientific, business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance, achievements, prospects or opportunities to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including, but not limited to:

- obtaining positive results from our research and development activities, including clinical trials;
- our ability to obtain regulatory approvals;
- assumptions regarding general business, market, economic and regulatory conditions;
- assumptions regarding the cost and timing of each study;
- the Company's ability to successfully advance its preclinical and clinical development programs and execute its plans substantially as currently envisioned;
- the Company's ability to identify and advance a suitable drug candidate;
- assumptions related to the pricing and reimbursement of its drug products in jurisdictions in which the Company intends to sell its drug products;
- the Company's current positive relationships with third parties will be maintained and the potential to develop new partnerships;
- our ability to continue to use existing licenses for the development of our product(s);
- the availability (and sources) of financing on reasonable terms;
- future expenditures to be incurred by the Company, including research and development and operating costs;
- the Company's ability to attract and retain skilled consultants and employees;
- assumptions regarding market competition, market capture and pricing;

- the products and technology offered by the Company's competitors; and
- the Company's ability to protect patents and proprietary rights.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined herein under the heading "*Risk Factors*". Certain risks and uncertainties that could cause such actual events or results expressed or implied by such forward-looking statements and information to differ materially from any future events or results expressed or implied by such statements and information include, but are not limited to:

- risks related to the early stage of our products;
- uncertainties related to preclinical product development activities and clinical trial outcomes;
- uncertainties related to current economic conditions;
- risks related to rapid technological change;
- uncertainties related to forecasts and timing of clinical trials and regulatory approval;
- competition in the market for therapeutic products, including those to treat Duchenne and related diseases;
- risks related to potential product liability claims;
- availability of financing and access to capital and the risks associated with the Company's ability to continue as a going concern;
- market acceptance and commercialization of products;
- the availability, costs and supply of materials;
- risks related to the effective management of our growth;
- risks related to the reliance on partnerships and licensing agreements;
- risks related to our reliance on key personnel;
- risks related to the regulatory approval process for the manufacture and sale of therapeutic products;
- risks related to the reimbursement process in various jurisdictions where the Company plans to sell its drug products; and
- our ability to secure and protect our intellectual property.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Although the forward-looking statements contained in this Prospectus are based upon what the Company's management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements.

The Company disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments, or otherwise, except as required by law.

All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

MARKET AND INDUSTRY DATA

Certain independent third party and industry data contained (or incorporated by reference) in this Prospectus is based upon information from government or other independent industry or scientific publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company nor its representatives, have conducted their own independent verification of such information. While the Company believes this information to be reliable, third-party information is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical or scientific survey. In addition, this third-party information has been prepared as of a specific date and therefore does not contemplate changes in facts and circumstances following such date. Neither the Company nor any of its representatives has independently verified any of the research, findings or data from independent third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources. Unless specifically stated, none of the third-party information cited in this Prospectus is incorporated by reference herein. All third-party information source references are provided for the reader's convenience only and do not form a part of this Prospectus.

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 Canada. 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 the Company at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, Ontario, M5J 2J3, Telephone: (647) 660-1780 or by accessing the disclosure documents available through the internet on SEDAR+, which can be accessed at www.sedarplus.ca.

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

- (a) the revised annual information form of the Company for the year ended December 31, 2023, dated March 27, 2024 (the "AIF"),
- (b) the audited annual consolidated financial statements of the Company as at and for the years ended December 31, 2023 and 2022, and the auditor's report thereon and notes thereto;
- (c) the revised management's discussion and analysis of the Company for the years ended December 31, 2023 and 2022, dated March 27, 2024; and
- (d) the management information circular of the Company dated May 29, 2023 relating to the annual and special meeting of the shareholders of the Company held on June 29, 2023.

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 the Company with a securities commission or similar regulatory authority in Canada after the date of

this Prospectus and prior to the termination of any offering of Securities hereunder shall be deemed to be incorporated by reference into this Prospectus.

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

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

THE COMPANY

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

Satellos Bioscience Inc. was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") on July 27, 2012 ("**Pre-Arrangement Satellos**"). iCo Therapeutics Inc. ("**iCo**") was incorporated under the *Business Corporations Act* (British Columbia) on April 20, 2006 and completed a reverse take-over transaction by way of statutory arrangement onto the TSX Venture Exchange.

On August 13, 2021, Pre-Arrangement Satellos and iCo completed a plan of arrangement (the "**Arrangement**") under section 192 of the CBCA, pursuant to which, among other things, iCo acquired all of the issued and outstanding shares of Pre-Arrangement Satellos. In connection with the Arrangement, iCo (now, Satellos): (a) was continued under the CBCA; (b) amalgamated with Satellos to form the Company as it now exists, which continues to carry on the pre-

Arrangement business of Pre-Arrangement Satellos and iCo; and (c) consolidated its outstanding Common Shares on a 20:1 basis.

As announced on February 14, 2024, the Company commenced trading on the TSX on February 15, 2024 under the symbol "MSCL", and was delisted from the TSXV effective as of the close of the market on February 14, 2024.

The Company has three wholly owned subsidiaries, Amphotericin B Technologies, Inc. (an entity incorporated under the *Business Corporations Act* (British Columbia)) ("**Amp B**"), Satellos Bioscience Australia Pty Ltd. (an entity incorporated under the laws of Australia) and Satellos Bioscience US, Inc. (incorporated under the laws of Delaware, USA).

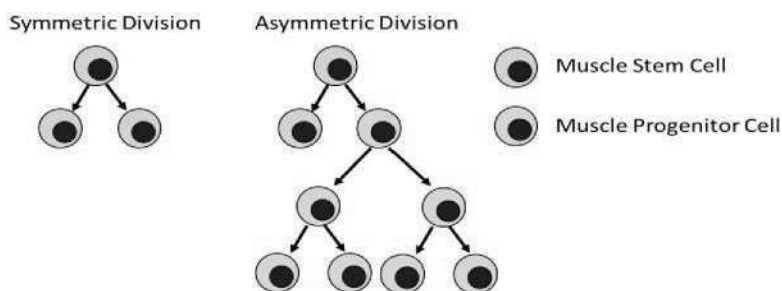
The Company's head office is located at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, Ontario, M5J 2J3, and the Company's registered and records office is located at Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, Ontario, M5J 2J3.

