pascal
BIOSCIENCES

ANNUAL INFORMATION FORM

For the year ended November 30, 2017

Date: September 12, 2018

TABLE OF CONTENTS

PRELIMINARY NOTES 1
- Date of Information 1
- Financial Information 1

FORWARD-LOOKING INFORMATION 1
- Currency and Exchange Rate Information 2

CORPORATE STRUCTURE 2
- Name, Address and Incorporation 2

GENERAL DEVELOPMENT OF THE BUSINESS 2
- Three Year History 2

DESCRIPTION OF BUSINESS 6
- General Description of the Business 6
- Risk Factors 8

DIVIDENDS 14

CAPITAL STRUCTURE 14
- Warrants 14
- Stock Options 15

MARKET FOR SECURITIES 15
- Trading Price and Volume 15

PRIOR SALES 15
- Warrants 15
- Stock Options 16

DIRECTORS AND OFFICERS 16
- Name, Occupation and Security Holdings 16
- Cease Trade Orders, Bankruptcies, Penalties or Sanctions 18
- Conflicts of Interest 19

STATEMENT OF EXECUTIVE COMPENSATION 19

PROMOTERS 24

LEGAL PROCEEDINGS AND REGULATORY ACTIONS 25
- Legal Proceedings 25
- Regulatory Actions 25

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 25

TRANSFER AGENT AND REGISTRAR 25

MATERIAL CONTRACTS 25

INTERESTS OF EXPERTS 25

ADDITIONAL INFORMATION 25

PRELIMINARY NOTES

Date of Information

Unless otherwise indicated, all information contained in this Annual Information Form ("**AIF**") of Pascal Biosciences Inc. (the "**Company**") is as of November 30, 2017.

Financial Information

The Company's financial results are prepared and reported in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") and are presented in Canadian dollars.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF and the documents incorporated by reference herein and therein constitute forward-looking information or forward-looking statements under applicable securities laws (collectively, "**forward-looking statements**"). These statements relate to future events or future performance, business prospects or opportunities of the Company. All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "forecast", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements".

Examples of forward-looking statements in this AIF and the documents incorporated by reference herein and therein include, but are not limited to, statements in respect of: research the Company is conducting in collaboration with its research partners; findings of such research; implementation of technology; granting of patents; protection of intellectual property; payment of dividends; future business opportunities; and the effect that each risk factor will have on the Company.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The investor is cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties relating to, among others: developments in the research and technology industry; successful implementation of the Company's research findings; and changes in the Company's over-all business strategy. Additional factors that could cause actual results to differ materially include, but are not limited to, the risk factors described herein and as discussed in the Company's financial statements and other filings, under the heading "Risk Factors".

The Company believes that the expectations reflected in any forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this AIF should not be unduly relied upon. These statements speak only as of the date of this AIF. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. Actual results may differ materially from those expressed or implied by such forward-looking statements.

Currency and Exchange Rate Information

All dollar amounts (i.e. "$"), unless otherwise indicated, are expressed in Canadian dollars and United States dollars are referred to as "US$".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated pursuant to the *Business Corporations Act* (British Columbia) on January 28, 2011 as MC Partners Inc., and was listed as a capital pool company, as defined by Policy 2.4 - *Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange (the "**TSXV**"), in March 2012. On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc., a private company which was formed to commercially exploit a number of patents and patent applications relating to certain medical technologies. The acquisition constituted the Company's "Qualifying Transaction" under the CPC Policy. On May 22, 2013, the Company changed its name to "bioMmune Technologies Inc.". Subsequently, on March 30, 2017, the Company changed its name to Pascal Biosciences Inc.

The Company has two wholly-owned subsidiaries: (i) Pascal Biosciences US, Inc. ("**Pascal (US)**"), which was incorporated on March 27, 2017 under the *Washington Business Corporations Act*; and (ii) bioMmune Advanced Technologies Inc. ("**bioMmune**"), which was incorporated on July 5, 2012 under the *Business Corporations Act* (British Columbia). Pascal (US) operates a research lab in Seattle, Washington, USA and bioMmune holds certain non-material assets.

The Company's head office and registered office is located at 1780-400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6.

The Company is a reporting issuer in each of British Columbia, Alberta and Ontario.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is headquartered in Vancouver, British Columbia, Canada and its common shares (the "**Common Shares**") are listed on the TSXV under the trading symbol "PAS". The Company is classified as a Tier 2 Biotechnology Issuer on the TSXV.

The principal business of the Company is the research and development of products for the treatment of cancers and for improvement of the immune system, with a specific focus on cancer research.

Three Year History

Developments in 2015

On February 13, 2015, the Company filed a provisional patent application for "Monoclonal antibodies to L-type voltage gated channels and related methods". In collaboration with the University of British Columbia ("**UBC**"), work performed in Dr. Wilfred Jefferies' lab resulted in the identification of several potential therapeutic candidates that activate T cells to combat cancer.

In June 2015, the Company entered into a service agreement (the "**mAbs UBC Agreement**") with UBC. The Company paid a total of $100,000 to UBC to fund research to identify anti-Cav1.4 monoclonal antibodies for use in the treatment of leukemia and for the modulation of the immune system in autoimmune disorders.

On June 8, 2015, the Company closed a non-brokered private placement. The Company issued 5,000,000 units at a price of $0.20 per unit, for gross proceeds of $1,000,000. Each unit consisted of one Common Share and one full Common Share purchase warrant. Each warrant entitled the holder to purchase one additional Common Share of the Company at a price of $0.30 per Common Share. Cash finders' fees of $76,102 were paid on a portion of the financing. The net proceeds from the sale of units were added to working capital in furtherance of the Company's business.

On June 22, 2015, the Company entered into a service contract agreement (the "**CD74 UBC Agreement**") with UBC. The company paid a total of $100,000 to UBC to fund research for methods of modulating an immune response using the protein CD74.

