A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the province of British Columbia, Alberta, Manitoba and Ontario, but has not yet become final. Information contained in this preliminary prospectus 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 does not constitute a public offering of 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, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S Persons.*

New Issue Prospectus **January 28, 2021**

PRELIMINARY PROSPECTUS

DEFENCE THERAPEUTICS INC.

6,137,000 Common Shares and 6,137,000 Common Share Purchase Warrants issuable on deemed exercise of 6,137,000 Special Warrants at a price of $0.60 per Special Warrant

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No securities are being offered or sold pursuant to this preliminary prospectus (the "**Prospectus**"). This Prospectus is being filed with the securities regulatory authorities in British Columbia to enable Defence Therapeutics Inc. (the "**Company**") to become a Reporting Issuer pursuant to the applicable securities legislation, and to qualify the distribution of the following securities: 6,137,000 class A common shares (the "**Common Shares**") in the capital of the Company and 6,137,000 Common Share purchase warrants (the "**Warrants**") of the Company issuable upon the deemed exercise of 6,137,000 issued and outstanding special warrants (the "**Special Warrants**") of the Company. The Special Warrants were issued on December 24, 2020 and January 25, 2021 at a price of $0.60 per Special Warrant to purchasers in the province of British Columbia, British Columbia, Alberta, Manitoba and Ontario on a private placement basis pursuant to certain prospectus exemptions under applicable securities legislation (the "**Special Warrant Offering**"). Collectively, the Common Shares and Warrants are referred to herein as the "**Qualified Securities**". **The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Securities other than the exercise price payable upon exercise of the Warrants.**

The Company intends to apply to the Canadian Securities Exchange (the "**CSE**") for the listing of the Common Shares (the "**Listing**"). The CSE has provided written authorization to the Company to represent its intention to apply for Listing on the CSE in this Prospectus. The CSE has not approved the Listing. Listing is subject to the Company fulfilling all the requirements of the CSE, including meeting all minimum listing requirements. There is no guarantee that the CSE will provide approval for the Listing. The Common Shares and Warrants have not been listed or quoted on any stock exchange or market.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

There is no market through which the Special Warrants may be sold and purchasers may not be able to resell the Special Warrants acquired pursuant to the Special Warrant Offering. In addition, there is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants qualified by this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*".

	Price	**Net Proceeds to the Company[(1)]**
Per Special Warrant	$0.60	$0.54
Total	**$3,682,200**	**$3,322,200**

Notes:

(1) Before deducting the legal, accounting and administrative expenses of the Company in connection with the Special Warrant Offering and after deducting total cash finder's fees of $360,000.

Each Special Warrant is represented by a Special Warrant Certificate and will be deemed exchanged, without payment of any additional consideration and without any further action by the holder, for one Common Share and one Warrant, on the third Business Day after the Prospectus Receipt Date (defined herein). The Special Warrants and the conditions necessary for them to be exercised for Common Shares and the Warrants are described in more detail under the heading "*Plan of Distribution*" in this Prospectus.

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

An investment in Common Shares and Warrants of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

The head office of the Company is located at 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6 and the registered and records office of the Company is located at 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

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GLOSSARY

The following is a glossary of certain general terms used in this Prospectus, including the summary hereof. Terms and abbreviations used in the financial statements and management's discussion and analysis included in, or appended to this Prospectus are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Accum Invention**" means the invention known as "Novel Immunoconjugates with cholic acid nuclear localization sequence peptide and uses thereof".

"**Accum Therapeutics**" means Accum Therapeutics Inc., a precursor entity to the Company.

"**ADC**" means antibody drug conjugates.

"**Amended IP Assignment and Royalty Agreement**" means the Amended and Restated Intellectual Property Assignment and Royalty Agreement between the Company and TTS which amends the Original IP Assignment and Royalty Agreement.

"**Athena**" means Athena Ventures Inc.

"**Audit Committee**" means the audit committee of the Company.

"**Audit Committee Charter**" means the Audit Committee's Charter, attached hereto as Exhibit "B".

"**Audited Financial Statements**" means the audited financial statements of the Company for the years ended June 30, 2020 and June 30, 2019, together with the notes thereto and the auditors' report thereon, as applicable, attached hereto at Exhibit "A".

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, together with all regulations promulgated thereto.

"**BLA**" means Biologics License Application.

"**Board**" means the Board of Directors of the Company.

"**BsAb**" means bispecific mAb.

"**Business Day**" means a day other than Saturday, Sunday or a statutory holiday in British Columbia, Canada.

"**CAGR**" means compound annual growth rates.

"**CDK2**" means cyclin-dependent kinase.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**CnE**" means cyclin E.

"**Common Share**" means a common share in the capital of the Company.

"**Company**" means Defence Therapeutics Inc., a company continued under the laws of the Province of British Columbia.