Satellos is a publicly traded biotechnology company dedicated to developing life-improving medicines to treat degenerative muscle diseases. Satellos has incorporated breakthrough research in muscle stem cell polarity into a proprietary discovery platform, called MyoReGenX™, to identify degenerative muscle diseases where deficits in this process affect muscle regeneration and are amenable to therapeutic intervention. With this platform, Satellos is building a pipeline of novel therapeutics to correct muscle stem cell polarity and promote the body's innate muscle repair and regeneration process. The Company's lead drug candidate is an oral, small molecule drug candidate in development as a potential disease-modifying treatment for Duchenne muscular dystrophy.

SUMMARY DESCRIPTION OF BUSINESS

The Company's primary goal is the development of disease modifying therapeutic drugs for the treatment of severe muscle conditions of unmet medical need. The Company's core technology is based on discoveries by the Company's scientific founder and Chief Discovery Officer, Dr. Michael Rudnicki, into understanding and modulating muscle stem cell function and its role in muscle regeneration. Multiple peer reviewed publications from Dr. Rudnicki's lab (the "**Rudnicki Lab**") at the Ottawa Hospital Research Institute (the "**OHRI**") have advanced the understanding of the identity and behavior of muscle stem cells including their role in health and disease. For instance, the Rudnicki Lab was the first to define so called muscle stem cells (a.k.a. 'satellite stem cells') and characterize a sub-population as bona fide multipotent stem cells capable of both self-renewal and regeneration (Source: Kuang et al., 2007, Cell). Dr. Rudnicki was also first to demonstrate that such stem cells exist as a special body of cells capable of regeneration, and subsequently elucidate their biological mechanism of action and identify means to modulate their activity. He further linked deficiencies in muscle stem cell function directly to the pathology of Duchenne as a potential causal factor in the progressive muscle destruction that occurs in this lethal disease (Source: Dumont et al., 2015, Nature Medicine). The basic principle governing how muscle stem cells functionally contribute to muscle regeneration and homeostasis is depicted below in Figure 1.

Figure 1: Muscle stem cells undergo symmetric or asymmetric divisions in response to injury stimuli. Muscle progenitor cells are generated to produce new muscle tissue or repair injured muscle.



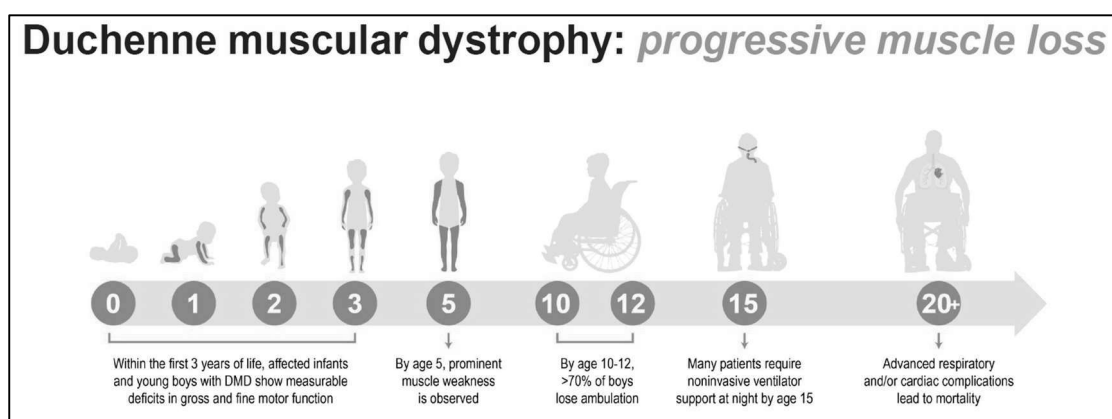
Fundamentally, symmetric divisions result in two identical copies of the stem cell through the process of self-renewal. Asymmetric stem cell divisions, by contrast, result in one stem cell being produced and one daughter cell, committed

to eventual differentiation, called a progenitor muscle cell. Progenitor muscle cells undergo normal mitosis to generate potentially thousands of cells that ultimately incorporate into functional muscle tissue. Findings from the research of Dr. Rudnicki have linked deficits in either symmetric or asymmetric division to multiple muscle wasting and degenerative diseases. Related to this research, the Company has licensed issued patents and pending patent applications from the OHRI pursuant to a license agreement (the "**License Agreement**").

To advance and expand the Company's therapeutic development programs for degenerative muscle conditions or disorders, Satellos employs a proprietary discovery platform developed by the Rudnicki laboratory at OHRI called, MyoReGenX™. An automated microscopy system, MyoReGenX™ recapitulates the muscle stem cell environment *ex-vivo* (i.e., outside the body) and enables Satellos to identify molecular regulators of stem cell polarity that are capable of rescuing the defective regeneration process by tracking, classifying and quantitating the divisions of individual muscle stem cells in response to stimuli such as drug candidates or small interfering ribonucleic acid ("siRNA").

Lead Development Program: Duchenne

The Company's first application of its technology (the "**Lead Program**") is directed towards the discovery and development of a small molecule drug for the treatment of Duchenne, the most common fatal genetic disorder diagnosed in childhood affecting approximately one in 4,000 male births per year, worldwide. As depicted in the below graphic, early signs of motor impairment and delays in motor related milestones emerge in Duchenne between the ages of two to five years. Rapid disease progression and muscle weakening typically ensue, resulting in patients generally being wheelchair bound by the age of 12. By the third decade of life, these patients often experience respiratory distress and heart failure, the leading causes of death in Duchenne. There is no known cure for Duchenne.