On August 10, 2015, the Company entered into a collaborative research agreement with UBC to conduct research on novel natural compounds and advanced UBC $50,000 to cover the cost of research related to the Company's novel natural compounds (the "**NNC UBC Agreement**").

On November 18, 2015, the Company closed a non-brokered private placement. The Company issued 2,000,000 units at a price of $0.30 per unit for gross proceeds of $600,000. Each unit consisted of one Common Share and one Common Share purchase warrant. Each warrant entitled the holder to purchase one additional Common Share of the Company at a price of $0.40 per Common Share for a period of 24 months. Cash finders' fees of $2,715 were paid in connection with the financing. The net proceeds from the sale of units were added to working capital in furtherance of the Company's business.

Effective December 2, 2015, the Company appointed Dr. Patrick Gray as its Chief Scientific Officer to oversee the scientific operations of the Company.

On December 22, 2015, the Company amended the NNC UBC Agreement pursuant to which UBC continued research on novel natural compounds in exchange for an additional $50,000 of funding.

Effective December 22, 2015, the Company terminated, without cause, its consulting agreement with Mr. Robin Hutchison in his role as Executive Chairman. Pursuant to his consulting agreement with the Company, Mr. Hutchison received a lump sum severance payment of $72,000, equal to nine months compensation.

Developments in 2016

On April 22, 2016, the Company appointed Dr. Gray to serve as Chief Executive Officer ("**CEO**") and President. Former CEO and President, Dr. Reinhard Gabathuler, resigned as the CEO and President of the Company to become Senior Vice-President of Business Development.

In June 2016, the Company was awarded its first patent for the use of "Monoclonal antibodies that modulate voltage gated calcium channels in immune cells". The patent was awarded from China for a period of 20 years, with expiry in 2036. A Patent Cooperation Treaty (PCT) application providing "Composition of matter and use protection for calcium channel antibodies" was filed in early 2016, with a potential expiry in 2036 across all major geographies. The patent claims numerous compounds and methods of treating various diseases.

In September 2016, the Company and UBC extended the mAbs UBC Agreement and the NNC UBC Agreement on research and development projects covering monoclonal antibody regulation of calcium channels and novel natural compounds, respectively, to March 31, 2018. As part of this extension, the Company paid UBC an additional $132,000 to continue the research for each program. In addition, the Company extended the CD74 UBC Agreement on research and development for modulating immune responses with CD74 to March 31, 2018. The Company paid UBC an additional $50,000 to continue the research.

On September 20, 2016, the Company appointed Thomas Gadek, PhD to its board of directors (the "**Board**").

Developments in 2017

On March 30, 2017, the Company changed its name from bioMmune Technologies Inc. to Pascal Biosciences Inc. to reflect its business strategy focused on the development of cancer therapeutics.

In March 2017, Pascal (US) created a research lab in Seattle, Washington, and on April 10, 2017, three employees were recruited by Pascal (US) to perform research in the lab. The research and development lab was established in Seattle to provide the Company with greater control over the discovery and development process of the Company's pre-clinical assets. During 2017, the Company continued to pursue two of the three programs acquired from UBC:

(a) **Natural Novel Compounds**. It is generally held that cancer cells are continuously produced in all healthy individuals and that our immune systems recognize and eliminate these transformed cells. Recognition of tumour specific targets is the key to this process and is directed by the Major Histocompatibility Complex ("**MHC**"). Many tumour cells evade this immune recognition by reducing expression of MHC molecules at the cell surface. While slow growing or benign tumours express moderate levels of MHC molecules, fast growing metastatic tumour cells show greatly reduced levels of MHC. Dr. Wilfred Jefferies' laboratory at UBC has developed a proprietary assay to identify compounds that increase the expression of the MHC on tumour cells and has identified several compounds with significant activity. Several novel compounds were made and tested in a mouse model of tumour growth with promising results. During 2017, additional compounds with structural similarity to the initial identified molecules were tested. Some of these compounds showed increased potency and are currently being evaluated.

(b) **Monoclonal Antibody Regulation of Selected Calcium Channel Activity.** Calcium signaling is necessary for the initiation of T lymphocyte activation and proliferation following an encounter with an altered self (cancer) or foreign (microbial) antigen. Two splice variants of the L-type calcium channel, CaV1.4, have been shown to regulate calcium entry into T cells, thus providing control of T cell function. The Company is developing new monoclonal antibodies that specifically bind to L-type calcium channels involved in activation of the immune system's T cells to combat cancers, infections, and autoimmune diseases. The Company is continuing to further evaluate candidate antibodies.

On August 13, 2017, the Patent Cooperation Treaty (PCT) application "Antibodies to L-type voltage gated channels and related methods" was converted into national and regional applications. The Company is in pursuit of patent protection for the subject matter across all major geographies.

On September 11, 2017, the Company announced that it, through Pascal (US), had executed an exclusive, worldwide license option agreement (the "**Option Agreement**") with STC.UNM, the University of New Mexico's technology-transfer and economic-development organization, to acquire an exclusive license to a patent for therapeutic monoclonal antibody for B-cell precursor acute lymphoblastic leukemia ("**BCP-ALL**"). This option expires on August 28, 2018. BCP-ALL is the most common childhood cancer, with the incidence peaking at approximately two to five years of age, and is also seen in adults above age fifty. Current immunotherapies for this leukemia are imperfect, thus there is a need for new approaches for treatment. The monoclonal antibody originally identified by the New Mexico laboratory has properties that suggest its suitability for delivering cytotoxic agents to tumour cells in the form of antibody-drug conjugates, thus killing the cancer cells.

On December 5, 2017, the Company appointed Dr. Graeme I. Bell to the Board. He is currently the Kovler Family Distinguished Service Professor in Medicine and Human Genetics at the University of Chicago. For his pioneering work on the genetics of diabetes, he was awarded the 2013 Banting Medal for Scientific Achievement Award, the highest scientific honor from the American Diabetes Association.

