

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

1. **Name and Address of Company**

Aion Therapeutic Inc. (the “**Company**”)  
45 Sheppard Avenue East, Suite 703  
Toronto, Ontario M2N 5W9

2. **Date of Material Change**

September 18, 2020

3. **News Release**

A press release disclosing the material change was released on September 18, 2020, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On September 18, 2020, the Company closed a non-brokered private placement through the issuance of 9,090,907 units (“**Units**”) at a price of \$0.055 per Unit for gross proceeds of approximately \$500,000 (the “**Offering**”).

5. **Full Description of Material Change**

Pursuant to the Offering, the Company issued 9,090,907 Units at a price of \$0.055 per Unit for gross proceeds of approximately \$500,000. The proceeds of the Offering will be used for general working capital purposes.

Each Unit is comprised of one common share (“**Common Share**”) of the Company and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four months from the closing of the Offering (the “**Expiry Date**”) at a price of \$0.15 per Common Share. The Company will have the right to accelerate the Expiry Date to be thirty days following written notice to the holders, if during the term of the Warrants the Common Shares close at or above \$0.20 per Common Share on each trading day for a period of ten consecutive trading days on the Canadian Securities Exchange.

The Offering constituted a related party transaction within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) as certain insiders of the Company subscribed for an aggregate of 575,000 Units pursuant to the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) **a description of the transaction and its material terms:**

In connection with the closing of the Offering, 575,000 Units were acquired by insiders of the Company.

**(b) the purpose and business reasons for the transaction:**

The proceeds of the Offering will be used for general working capital purposes.

**(c) the anticipated effect of the transaction on the issuer's business and affairs:**

The completion of the Offering will provide the Company with funds for general working capital purposes.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Lawrence Horwitz, a director of the Company, subscribed for 475,000 Units of the Company.

Sara Irwin, a director of the Company, subscribed for 100,000 Units of the Company.

**(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Following completion of the Offering, Mr. Horwitz owns an aggregate of 475,000 Common Shares of the Company, representing approximately 0.47% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. Horwitz were to exercise all of his convertible securities, he would own an aggregate of 912,500 Common Shares, representing approximately 0.89% of the Company's then outstanding Common Shares on a partially diluted basis.

Following completion of the Offering, Ms. Irwin owns an aggregate of 100,000 Common Shares of the Company, representing approximately 0.10% of the Company's issued and outstanding Common Shares on an undiluted basis. If Ms. Irwin were to exercise all of her convertible securities, she would own an aggregate of 750,000 Common Shares, representing approximately 0.73% of the Company's then outstanding Common Shares on a partially diluted basis.

**(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors was passed in accordance with the *Business Corporations Act* (British Columbia) on August 17, 2020 approving the Offering. No special committee was established in connection with the Offering, and no materially contrary view or abstention was expressed or made by any director.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than subscription agreements to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint acted with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Offering in an expeditious manner.

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

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Graham Simmonds, Chief Executive Officer at (416) 843-2881.

9. **Date of Report**

This report is dated at Toronto, this 28<sup>th</sup> day of September, 2020.