Duchenne is caused by a change or mutation in the dystrophin gene that results in the impairment to or loss of the dystrophin protein. Dr. Rudnicki demonstrated that muscle stem cells require the dystrophin protein to properly and efficiently divide in an asymmetric fashion to generate muscle progenitor cells and enable muscle generation. As a direct result of the loss of the dystrophin protein, their innate role in regenerating muscle is severely impaired (Source: Dumont et al. 2015, Nature Medicine.). These findings suggest that, in addition to its commonly recognized role in stabilizing muscle, the dystrophin protein has a second, previously unrecognized role as a signal transduction molecule. Consequently, Satellos' therapeutic strategy is to restore this signaling role of dystrophin by drug treatment and reset the muscle regeneration process. We have identified a protein kinase drug target called AAK1 (further described in the below paragraph) which we believe from our scientific work, when inhibited by drug, has the capacity to compensate for the loss of the signaling role of the dystrophin protein.

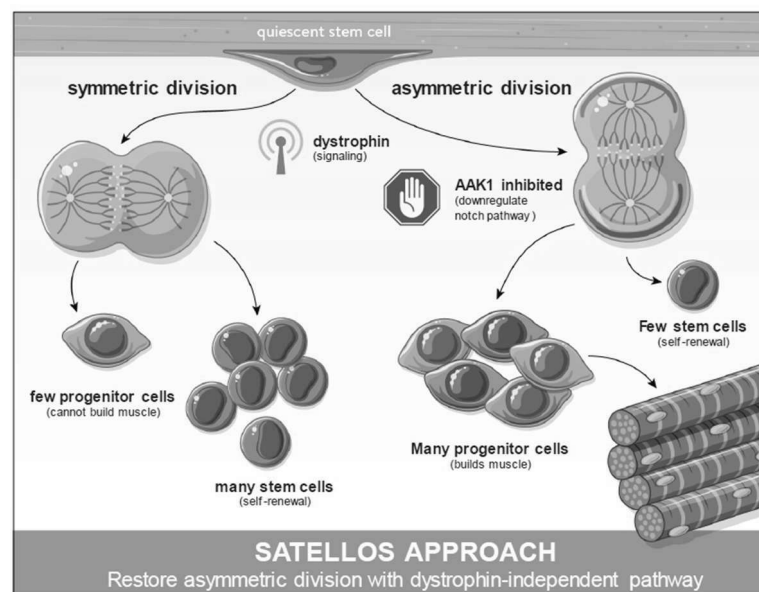
Deploying MyoReGenX™ to build on the identification and discovery of this previously unreported signaling role of dystrophin, in collaboration with the Rudnicki lab, Satellos undertook a systematic assessment of molecular pathways for their potential to rescue asymmetric stem cell divisions. The Company then evaluated and prioritized these pathways and further evaluated potential drug targets therein based on their capacity to safely and effectively regulate muscle stem cell driven regeneration. From this exercise conducted over a multi-year period, the Company identified and selected a particular protein kinase in the molecular signaling pathway known as "**Notch**". For reasons of

competitive secrecy and confidentiality this protein kinase was previously codenamed as "K9", but, on November 13, 2023, was disclosed by the Company to be Adaptor Associated Kinase 1 ("AAK1"). We have shown in our preclinical studies in the mdx mouse model of Duchenne that modulating the Notch molecular signaling pathway via inhibition of AAK1 with either our lead or back-up DCs has the potential to impact regeneration and increase muscle force and thus we believe represents a potential novel therapeutic approach for the treatment of Duchenne in humans.

Supporting our assertion that dysregulation of muscle stem cells is relevant to Duchenne pathogenesis, it was recently reported that amongst a large cohort of over 400 Duchenne patients – some of whom maintained ambulation for a decade or longer than the majority of their peers – genetic factors implicating effects on polarity and the regulation of muscle stem cell regeneration were identified within the ambulatory population. (Source: Flanigan et al. European Journal of Human Genetics). In further independent case reports, which we also believe support our thesis, Drs. L. Kunkel and M. Zatz have postulated that random genetic mutations affecting Notch signaling may be responsible for the existence of Duchenne humans who exhibit a milder disease course and who have continued to ambulate into their twenties despite the complete absence of the dystrophin protein (Sources: Zatz et al., Neuromuscular Disorders, 11/2014; Kunkel and Zatz (unpublished)). They also have previously associated the Notch signaling with muscle regeneration as published in the journal *Cell* in 2015 by Vieira et al in a paper titled "Jagged 1 Rescues the Duchenne Muscular Dystrophy Phenotype". The authors associated Jagged 1, a ligand (or binder/activator) of Notch signaling, with the process of regeneration and as explaining how two (2) Golden Retriever Muscular Dystrophy dogs were able to escape the Duchenne phenotype and live a normal life.

Satellos has generated Proof of Concept ("POC") preclinical data in the *Mdx* mouse, a gold standard research model bearing the same genetic defect as patients with Duchenne, demonstrating that treatment of these research mice via the Notch pathway through inhibition of AAK1 with SAT-3153 or SAT-3247 has potential to restore the process by which stem cells enable ongoing muscle regeneration. Previously, as reported in the Company's management's discussion and analysis and annual information form filings prior to the year ended December 31, 2023, the Company showed that modulation of the EGFR pathway via inhibition of PTPN12 with a different drug candidate (SAT-732) also showed the ability to restore the regenerative process in Mdx mice. After evaluating its dataset from both pathways and taking into consideration, among other factors, projected development timelines, safety profiles of the drug targets, pharmaceutical properties of the drug candidates for each drug target, and general risk factors, the Company decided during 2022 to deprioritize the work on the EGFR pathway and focus further development activities in 2023 and beyond onto the "AAK1 Program" described in the section below.