Developments in 2018

In January 2018, the Company filed a Provisional Patent Application (PPA), "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells and increasing their subsequent destruction. The results from the Company's *in vitro* studies using cannabinoid-like compounds will form part of a new patent application for the treatment of cancer. The Company intends to utilize the full complement of patents available to protect its intellectual property.

On February 21, 2018, the Company announced that it had discovered certain cannabinoids that enhance the immunogenicity of tumour cells, rendering them more susceptible to recognition by the immune system. In the Company's view, this discovery is important because the leading class of new cancer fighting agents, termed "checkpoint inhibitors", activate the immune system to destroy cancer cells. The Company is working to translate the results of these findings with cannabinoids into clinical studies.

In March 2018, a response to the first office action issued by the European Patent Office and USTPO were filed for "Monoclonal antibodies that modulate voltage gated calcium channels in immune cells".

In March 2018, the Company was awarded its second patent: "Compositions and methods of modulating an immune response". The patent was awarded from Australia for a period of 20 years from filing, with expiry in 2032.

On March 8, 2018, the Company closed a private placement of 387,594 units at a price of $0.32 per unit for gross proceeds of $124,030, which the Company had announced on January 4, 2018. Each unit consisted of one Common Share and one full Common Share purchase warrant. Each warrant entitles the holder to purchase one additional Common Share of the Company at a price of $0.40 per Common Share for a period of twenty four months, subject to a warrant exercise acceleration clause. Under the warrant exercise acceleration clause, if the Common Shares are trading at or above a volume weighted average price of $0.50 for 10 consecutive trading days, the warrants will expire upon 30 days from the date the Company provides notice in writing to the warrant holders by way a news release. The units were issued to certain directors of the Company and as such the transaction was considered under a "related party" transaction under the provisions of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any shares issued to, or the consideration paid by such persons, exceeded 25% of the Company's market capitalization. The net proceeds from the sale of units were added to working capital in furtherance of the Company's business.

On March 8, 2018, the Company also closed a non-brokered private placement of 12,875,000 units at a price of $0.40 per unit for gross proceeds of $5,150,000, which the Company had announced on February 23, 2018. Each unit consisted of one Common Share and one Common Share purchase warrant to purchase one additional Common Share at a price of $0.60 per Common Share for a period of 12 months up to and including March 12, 2019, subject to a warrant exercise acceleration clause. Under the warrant exercise acceleration clause, if the Common Shares are trading at or above a volume weighted average price of $0.80 for 10 consecutive trading days, the warrants will expire upon 30 days from the date the Company provides notice in writing to the warrant holders by way of a news release. In connection with the closing of this private placement, the Company paid a finder's fee of $387,280 and issued 986,600 finder's warrants. Each finder's warrant entitles the holder to purchase one Common Share of the Company at a price of $0.60 per Common Share for a period of twelve months up to and including March 12, 2019 subject to a warrant exercise acceleration clause. Under the warrant exercise acceleration clause, if the Common Shares are trading at or above a volume weighted average price of $0.80 for 10 consecutive trading days, the warrants will expire upon 30 days from the date the Company provides notice in writing to the warrant holders by way of a news release. The net proceeds from the sale of units were added to working capital in furtherance of the Company's business.

On April 23, 2018, 999,999 warrants were exercised at a price of $0.40 for gross proceeds of $400,000. The net proceeds from exercise of these warrants were added to working capital in furtherance of the Company's business.

On May 18, 2018, 161,718 warrants were exercised at a price of $0.40 for gross proceeds of $64,867. The net proceeds from exercise of these warrants were added to working capital in furtherance of the Company's business.

With the Company's focus on cancer, the Company's management decided to return the previously supported CD74 program and the patent titled "Compositions and methods of modulating an immune response" to Dr. Wilfred Jefferies on May 31, 2018. The focus of the CD74 program was on infectious disease with technologies discovered at UBC. The technology related to the role of the chaperone protein, CD74, in the presentation of immune surface proteins to improve immune responses to pathogen or cancer antigens through the activation of dendritic cells with vaccine adjuvants.

On June 18, 2018, 375,000 stock options were exercised at a price of $0.23 for gross proceeds of $86,250. The net proceeds from exercise of these stock options were added to working capital in furtherance of the Company's business

On July 9, 2018, the Company and UBC signed a new collaborative research agreement in connection with research and development projects covering novel natural compounds, monoclonal antibody regulation of calcium channels, and monoclonal antibody for BCP-ALL. The research period commenced on July 9, 2018 and will continue for a period of 12 months. As part of this agreement, the Company agreed to pay UBC $140,000 to cover research costs, half of which was paid on signing of the agreement and the other half of which is due on January 1, 2019.

On July 16, 2018, the Company announced the appointment of Julie M. Eastland to the Board. Ms. Eastland is a strategic and financial executive with more than 25 years of experience in public and private biotechnology companies. The Company also announced the retirement of Dr. Reinhard Gabathuler from the Board.

DESCRIPTION OF BUSINESS

General Description of the Business

The Company is a drug discovery and development company focused on harnessing the body's immune system to fight cancer. The Company's three significant assets are:

(a) **Novel Natural Compounds.** Novel natural compounds are able to increase antigen expression on the surface of tumour cells, making them more visible to the immune system. These molecules enable the immune system to attack and eliminate cancers.

The Company is engaged in cannabinoid research and development. Cannabinoids have previously been used in the treatment of cancer symptoms, including nausea, appetite enhancement, and pain management. However, the Company is the first to identify a mechanism by which cannabinoids may provide a direct benefit in immunotherapy. This discovery may enhance the performance of other cancer therapeutics such as checkpoint inhibitors, which activate the immune system to destroy cancer cells. In order to undertake this work, both the Pascal (US) development lab in Seattle and Dr. Wilfred Jefferies' lab at the University of British Columbia were required to be licensed by the appropriate government agencies. The Company has been awarded the Schedule I Researcher license by the U.S. DEA, and Dr. Wilfred Jefferies' lab has received approval from Health Canada for an exemption under Section 56 of the *Controlled Drugs and Substances Act*. This approval allows the lab to utilize controlled substances for research and development purposes and to test cannabinoid compounds in cell-based studies and in animal models of human diseases.