AAK1 Program in Duchenne



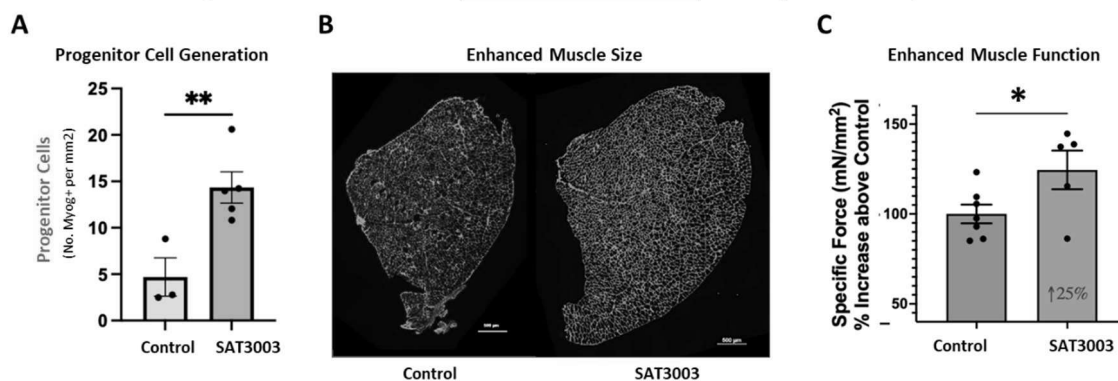
From preliminary experimental work by the Company, in which AAK1 was inhibited using genetic means, the Company demonstrated that modulation of Notch signaling in muscle stem cells via AAK1 inhibition could be achieved, leading to restoration of asymmetric divisions, muscle stem cell polarity and regeneration of skeletal muscle. Of interest to Satellos from a de-risking perspective, small molecule inhibitors of AAK1 have previously been described for non-muscle related disease indications by an independent 3rd party company and have demonstrated what appear to be acceptable safety profiles thus far in two Phase 1 and two Phase 2 human clinical trials spanning hundreds of patients (Lexicon Pharmaceuticals Inc. 2022 Form 10K filing, pages 5 and 6). Not only do we believe this provides some initial indications of the potential safety of AAK1 inhibition,

but the existence of small molecule inhibitors of AAK1 indicated to the Company that (a) it may be possible to develop

its own, proprietary small molecule inhibitors of AAK1 to suit its purpose as well as (b) it may also be able to quickly generate useful proof of concept data.

As a first step, the Company has synthesized known small molecule inhibitors of AAK1 as 'reference' compounds (i.e., compounds not owned or controlled by Satellos) to be used for the purpose of informing its in-house drug discovery and development efforts. Treating *Mdx* mice with one such reference compound to generate POC data, which the Company named SAT-3003 solely for the purposes of confidentiality and internal tracking, produced similar results when benchmarked to SAT-732 indicating the potential for inhibition of AAK1 to be at least as effective as inhibition of PTPN12 in restoring muscle stem cell asymmetric division and regeneration. Effects on progenitor generation, muscle size and muscle function with SAT-3003 are shown in Figure 2 below.

Figure 2: SAT-3003 (i.e., reference compound) Exemplar Efficacy Data.



Panel A: Resulting changes in Mdx tibialis anterior (limb) muscle. Statistically significant increase in progenitor cells as measured by Myogenin expression after treatment with SAT-3003 versus placebo control. **Panel B:** Representative images of Mdx Tibialis anterior muscle showing statistically increased muscle fiber area after treatment with SAT-3003 versus placebo control. **Panel C:** Resulting changes in Mdx tibialis anterior muscle specific force generation. Muscles from mice treated with SAT-3003 versus placebo generate more force per unit area, indicative of healthy and functional muscle tissue.

Building on the above-noted POC studies, Satellos applied artificial intelligence ("AI") tools and incorporated data generated therefrom into its existing drug discovery and development infrastructure to inform its strategic efforts to identify novel chemical matter as the basis for generating novel, proprietary and patentable inhibitors of AAK1 which Satellos would own. This effort yielded multiple distinct chemical scaffolds from which the Company has designed, synthesized, tested and prioritized hundreds of compounds. Successive cycles of design, testing and modifications ultimately resulted in the Company's lead and back-up development candidates SAT-3247 and SAT-3153, respectively.

The Company, in collaboration with the OHRI, arranged for the filing of patent applications to provide intellectual property protection for selected pathways, prospective drug targets and inhibitors related thereto. On June 29, 2022, the Company amended its License Agreement with OHRI to add a specific patent application related to Notch, AAK1 (previously described as K9) and inhibitors thereof for the purpose of regeneration. Furthermore, the Company has subsequently filed in consultation with IP counsel, for distinct patent protection of its novel small molecule inhibitors of AAK1, including but not limited to SAT-3153 and SAT-3247.

On January 3, 2023, the Company indicated that results from preclinical ADME, PK and in vivo studies led to designation of SAT-3153 as its lead development candidate ("DC") for the treatment of Duchenne. In a subsequent study with SAT-3153, in an acute injury model intended to determine if drug is acting rapidly on mechanism, Mdx mice treated with SAT-3153 displayed a statistically significant effect on polarity through new progenitor muscle cell formation versus placebo controls (n=5 per group), after one (1) week. In a further in vivo study, Mdx mice treated with SAT-3153 four times per week versus placebo controls (n=8 per group) showed a 19% increase in muscle force after two weeks. Additional preclinical studies have shown SAT-3153 to have no binding of the hERG channel (a key requirement to rule out possible cardiac toxicity), a plasma protein binding level of < 90% (indicating significant levels of free drug are available to initiate a therapeutic effect), and oral bioavailability. Subsequently, as further

described below, the Company has nominated SAT-3247 as its lead DC while maintaining SAT-3153 as a back-up molecule.

On August 2, 2023, Satellos announced that U.S. Food and Drug Administration (FDA) granted Orphan Drug Designation and Rare Pediatric Disease Designation to SAT-3153 for the potential treatment of Duchenne muscular dystrophy. The FDA grants Orphan Drug Designation to support development of medicines for underserved patient populations, or rare disorders, that affect fewer than 200,000 people in the U.S. Orphan Drug Designation provides certain benefits, including the potential for a seven-year market exclusivity upon regulatory approval, exemption from FDA application fees, tax credits for qualified clinical trials, and a priority review voucher. The FDA grants Rare Pediatric Disease Designation for serious and life-threatening diseases that primarily affect children ages 18 years or younger and fewer than 200,000 people in the United States. The Rare Pediatric Disease Priority Review Voucher Program is intended to address the challenges that drug companies face when developing treatments for these unique patient populations. Under this program, a sponsor who receives an approval for a drug or biologic for a "rare pediatric disease" may be eligible for a voucher that can be redeemed to receive priority review of a subsequent marketing application for a different product or sold to another sponsor for priority review of their marketing application. The Company has filed applications seeking Orphan Drug and Rare Pediatric Disease Designations for SAT-3247.

On November 14, 2023, as described above, Satellos announced that SAT-3247 would be nominated as the lead DC based on results from its research efforts at continuous improvement and ongoing or new evidence generated in its preclinical efficacy models. For example, preclinical data generated by Satellos demonstrated that SAT-3153 and SAT-3247 have a similar capacity to affect muscle regeneration and functional benefit in the mdx mouse model of Duchenne. SAT-3247 also exhibited improved oral bioavailability, target specificity and tissue distribution when compared directly to SAT-3153.

On February 13, 2024, Satellos announced positive preliminary data generated through research conducted under a grant from the FSHD Canada Foundation showing that treatment with SAT-3247 can improve skeletal muscle function in a mouse model of fascioscapulohumeral muscular dystrophy ("**FSHD**"). FSHD, an adult-onset muscular dystrophy that results in the progressive destruction of muscle tissue in the upper body, is the third most common muscular dystrophy behind Duchenne (& Beckers) and myotonic dystrophy. FSHD results from the erroneous expression of a gene product called DUX4; most treatments in development for FSHD are focused on trying to block the expression of DUX4. We believe the data we generated provides an indication that enhancing regeneration with SAT-3247 could represent a new or add-on therapeutic approach to the treatment of FSHD.

In research conducted under a grant from the FSHD Canada Foundation, Satellos demonstrated that treatment with SAT-3247 successfully improved the phenotype of FSHD mice, which was observed as a significant impact on improving skeletal muscle function. We believe this provides an indication that enhancing regeneration with SAT-3247 could represent a novel therapeutic approach to the treatment of FSHD.

On March 4, 2024, Satellos announced positive preclinical data presented at the Muscular Dystrophy Association Clinical and Scientific Conference showing that SAT-3247 can improve skeletal muscle function in multiple mouse models of muscle degeneration. The preclinical data presented show the broad potential of SAT-3247 to improve skeletal muscle function as has been demonstrated in three mouse models of muscle degeneration: mdx model of Duchenne, FSHD, and a muscle injury model in wildtype mice. In all instances, treatment with SAT-3247 over a three-to-four-week period resulted in a statistically significant improvement in muscle force versus animals receiving placebo.

Satellos is conducting IND-enabling studies and GMP manufacturing for SAT-3247 and remains on track to initiate and complete a Phase 1 clinical trial in healthy volunteers during 2024. Further, the Company has advanced its plans to request consultative meetings to discuss and seek input on its plans for preparing an IND and Clinical Trial Application ("**CTA**") submissions with the FDA and Health Canada, respectively. As is customary in the industry, Satellos aims to first demonstrate the safety and pharmacokinetic properties of SAT-3247 in healthy human volunteers in a Phase 1 safety and PK study before advancing to the treatment of Duchenne patients in clinical trials where the potential for efficacy may also be explored (i.e., POC study/ies). Please refer to the AIF, under the heading "Regulatory Process" for further details on the clinical drug development process.

It is anticipated that following successful completion of a Phase 2 study, the Company will be in position to consider licensing the program to one or more potential partners with the capacity to continue further clinical development and commercialization of SAT-3247. Alternatively, the Company may raise additional capital to fund Phase 2b and/or Phase 3 clinical trials in order to seek regulatory authorization to advance SAT-3247 to market itself. A decision of this nature would be dependent on numerous factors at the time, including the data generated in the clinical trials, the capital markets conditions at the time, the attractiveness of licensing opportunities and shareholder expectations, among others.

Follow-On Program

There are more than 30 types of muscular dystrophy that affect humans. Each of these dystrophies has different causes that manifest into conditions ranging in severity from benign, small impairments to motor function, to the full loss of ambulation, or even death. Satellos has conducted proof of concept preclinical studies in relevant animal disease models showing potential for benefit by restoring the muscle regeneration process in Lama-2 Related Muscular Dystrophy (prevalence estimates between one in 50,000 and one in 400,000 births) and FSHD (prevalence of 4 per 100,000 individuals). These represent potential follow-on disease indications or programs for Satellos to consider in the future. The Company also plans to evaluate additional dystrophies as part of its ongoing research and development efforts.

Exclusivity Development Strategy

As a developer of therapeutics to treat a number of rare diseases, Satellos is eligible and intends to apply for specific US government sponsored development programs that have potential in certain circumstances to accelerate approval timelines and enhance market exclusivity. These programs include (but may not be limited to):

(1) Orphan Drug Designation

The Orphan Drug Designation program of the FDA provides status to drugs which are defined as those intended for the treatment, prevention or diagnosis of a rare disease or condition, such as Duchenne. Benefits for drugs that are bestowed 'orphan status' may include tax credits on clinical testing, waiving of the new drug application ("NDA") user fee, and eligibility for a seven-year market exclusivity upon approval of the drug. Orphan Drug Designation applications are often submitted alongside applications for Rare Pediatric Disease Designations. On August 2, 2023, Satellos announced that the FDA awarded SAT-3153 with Orphan Drug Designation. As previously noted in this document, the Company has submitted an application for Orphan Drug Designation with SAT-3247.