(b) **Monoclonal Antibody Regulation of Selected Calcium Channel Activity.** Through research with UBC, the Company has derived monoclonal antibodies that exploit the regulation of specific calcium channels expressed by cells of the immune system. By regulating these calcium channels, immune activity can be controlled to combat cancers, infections and autoimmune diseases.

(c) **Therapeutic Monoclonal Antibody for B-Cell Precursor Acute Lymphoblastic Leukaemia (BCP-ALL).** In collaboration with the University of New Mexico, the Company is developing a therapeutic monoclonal antibody for B-cell precursor acute lymphoblastic leukemia, the most common childhood leukemia.

Specialized Skill and Knowledge

Most aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of bioscience, research, development, financing and accounting. The Company has executive officers and employees with extensive experience in science, research and product development in North America. As well, the Company's executive officers, directors and employees have experience in business development, regulatory affairs, managing clinical trials, international finance, and accounting.

Competitive Conditions

The Company competes with major research and development companies and other smaller biomedical companies in the acquisition, research, financing and development of new cancer related technologies in Canada and the US. Many of these companies are more experienced, larger and have greater financial resources for, among other things, financing and the recruitment and retention of qualified personnel.

Patents

Pursuant to the terms of a patent assignment agreement with UBC in October 2012, the Company paid UBC an assignment fee of $300,000 and issued an aggregate of 600,000 common shares in exchange for a patent entitled "HAT acetylation promoters and uses of compositions thereof in promoting immunogenicity", which is used in connection involving cancer proteins. The Company also entered into a patent assignment agreement with Dr. Wilfred Jeffries in October 2012, pursuant to which 1,760,000 common shares were issued to Dr. Wilfred Jeffries in exchange for two patents: "Composition and methods of modulating of an immune response" and "Methods and composition for modulating voltage-gated calcium channel function".

In March 2017, the Company returned the patent titled "HAT acetylation promoters and uses of compositions thereof in promoting immunogenicity" to UBC. In May 2017, the Company returned the patent titled "Curcuphenol compounds for increasing MHC-I expression" to UBC. The Company continues to move forward with the monoclonal antibodies technology licensed from UBC.

Intellectual property and other proprietary rights are essential to the Company's business model. The Company has filed patent applications to protect technology, inventions, and improvements of inventions that are important for the development of the business. In June 2016, the Company was awarded its first patent for the use of "Monoclonal antibodies that modulate voltage gated calcium channels in immune cells", from China for a period of 20 years, with expiry in 2036. In March 2018, the Company was awarded its second patent: "Compositions and methods of modulating an immune response", from Australia for a period of 20 years from filing, with expiry in 2032.

A Patent Cooperation Treaty (PCT) application providing "Composition of matter and use protection for calcium channel antibodies" was filed in early 2016, with a potential expiry in 2036 across all major geographies. The patent claims numerous compounds and methods of treating various diseases. The non-provisional patent application is currently pending in Canada, the United States, the European Union, Hong Kong, Japan, and Australia.

On August 13, 2017, the Patent Cooperation Treaty (PCT) application "Antibodies to L-type voltage gated channels and related methods" was converted into national and regional applications. The Company is in pursuit of patent protection for the subject matter across all major geographies.

In January 2018, the Company filed a Provisional Patent Application (PPA), "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells and increasing their subsequent destruction. Within one year of the filing date, the Company will file a regular non-provisional patent application for patent protection.

Employees

The Company currently has four employees: the CEO/President and three individuals who conduct research and drug development and general administrative activities.

Foreign Operations

In March 2017, Pascal (US) began operating its own research lab in Seattle, Washington and in April 2017, three employees were hired to work in the lab.

Risk Factors

The Company, and thus the securities of the Company, should be considered a speculative investment due to the high-risk nature of the Company's business, and investors should carefully consider all of the information disclosed in this AIF prior to making an investment in the Company. In addition to the other information presented in this AIF, the following risk factors should be given special consideration when evaluating an investment in the Company's securities:

Competition

The market for the Company's technology is highly competitive. The Company competes with other research teams who are also examining potential therapeutics with regards to autoimmune diseases and disorders. Many of its competitors have greater financial and operational resources and more experience in research and development than the Company. These and other companies may have developed or could in the future develop new technologies that compete with the Company's technologies or even render its technologies obsolete.

Competition in the Company's markets is primarily driven by: timing of technological introductions; ability to develop, maintain and protect proprietary products and technologies; and expertise of research and development team.

Intellectual Property

The Company's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. The Company files patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of the Company's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. The Company cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. The Company's current patents could be successfully challenged, invalidated or circumvented. This could result in the Company's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that the Company considers significant could have a material adverse effect on its business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as the laws of Canada and the United States. The Company holds patents only in selected countries. Therefore, third parties may be able to replicate technologies covered by the Company's patents in countries in which it does not have patent protection.

Litigation to Protect Company's Intellectual Property

The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favour.

Clinical Testing and Regulatory Approval

The Company's success is dependent on the successful completion of third party pre-clinical trials. However, the Company may not be able to complete such third-party clinical trials withouth prior regultory approval and the introduction of its technology into the market, neither of which have been completed.

The timing of these events can vary dramatically due to factors such as delays or failures in the Company's clinical trials and the uncertainties inherent in the regulatory approval process. The Company may not be able to obtain the necessary results from its pre-clinical trials or to gain regulatory approval necessary for licensing its technology. The Company's failure to achieve these objectives will mean that an investor will not be able to recoup their investment or to receive a profit on their investment.