(2) Rare Pediatric Disease Designation

As a developer of a therapeutic for Duchenne, a rare pediatric disease, Satellos is eligible and intends to apply for Rare Pediatric Disease Designation. Benefits for this designation include the potential for receiving a priority review voucher that is awarded after approval of the drug. This priority review voucher can be utilized to reduce the review process timeframe for a separate future drug development program. There is also an aftermarket for these vouchers which have been monetized by others for substantial sums. On August 2, 2023, Satellos announced that the FDA awarded SAT-3153 with Rare Pediatric Disease Designation. As previously noted in this document, the Company has submitted an application for Rare Pediatric Disease Designation with SAT-3247.

(3) Accelerated Approval

The FDA instituted its Accelerated Approval Program to allow for earlier approval of drugs that treat serious conditions, and that fill an unmet medical need based on a surrogate endpoint. A surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign or other measure that is thought to predict clinical benefit but, is not itself a measure of clinical benefit. The use of a surrogate endpoint can considerably shorten the time required prior to receiving FDA approval. It is unknown at this time whether the Company will be eligible for accelerated approval.

RECENT DEVELOPMENTS

On November 22, 2023, the Company announced the appointment of Michael Cross, PhD, MBA, as Chief Business Officer of the Company. Dr. Cross has more than 25 years of biotech and life science experience with demonstrated success in financing and licensing transactions and leadership in operations, clinical product development and corporate strategy.

On January 23, 2024, the Company announced the departure of Alan Jacobs, M.D., FAAN, as Chief Medical Officer and the appointment of Jordan Dubow, M.D. as Chief Medical Advisor.

On February 13, 2024, the Company announced positive preliminary data showing SAT-3247 can improve skeletal muscle function in a mouse model of facioscapulohumeral muscular dystrophy (FSHD). FSHD, an adult onset muscular dystrophy that results in the progressive destruction of muscle tissue, is the third most common muscular dystrophy behind Duchenne (& Beckers) and myotonic dystrophy. In research conducted under a grant from the FSHD Canada Foundation, Satellos demonstrated that treatment with SAT-3247 successfully improved the phenotype of FSHD mice.

On March 4, 2024, the Company announced positive preclinical data presented at the Muscular Dystrophy Association Clinical and Scientific Conference showing that SAT-3247 can improve skeletal muscle function in multiple mouse models of muscle degeneration. The Company believes that the preclinical data presented show the broad potential of SAT-3247 to improve skeletal muscle function as has been demonstrated in three mouse models of muscle degeneration: the mdx model of Duchenne, the FLExDUX4 model of FSHD, and a muscle injury model in wildtype mice. In all instances, treatment with SAT-3247 over a three-to-four-week period resulted in a statistically significant improvement in muscle force versus animals receiving placebo.

During Q1, 2024, the Company initiated its GLP toxicology studies in two species with SAT-3247, made kilogram quantities of SAT-3247 under GLP conditions at the contract manufacturing organization it selected as its manufacturing partner, and initiated GMP manufacturing for SAT-3247 so that the Company remains on track to initiate clinical trials in 2024 with SAT-3247. The Company also submitted applications to the FDA for Orphan Drug and Rare Pediatric Disease designations for SAT-3247.

There have been no material developments in the business of the Company since March 27, 2024, the date of the AIF, which have not been disclosed in this Prospectus or the documents incorporated by reference herein.

CONSOLIDATED CAPITALIZATION

Since December 31, 2023, the date of the Company's most recently completed financial period, there have been no material changes to the Company's share and loan capitalization. The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the Company's share and loan capitalization that will result from the issuance of Securities pursuant to such Prospectus Supplement.

EARNINGS COVERAGE RATIOS

The applicable Prospectus Supplement will provide, as required, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

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. This Prospectus is not intended to qualify "novel" securities as such term is defined in National Instrument 44-102 — *Shelf Distributions*.

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 the Company's articles of amalgamation, a copy of which is available on SEDAR+ at www.sedarplus.ca.

The authorized capital of the Company consists of an unlimited number of Common Shares. The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per Common Share at meetings of the shareholders of the Company and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of Common Shares. There are no pre-emptive or conversion rights on the Common Shares. All of the issued and outstanding Common Shares are fully paid and are non-assessable.

Description of Preferred Shares

The following is a brief summary of the material attributes of the Preferred Shares. The particular terms and provisions of a class or series of Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement.

The Company is not currently authorized to issue Preferred Shares. Each class or series of Preferred Shares shall consist of such number of Preferred Shares and shall have such rights, privileges, restrictions and conditions as may be approved by the Company's shareholders, or if the Company's shareholders authorize the Board of Directors to do so with respect to a class of Preferred Shares, as determined by the Company's Board of Directors. Such rights, privileges, restrictions and conditions may include rights to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion or exchange rights, any retraction rights, any rights on the Company's liquidation, dissolution or winding-up and any sinking fund or other provisions attached to the Preferred Shares of a class or series.

Holders of Preferred Shares, except as otherwise provided in the terms specific to a class or series of Preferred Shares or as required by law, are not entitled to vote at meetings of holders of the Company's shares, and are not entitled to vote separately as a class upon a proposal to amend the Company's articles in the case of certain amendments related to the Common Shares. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the Preferred Shares are entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares from time to time with respect to the payment of paid-up capital remaining after the payment of all outstanding debts on a *pro-rata* basis for the Preferred Shares within each class and the payment of any or all declared but unpaid cumulative dividends or any or all declared but unpaid dividends on the Preferred Shares, and may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such class or series of Preferred Shares.