Legal Proceedings

The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's resources and its ability to continue operating and the market price for the Common Shares and could use significant resources. Even if the Company is involved in litigation and is successful, litigation can redirect significant company resources and attention away from the business of the Company and may have a material adverse effect on the Company's business, financial condition, financial performance and financial prospects.

Dependence on Management

Although the Company Issuer is expected to have experienced senior management and personnel, it will be substantially dependent upon the services of key personnel, particularly Dr. Patrick Gray, for the successful operation of its business. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If it loses Dr. Patrick Gray, or is unable to attract and retain qualified personnel, its business, financial condition and results of operations may be materially and adversely affected.

Going Concern

The ability of the Company to continue as a going concern is dependent on its ability to generate future profitable operations and to obtain additional debt or equity financing. There can be no assurance that the Company's operations will achieve profitability in the future or that the the Company will be able to successfully obtain financing on commercially reasonable terms or at all.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the Company's research and development programs will be required. No assurances can be given that the the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, or even cease its operations.

Reliance on Third Parties

The Company is relying on a third party to assist it in conducting both pre-clinical and clinical trials. If this third party does not successfully carry out their contractual duties or meet expected deadlines, the Company may not be able to obtain regulatory approval for or commercialize its technology.

Unproven Market

The Company believes that there will be many different applications for its technologies and that the anticipated market for these technologies will continue to expand. However, no assurance can be given that these beliefs will be correct owing, in particular, to competition from existing technologies or new technologies and the yet to be established replication of the Company's pre-clinical results.

Limited Operating History

The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including research and development companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The *Business Corporations Act*, (British Columbia) ("**BCBCA**") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Market Risk

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Fluctuations

The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in the financial performance of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Common Shares.

Stage of Development

There can be no assurance that the Company's business will be successful or profitable or that the commercialization of its technology will be realized as planned. Development of the Company's technologies will only follow upon obtaining continuing satisfactory clinical results and being able to obtain sufficient financing to continue the development and eventual commercialization and market introduction. There is no assurance that the Company's research and development activities will result in any additional discoveries or that the current resources will be developed to production or be commercially viable. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its technology development and clinical trials, which may be affected by a number of factors.

Science

Although the Company's core science is proven, its efforts to transition from the concept stage to the clinical stage and further to the commercialization stage may not be successful, thereby materially and adversely affecting its business, its financial condition and operations.

Rapid Technological Change

The biotechnology industry is characterized by rapid and substantial technological change. There can be no assurance that developments by others will not render the Company's proposed technologies noncompetitive, or that the Company will keep pace with technological developments.

Change in Laws, Regulations and Guidelines

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the business of the Company but also including laws and regulations relating to health and safety, privacy, the conduct of operations and the protection of the environment. While, to the knowledge of the Company's management, the Company is currently in material compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's operations and the financial condition of the Company.

Financial Losses

The Company has incurred losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

Additional Financing

The expansion of the Company's business is capital intensive. In order to execute its anticipated growth strategy, the Company will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. The Company may, subject to securities regulatory requirements and limitations, offer Common Shares, preferred shares, warrants, subscription receipts and units, or any combination thereof, from time to time in one or more offerings, when, and if, market conditions are favorable to the Company. The specific terms of such future offerings, if any, would be subject to the approval of the Board.

Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the time frames for completing its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Operating Risk and Insurance Coverage

The Company has insurance to protect its assets, operations and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for all of the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, the business, financial performance and financial condition of the Company could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, financial performance and prospects.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Any dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

The Company is listed on the TSXV, however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Actions against the Company and its Directors and Officers

The Company is organized under the laws of the Province of British Columbia. Certain of the Company's directors and officers reside principally in Canada. Because all or a substantial portion of the Company's assets and the assets of these persons are located in Canada, it may not be possible for foreign investors to effect service of process from outside of Canada upon the Company or those persons. Furthermore, it may not be possible to enforce against the Company foreign judgments obtained in courts outside of Canada based upon the civil liability provisions of the securities laws or other laws in those jurisdictions.

General Business Risk and Liability

Given the nature of Company's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing the Company, its directors, officers, employees or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Violations of securities laws and breaches of fiduciary duty could result in civil liability, fines, sanctions, or the suspension or revocation of the Company's right to carry on its existing business. The Company may incur significant costs in connection with such potential liabilities.

DIVIDENDS

The Company has not paid any dividends since incorporation and it has no plans to pay dividends for the foreseeable future. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the Common Shares are entitled to an equal share of any dividends declared and paid.

CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of Common Shares without par value As of November 30, 2017, a total of 37,398,085 Common Shares were issued and outstanding. As of the date of this AIF, a total of 52,397,396 Common Shares are issued and outstanding.

Each Common Share ranks equally with all other Common Shares with respect to dissolution, liquidation or winding-up of the Company and payment of dividends. The holders of Common Shares are entitled to one vote for each share of record on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the Board out of funds legally available therefore and to receive, pro rata, the remaining property of the Company on dissolution. The holders of Common Shares have no redemption, retraction, purchase, pre-emptive or conversion rights. The rights attaching to the Common Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

Warrants

There were 1,333,332 Common Share purchase warrants ("**Warrants**") outstanding as of November 30, 2017, with a weighted average exercise price of $0.40 per share. As of the date of this AIF, there are 14,249,194 Warrants outstanding, with a weighted average exercise price of $0.59 per share, which would result in $8,471,998 cash proceeds to the Company, if exercised.

Stock Options

The Company has a 10% rolling stock option plan (the "**Option Plan**") that was approved by shareholders at the Company's annual meeting on March 12, 2018. Pursuant to the Option Plan, the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options (each, an "**Option**") to purchase Common Shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for five years from the date of grant.

There were 3,327,000 Options outstanding as of November 30, 2017, with a weighted average exercise price of $0.36 per share. As of the date of this AIF, there are 5,102,000 Options outstanding, with a weighted average exercise price of $0.37 per share, which would result in $1,858,640 cash proceeds to the Company, if exercised.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the trading symbol "PAS". The following table sets forth the high and low trading prices and trading volume of the Common Shares for its most recently completed financial year as reported by the TSXV for the periods indicated:

Month	High ($)	Low ($)	Total Volume
November 2017	0.31	0.23	453,750
October 2017	0.45	0.27	94,600
September 2017	0.45	0.30	167,100
August 2017	0.45	0.31	56,100
July 2017	0.34	0.28	302,650
June 2017	0.40	0.30	284,800
May 2017	0.46	0.30	172,517
April 2017	0.52	0.40	127,942
March 2017	0.49	0.44	244,850
February 2017	0.55	0.44	223,935
January 2017	0.80	0.48	392,933
December 2016	0.85	0.41	573,255

PRIOR SALES

During the year ended November 30, 2017, the Company issued the following securities that are not listed or quoted on a marketplace:

Warrants

During the Company's most recently completed financial year, the Company did not issue any Warrants. Since December 1, 2017, a further 13,262,594 Warrants have been granted as follows:

Date of Grant	Number of Warrants Granted	Exercise Price	Expiry Date
March 8, 2018	12,875,000	$0.60	March 12, 2019
March 8, 2018	986,600	$0.60	March 12, 2019
March 8, 2018	387,594	$0.40	March 8, 2020

As of the date of this AIF, there are Warrants outstanding to purchase an aggregate of 14,249,194 Common Shares.

Stock Options

During the Company's most recently completed financial year, 640,000 Options were granted, and since December 1, 2017, a further 2,350,000 Options have been granted as follows:

Date of Grant	Number of Options Granted	Exercise Price	Expiry Date
January 29, 2018	250,000	$0.29	January 28, 2023
August 3, 2018	625,000	$0.35	August 2, 2021
August 3, 2018	1,475,000	$0.35	August 2, 2023

As of the date of this AIF, there are Options outstanding to purchase an aggregate of 5,102,000 Common Shares.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out the names of the directors and officers of the Company as at November 30, 2017 and as of the date of this AIF and their respective provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each director has served as a director and the number of each class of securities of the Company and percentage of such class beneficially owned, directly or indirectly, or subject to control or direction by that person.

The term of each of the current directors of the Company will expire at the Company's next annual general meeting unless his office is earlier vacated in accordance with the Articles of the Company or he/she becomes disqualified to act as a director. The Company is not required to have an executive committee but it has an Audit Committee as indicated below.

Name, Position and City, Province and Country of Residence[(1)]	Principal Occupation or Employment for Past 5 Years	Director or Officer Since	No. and Percentage of Common Shares[(1)]
Patrick Gray *Washington, USA* President and Chief Executive Officer	2012 – present: Omeros Corporation, *Scientific Fellow* 2010 – 2014: University of Washington Graduate School, *Professor* 2007 – 2012: Accelerator Corp., *Chief Scientific Officer*	December 8, 2015	815,979 1.56%
Karoly Nikolich[(2)] *California, USA* Director	2010 – present: Circuit Therapeutics Inc., *President and Founder* 2014 – Present: Alkahest Inc., *Co-Founder, Chairman and Chief Executive Officer*	September 24, 2013	166,666 00.30%
Jens Biertumpel[(2)] *Hong Kong* Director	2015 – present: Lightstream Capital Ltd., *Managing Director* 2007 – 2015: Mont Blanc Capital Management AG, *Managing Director*	June 30, 2015	779,999[(4)] 1.50%
Terry Pearson[(2)] *British Columbia, Canada* Director	2015 – present: University of Victoria, *Professor Emeritus Professor of Biochemistry and Microbiology* 1979 – 2015: University of Victoria, *Professor of Biochemistry and Microbiology*	December 16, 2014	53,000 0.10%
Reinhard Gabathuler[(3)] *Quebec, Canada* Director	2009 – present: Scientific consultant to various biotechnology companies	December 8, 2015	Nil
Thomas Gadek *Utah, USA* Director	2016 – present: Tear Solutions, *CEO* 2006 – 2013: SarCode Bioscience, *CEO and Director* 2010 – 2015: Rogne Bioscience, *CEO, CSO and Director*	September 20, 2016	Nil
Graeme I. Bell *Illinois, USA* Director	1986 – present: University of Chicago, *Professor of Medicine*	December 5, 2017	Nil
Judith F. Dalling *British Columbia, Canada* Chief Financial Officer	2008 – present: Self-employed	June 1, 2013	175,000 0.003%

Notes:

(1) Information as to country of residence, principal occupation and Common Shares owned or over which a director exercises control or direction has been confirmed by the respective directors individually.
(2) Member of the Audit Committee.
(3) Dr. Reinhard Gabathuler retired from the Board on July 16, 2018 and was replaced by Julie M. Eastland.
(4) A total of 110,000 of these Common Shares are held by Mr. Biertumpel's spouse.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company nor a shareholder holding a sufficient number of Common Shares to materially affect the control of the Company, nor a personal holding company of any of them,

(a) is, at the date of this AIF or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company), that while that person was acting in that capacity,

(i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities registration, for a period of more than 30 consecutive days; or

(iii) 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; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or comprise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company, nor a shareholder holding a sufficient number of common shares of the Company to affect materially the control of the Company, nor a personal holding company of any of them, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of the Company, there are no existing or potential material conflicts of interest between the Company or its subsidiaries, nor with any director or officer of the Company or its subsidiaries.

STATEMENT OF EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6V for Venture Issuers, as such term is defined in National Instrument 51-102. All of the information in this section is as of November 30, 2017, being the date of the Company's most recently completed financial year.