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 the Company 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 the Company 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 the Company with the relevant securities regulatory authorities in Canada after it has been entered into by the Company.

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.

The Company 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;
- the price at which the Units will be offered;
- any provisions for the issuance, payment, settlement, transfer, or exchange of the Units or of the Securities comprising the Units;
- certain material Canadian tax consequences of owning the Securities comprising the Units; and
- any other material terms and conditions of the Units.

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

Description of Subscription Receipts

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

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

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

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

Description of Debt Securities

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

The Debt Securities may be offered separately or together with other Securities, as the case may be. The Debt Securities will be issued in one or more series under an indenture (the "**Indenture**") to be entered into between the Company and one or more trustees that will be named in a Prospectus Supplement for a series of Debt Securities. The applicable Prospectus Supplement will include details of the Indenture governing the Debt Securities being offered. A copy of the Indenture relating to an offering of Debt Securities will be filed by the Company with the relevant securities regulatory authorities in Canada after the Company has entered into it. The description of certain provisions of the Indenture in this section do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Indenture. The particular terms relating to Debt Securities offered by a Prospectus Supplement will be described in the related Prospectus Supplement. This description may include, but may not be limited to, any of the following, if applicable:

- the specific designation of the Debt Securities;
- the price or prices at which the Debt Securities will be issued;
- any limit on the aggregate principal amount of the Debt Securities;
- the date or dates, if any, on which the Debt Securities will mature and the portion (if less than all of the principal amount) of the Debt Securities to be payable upon declaration of acceleration of maturity;
- the rate or rates (whether fixed or variable) at which the Debt Securities will bear interest, if any, the date, or dates from which any such interest will accrue and on which any such interest will be payable and the record dates for any interest payable on the Debt Securities that are in registered form;
- the terms and conditions under which the Company may be obligated to redeem, repay, or purchase the Debt Securities pursuant to any sinking fund or analogous provisions or otherwise;
- the terms and conditions upon which the Company may redeem the Debt Securities, in whole or in part, at the Company's option;
- the covenants and events of default applicable to the Debt Securities;
- the terms and conditions for any conversion or exchange of the Debt Securities for any other securities of the Company;
- whether the Debt Securities will be issuable in registered form or bearer form or both, and, if issuable in bearer form, the restrictions as to the offer, sale and delivery of the Debt Securities which are in bearer form and as to exchanges between registered form and bearer form;
- whether the Debt Securities will be issuable in the form of registered global securities ("**Global Securities**"), and, if so, the identity of the depositary for such registered Global Securities;
- the denominations in which registered Debt Securities will be issuable;
- each office or agency where payments on the Debt Securities will be made and each office or agency where the Debt Securities may be presented for registration of transfer or exchange;

- the currency in which the Debt Securities are denominated or the currency in which the Company will make payments on the Debt Securities;
- any index, formula or other method used to determine the amount of payments of principal of (and premium, if any) or interest, if any, on the Debt Securities; and
- any other terms of the Debt Securities which apply solely to the Debt Securities.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The terms on which a series of Debt Securities may be convertible into or exchangeable for Common Shares or other securities of the Company will be described in the applicable Prospectus Supplement. These terms may include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at the option of the Company and may include provisions pursuant to which the number of Common Shares or other securities to be received by the holders of such series of Debt Securities would be subject to adjustment.

To the extent any Debt Securities are convertible into Common Shares or other securities of the Company, prior to such conversion the holders of such Debt Securities will not have any of the rights of holders of the securities into which the Debt Securities are convertible, including the right to receive payments of dividends or the right to vote such underlying securities.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal, premium and/or interest may be determined, in whole or in part, by reference to one or more underlying interests, including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal, premium and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or a bankers' acceptance rate, or to recognized market benchmark interest rates.

PRIOR SALES

Information in respect of prior sales of the Common Shares or other Securities distributed under this Prospectus and for securities that are convertible or exchangeable into Common Shares or such other Securities within the previous 12-month period will be provided, as required, in a Prospectus Supplement with respect to the issuance of the Common Shares or other Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

Information regarding trading price and volume of the Securities will be provided as required for all of the Company's issued and outstanding Securities that are listed on any securities exchange, as applicable, in each Prospectus Supplement.

DIVIDENDS

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

USE OF PROCEEDS

Unless otherwise indicated in a Prospectus Supplement, the net proceeds that the Company receives from the sale of the Securities offered by this Prospectus are expected to be used for (i) ongoing research and development activities,

(ii) working capital and general corporate purposes, which may include advancing the development of SAT-3247 through the various stages of clinical trials (Phase 1b to Phase 3), and (iii) investment in other discovery stage or pre-clinical development programs. Specific information about the use of net proceeds will be set out in the applicable Prospectus Supplement.

While the Company intends to use the net proceeds that it receives from the sale of the Securities offered under this Prospectus as outlined above and in the applicable Prospectus Supplement, the timing and actual use of the net proceeds may vary depending on operating and capital needs, the progress and outcome of the Company's non-clinical activities, clinical trials and research and development programs and business and operations circumstances. There may be circumstances where, on the basis of results obtained or for other sound business reasons, a re-allocation of funds may be necessary or prudent. Accordingly, management of the Company will have broad discretion in the application of the proceeds of an offering of Securities. The actual amount the Company spends in connection with each intended use of proceeds may vary significantly from the amounts specified in the applicable Prospectus Supplement and will depend on a number of factors, including those referred to under "Risk Factors" in the AIF and any other factors set forth in the applicable Prospectus Supplement.

The Company has not allocated any portion of the net proceeds for any particular use as of the date of this Prospectus, nor has it entered into any negotiations regarding any potential future transaction or signed any letter of intent or initiated due diligence on any such future transaction. The net proceeds may be invested temporarily until they are used for their stated purpose.