Definitions

"**Chief Executive Officer**" or "**CEO**" of the Company means an individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;

"**Chief Financial Officer**" or "**CFO**" of the Company means an individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**Plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons and includes the Company's Option Plan; and

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executed Officer Compensation

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years (ended November, 2017 and 2016 respectively), to the directors, and to the NEOs:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Reinhard Gabathuler Director	2017	52,000	Nil	Nil	Nil	Nil	52,000
	2016	96,000	Nil	Nil	Nil	Nil	96,000
Patrick Gray Chief Executive Officer and President	2017	120,000	Nil	Nil	Nil	Nil	120,000
	2016	120,000	Nil	Nil	Nil	Nil	120,000
Judi Dalling Chief Financial Officer	2017	65,000	Nil	Nil	Nil	Nil	65,000
	2016	65,000	Nil	Nil	Nil	Nil	65,000
Karoly Nikolich Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Jens Biertumpel(1) Director	2017	8,000	Nil	Nil	Nil	Nil	8,000
	2016	13,250(1)	Nil	Nil	Nil	Nil	13,250
Terry Pearson Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Gadek Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) During the fiscal year ended November 30, 2017 and 2016, the Company paid or accrued consulting fees of $Nil and $13,250 respectively to Mr. Jens Biertumpel in connection with Mr. Biertumpel's participation in various investor conferences.

External Management Companies

Mr. Patrick Gray, provided consulting services to the Company through his company, MolaQule LLC. Commencing July 1, 2017, Mr. Gray became an employee of the Company.

Stock Options and Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued to each director and NEO by the Company during the financial year ended November 30, 2017 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)(1)	Closing price of security or underlying security at year end ($)	Expiry date
Reinhard Gabathuler (2), (4) Director	-	-	-	-	-	-	-
Patrick Gray(2) Chief Executive Officer and President	-	-	-	-	-	-	-
Judi Dalling Chief Financial Officer	Stock Options(3)	35,000 N/A	June 28, 2017	0.33	0.33	0.29	June 27, 2022
Karoly Nikolich Director	Stock Options(3)	50,000 N/A	June 28, 2017	0.33	0.33	0.29	June 27, 2022
Jens Biertumpel Director	-	-	-	-	-	-	-
Terry Pearson Director	Stock Options(3)	105,000 N/A	June 28, 2017	0.33	0.33	0.29	June 27, 2022
Thomas Gadek Director	Stock Options(3)	50,000 N/A	June 28, 2017	0.33	0.33	0.29	June 27, 2022

Notes:

(1) The last closing price of the Company's Common Shares before the issuance of the news release announcing the grant of stock options.
(2) On April 22, 2016 Mr. Gabathuler stepped down as Chief Executive Officer and President and Mr. Patrick Gray was appointed to serve as Chief Executive Officer and President of the Company.
(3) These options vest and may be exercised as to 1/4 options three months after the date of grant, and 1/4 options each three months thereafter until fully vested (12 months following the date of grant).
(4) Dr. Reinhard Gabathuler retired from the Board on July 16, 2018 and was replaced by Julie M. Eastland.
(5) As at November 30, 2017 (the Company's most recently completed financial year), Dr. Gabathuler held a total of 535,000 Company's stock options, Dr. Gray held a total of 467,000 Company's stock options, Ms. Dalling held a total of 300,000 of the Company's stock options, Dr. Nikolich held a total of 402,500 of the Company's stock options, Mr. Biertumpel held a total of 422,500 of the Company's stock options, Dr. Pearson held a total of 300,000 of the Company's stock options and Dr. Gadek held a total of 300,000 of the Company's stock options.

Stock Option Plans and Other Incentive Plans

The Option Plan is a "rolling" stock option plan whereby a maximum of 10% of the issued Common Shares of the Company, from time to time, may be reserved for issuance under the Option Plan provided that as long as the Company is a capital pool company (as defined in the policies of the TSXV) such number may not exceed 10% of the Common Shares outstanding as at the closing of the Company's initial public offering. As the Company's Option Plan is a "rolling" plan, the policies of the TSXV require that the Company seek shareholder approval of the Option Plan annually. The Option Plan is administered by the Board.

1. The aggregate number of Common Shares which may be issued and sold under the Option Plan will not exceed 10% of the issued and outstanding shares at the time of grant of any Option under the Option Plan.

2. The option price of any Common Shares in respect of which an Option may be granted shall be fixed by the Board provided that the minimum exercise price shall not be less than the market price of the Common Shares at the time the option is granted, less the discounts permitted by the TSXV.

3. Options under the Option Plan may be granted by the Board to directors, senior officers, employees or consultants of the Company, collectively known as the "Participants".

4. Options granted under the Option Plan are exercisable over a period not exceeding ten years, provided that notwithstanding the foregoing, if the term of any Option granted under the Option Plan ends on a day occurring during a blackout period (being the period imposed by the Company during which insiders are prohibited from trading in the securities of the Company) or within nine business days thereafter, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the blackout period, such tenth business day to be considered the expiry date for such Option for all purposes under the Option Plan.

5. Subject to any vesting restrictions imposed by the TSXV, the Board may determine, in its sole discretion, the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

6. No single Participant may be granted options to purchase a number of common shares of the Company equaling more than 5% of the issued Common Shares of the Company in any one twelve-month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable TSXV requirements.

7. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Company in any twelve-month period to any one consultant of the Company (or any of its subsidiaries).

8. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Company in any twelve-month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve months with no more than ¼ of the options vesting in any three-month period.

9. No Options can be granted under the Option Plan if the Company is on notice from the TSXV to transfer its listed shares to the NEX or while the Company’s shares trade on the NEX.

10. If a Participant ceases to be a technical consultant/non-technical consultant or employee of the Company or any of its subsidiaries as a result of retirement, resignation or termination without cause, such Participant shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such Participant, if earlier) from the date of ceasing to be a technical consultant/non-technical consultant or employee to exercise all unexercised option rights of that Participant under the Option Plan to the extent they were exercisable on the date of ceasing to be a technical consultant/non-technical consultant or employee; provided that if such Participant was engaged in investor relations activities, such exercise must occur within 30 days after the cessation of the Participant’s services to the Company (subject to extension at the discretion of the Board).