The Company has a history of negative operating cash flows and is reliant on the continued availability of financing to fund its operating activities. To the extent that the Company has negative operating cash flows in future periods, the Company may need to deploy a portion of its existing working capital to fund such negative cash flow at such time. As of December 31, 2023, the Company had cash and cash equivalents on hand of approximately \$39.6 million and working capital of approximately \$36.7 million.

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

PLAN OF DISTRIBUTION

The Company 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.

The Company 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 the Company 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 the Company will receive and any other material terms of the plan of distribution. Any initial offering price and discounts, concessions or commissions allowed or re-allowed or paid to dealers may be changed from time to time.

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

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from the Company 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 the Company and any profit on the resale of the Securities by them may be deemed to be underwriting commissions.

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

Underwriters, dealers or agents who participate in the distribution of the Securities may be entitled, under agreements to be entered into with the Company, to indemnification by the Company 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, the Company 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. The Company may elect to list any of the Securities on one or more exchanges, but unless otherwise specified in the applicable Prospectus Supplement, the Company 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 United States 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 United States 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 United States.

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 the Company and its business is provided in the documents incorporated by reference in this Prospectus, including in the AIF and MD&A under the heading "*Risk Factors*". See "*Documents Incorporated by Reference*".

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 the Company's financial condition, historic financial performance, and future prospects.

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

Public Markets and Share Prices

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

Use of the Net Proceeds from an Offering

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

Additional Issuances and Dilution

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

No Dividends have been paid on the Common Shares

The Company has paid no cash dividends on any of its Common Shares to date and currently intends to retain its future earnings, if any, to fund the development growth of its businesses. In addition, the terms of any future debt or credit facility may preclude the Company from paying any dividends unless certain consents are obtained, and certain conditions are met.

Enforcement of Judgments Against Foreign Persons may not be Possible

Canadian investors should be aware that each of the non-resident members of the Board of Directors and management resides outside of Canada ("**Non-Resident Persons**"). While Non-Resident Directors have appointed an agent for service of process, it may be difficult for holders to effect service of process within Canada upon the Non-Resident Persons. All or a substantial portion of the assets of each of the Non-Resident Persons are likely to be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Non-Resident Persons in Canada or to enforce a judgment obtained in Canadian courts against the Non-Resident Persons outside of Canada.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

AUDITORS

The Company's auditors are MNP LLP, Chartered Professional Accountants, of Toronto, Ontario. MNP LLP has advised the Company that it is independent with respect to the Company within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct.

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 the Company by Mintz 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 of the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of Mintz LLP beneficially own, directly or indirectly, less than 1% of the Company's issued and outstanding securities.

AGENTS FOR SERVICE OF PROCESS IN CANADA

Geoff MacKay, William (Bill) Jarosz, Dr. William (Bill) McVicar, Franklin M. Berger and Adam Mostafa, all being directors of the Company, reside outside of Canada, and have appointed Satellos Bioscience Inc. (Address: Royal Bank Plaza, South Tower, 200 Bay St., Suite 2800, Toronto, ON M5J 2J3) as their agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

PROMOTER

Frank Gleeson may be considered to be a "promoter" of the Company within the meaning of applicable Canadian securities laws (each, a "**Promoter**"). Mr. Gleeson, currently owns, or exercises control or direction over, 3,740,389 Common Shares representing approximately 3.3% of the issued and outstanding Common Shares on a non-diluted basis. Mr. Gleeson receives compensation from the Company for his services as Chief Executive Officer of the Company and has been granted 3,362,917 options pursuant to the Company's stock option plan. The statement as to the number of Common Shares beneficially owned, or over which a Promoter exercises control or direction, directly or indirectly, not being within the knowledge of the Company, has been obtained from the System for Electronic Disclosure by Insiders.

No Promoter of the Company is, as at the date of this Prospectus, or has been within 10 years prior to the date of this Prospectus, a director, chief executive officer, or chief financial officer of any person or company, that:

- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the Promoter was acting in such capacity; or
- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the Promoter ceased to act in such capacity and which resulted from an event that occurred while the Promoter was acting in such capacity.

No Promoter of the Company is, as at the date of this Prospectus, or has been within the 10 years prior to the date of this Prospectus, a director or executive officer of any person or company that, while the Promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No Promoter of the Company has, within the 10 years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Promoter.

PURCHASERS' STATUTORY RIGHTS AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories 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 and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

In addition, original purchasers of convertible, exchangeable or exercisable Securities (other than an offering of Warrants where such Warrants may reasonably be regarded as incidental to the offering as a whole) will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of the convertible, exchangeable or exercisable Security. The contractual right of rescission will be further described in any applicable Prospectus Supplement, but will, in general, entitle such original purchasers to receive the amount paid for the applicable convertible, exchangeable or exercisable Security (and any additional amount paid upon conversion, exchange or exercise) upon surrender of the underlying securities acquired thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus.

In an offering of convertible, exchangeable or exercisable Preferred Shares, Subscription Receipts, Warrants or convertible, exchangeable or exercisable Debt Securities (or Units comprised partly thereof), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which convertible, exchangeable or exercisable Preferred Shares, Subscription Receipts, Warrants or convertible, exchangeable or exercisable Debt Securities (or Units comprised partly thereof) are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, 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 or territories. 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 advisor.

CERTIFICATE OF THE COMPANY

Dated: April 7, 2024

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true, and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

(SIGNED) "*Frank Gleeson*"
Chief Executive Officer

(SIGNED) "*Elizabeth Williams*"
Chief Financial Officer

On Behalf of the Board of Directors

(SIGNED) "*Geoff MacKay*"
Director

(SIGNED) "*Adam Mostafa*"
Director

CERTIFICATE OF THE PROMOTER

Dated: April 7, 2024

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true, and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

(SIGNED) "*Frank Gleeson*"
Promoter