11. If a Participant ceases to be a director or officer of the Company or any of its subsidiaries as a result of retirement, resignation or termination without cause, subject to the discretion of the Board, such Participant shall have the right for a period of one year (or until the normal expiry date of the option rights of such Participant, if earlier) from the date of ceasing to be a director or officer to exercise all unexercised option rights of that Participant under the Option Plan to the extent they were exercisable on the date of ceasing to be a director or officer.

12. No right or interest of any Participant in or under the Option Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution.

13. In the event an Option granted under the Option Plan expires unexercised or is terminated by reason of dismissal of the Participant for cause or is otherwise lawfully cancelled prior to exercise of the option, the option shares that were issuable thereunder will be returned to the Option Plan and will be eligible for reissuance.

14. Subject to applicable approval of the TSXV, the Board may, at any time, suspend or terminate the Option Plan, amend or revise the terms of the Option Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any Options theretofore granted under the Option Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

Employment, Consulting and Management Agreements

The Company entered into a consulting agreement with Ms. Judi Dalling for services in her capacity as Chief Financial Officer and Corporate Secretary. Pursuant to this consulting agreement the Company pays Ms. Dalling an annual consulting fee of $65,000 payable in equal monthly installments in advance. Ms. Dalling is also eligible to receive bonuses from time to time and reimbursement for approved out-of-pocket expenses. The agreement provides that should the Company terminate the agreement without cause, or in the event that there is a change of control of the Company, as defined in the agreement, and the consulting services of Ms. Dalling are terminated within 12 months from the date of such change of control, the Company will make a lump sum termination payment to Ms. Dalling that is equal to 3 months of the base consulting fee. If the contract was terminated without cause as at November 30, 2017, the estimated incremental payments resulting from such termination would be $16,250.

The Company entered into a consulting agreement with MolaQule LLC and Mr. Patrick Gray for services in his capacity as Chief Executive Officer and President. Pursuant to this consulting agreement the Company pays MolaQule LLC an annual consulting fee of $120,000 payable in equal monthly installments at the end of each month and a total of $250 per diem for travel expenses and meals for trips to Vancouver. Mr. Gray is also eligible to receive bonuses from time to time and reimbursement for approved out-of-pocket expenses. The agreement provides that should the Company terminate the agreement without cause, the Company will make a lump sum termination payment to MolaQule LLC that is equal to 1 month of the base consulting fee. The agreement further provides that in the event that there is a change of control of the Company, as defined in the agreement, and the consulting services of Mr. Gray are terminated within 12 months from the date of such change of control, the Company will make a lump sum termination payment to MolaQule LLC that is equal to 2 months of the base consulting fee. If the contract was terminated without cause as at November 30, 2017, the estimated incremental payments resulting from such termination would be $20,000.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Given the Company's status as an early-stage company, the Board does not feel that any payment to the directors is appropriate in such person's capacity as a director. Long term incentives (stock options) are granted from time to time, based on an existing complement of long term incentives, corporate performance and to be competitive with other companies of similar size and scope.

Compensation of Named Executive Officers

Given the Company's status as an early-stage company, the Board does not feel that a compensation committee is required to evaluate compensation. The Board reviews and approves compensation paid to the Company's Named Executive Officers.

Compensation objectives include attracting and retaining highly-qualified individuals, creating among directors, officers, consultants and employees, a corporate environment which will align their interests with those of the shareholder and ensuring competitive compensation that is also affordable for the Company.

The compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's Named Executive Officers may receive compensation that is comprised of three components: (a) salary, wages or contractor payments; (b) stock option grants; and (c) bonuses.

The Company has not begun to market any product or to generate revenues. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the Named Executive Officers. The salaries are set on a basis of a review and comparison of salaries paid to executives at similar companies.

Stock option grants are designed to reward the Named Executive Officers for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatility of the stock market.

Bonuses paid to the Named Executive Officers are allocated on an individual basis and are based on review by the Board of the work planned during the year and the work achieved during the year, including work related to advances in research and development, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

The Company does not have a share-based award incentive plan.

Pension Disclosure

The Company does not have a pension plan in place and therefore there were no pension plan benefit awards made to the Named Executive Officers during the fiscal year ended November 30, 2017.

PROMOTERS

The Company has not had a promoter during the past two most recently completed financial years or during the current year.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not aware of any actual or pending material legal proceedings to which the Company or either of its subsidiaries is or is likely to be party or of which any of its business or property is or is likely to be subject.

Regulatory Actions

No penalties or sanctions were imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended November 30, 2017.

No penalties or sanctions were imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision.

The Company did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the year ended November 30, 2017.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, no director, executive officer or persons or companies who beneficially own, control or direct, directly or indirectly, more than 10 percent of any class of outstanding voting securities of the Company, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transactions with the Company within the three most recently completed financial years or during the current financial year, that has materially affected or is reasonably expected to have a material effect on the Company.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare Trust Company of Canada ("**Computershare**"). Computershare's register of transfers for the Common Shares of the Company is located at 510 Burrard Street, Second Floor, Vancouver, British Columbia, Canada, V6C 3B9.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business or as otherwise stated in this AIF, the Company has no material contracts.

INTERESTS OF EXPERTS

Smythe Ratcliffe LLP is the independent registered public accounting firm of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

ADDITIONAL INFORMATION

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

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's equity compensation plan, as applicable, is contained in the Company's information circular dated February 9, 2018.

Additional financial information is provided in the Company's audited financial statements and the Management's Discussion and Analysis of the Company for the year ended November 30, 2017, a copy of which may be requested from the Company's head office, or obtained from SEDAR (www.sedar.com).