"**company**" means unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Conditional Approval**" means the approval issued by the CSE for listing of the Common Shares.

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange operated by the CNSX Markets Inc.

"**CTA**" means a Clinical Trial Application.

"**CTSO**" means Chief Technical Science Officer.

"**DCs**" means dendritic cells.

"**DRS**" means the Direct Registration System.

"**Escrow Agent**" means Computershare Trust Company of Canada.

"**Escrowed Securities**" means the Common Shares to be held in escrow and released over a 36-month period pursuant to the Escrow Agreement.

"**Escrow Agreement**" means the NP 46-201 escrow agreement to be entered into on or before the Prospectus Receipt Date among the Company, the Escrow Agent and certain shareholders of the Company.

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange.

"**Exchange Requirements**" means the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.

"**Expiry Date**" means the date an Option granted under the Stock Option Plan expires.

"**FDA**" means the Food and Drug Administration in the U.S.

"**FDCA**" means the *Federal Food, Drug and Cosmetic Act* in the U.S.

"**Finder's Warrants**" means (a) the 1,071,400 warrants to purchase Common Shares issued to certain eligible finders pursuant to the Private Placement, which are exercisable into Common Shares at $0.15 for a period of 36 months after becoming a Reporting Issuer, and (b) the 850,000 warrants to purchase Common Shares issued to certain eligible finders pursuant the Unit Offering and the Special Warrant Offering, which are exercisable into Common Shares at $0.60 until the earlier of (i) a period of two years from the Listing Date; and (ii) December 24, 2025.

"**First Tranche**" means the first tranche of the Private Placement, pursuant to which 15,180,000 Common Shares were issued on June 18, 2020.

"**Form 51-102F6**" means Form 51-102F6 *Statement of Executive Compensation*.

"**GLP**" means Good Laboratory Practice.

"**GMP**" means the current Good Manufacturing Practices.

"**Grant Date**" means the date on which the Committee grants a particular Option under the Stock Option Plan, which is also the date the Option comes into effect.

"**IND**" means Investigational New Drug.

"**Insider**" means:

(a) a director or senior officer of the Company;

(b) a director or senior officer of the Company that is an Insider or subsidiary of the Company,

(c) a Person that beneficially owns or controls, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company; or

(d) the Company itself if it holds any of its own securities.

"**Interim Financial Statements**" means the unaudited interim financial statements of the Company for the three months ended September 30, 2020.

"**IRB**" means Independent Review Boards.

"**Listing**" means the listing of the Company's Common Shares on the CSE under the trading symbol "DTC" or such other symbol approved by the Exchange.

"**Listing Date**" means the date that the Common Shares are listed on the CSE or another stock exchange recognized under provincial securities laws.

"**mAb**" means monoclonal antibody.

"**MD&A**" means management's discussion and analysis of financial condition and operating results.

"**MIBC**" means muscle invasive breast cancer.

"**Named Executive Officers**" or "**NEOs**" has the meaning set forth under "Executive Compensation".

"**NDS**" means a New Drug Submission submitted to Health Canada.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NLS**" means nuclear localization signal.

"**NOL**" means a No Objection Letter issued from Health Canada.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Option**" or "**Options**" means options issued pursuant to the Stock Option Plan.

"**Option Holder**" means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.

"**Original IP Assignment and Royalty Agreement**" means the Intellectual Property Assignment and Royalty Agreement amongst Accum Therapeutics, Michel Delisle, TTS, Simon Beaudoin and Jeffrey Leyton.

"**Person**" or "**Entity**" means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the Company, such syndicate or group will be deemed to be a Person or Entity.

"**Personal Representative**" means:

a) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

b) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.

"**Private Placement**" means the non-brokered private placement of the Company of 21,415,000 Common Shares at a price of $0.15 per Common Share for gross proceeds of $3,212,250, the First Tranche of which completed on June 18, 2020, the Second Tranche of which completed on August 31, 2020 and the Third Tranche of which completed on October 9, 2020.

"**Promoter**" means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property will not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

"**Prospectus**" has the meaning as set forth on the face page of this Prospectus.

"**Prospectus Receipt Date**" means the date that a receipt for a final prospectus qualifying the distribution of the Qualified Securities is issued to the Company from the securities regulatory authorities in the province of British Columbia.

"**Qualified Securities**" has the meaning as set forth on the face page of this Prospectus.

"**REB**" means Research Ethics Boards.

"**Regulation D**" means Regulation D promulgated under the U.S. Securities Act.

"**Regulatory Authorities**" means all securities commission or similar securities regulatory bodies having jurisdiction over the Company.

"**Regulatory Rules**" means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of the Stock Option Plan or the Options granted from time to time thereunder, including, without limitation, those of the applicable Regulatory Authorities.

"**Reporting Issuer**" means, inter alia, a company that has issued securities in respect of which a prospectus was filed and a receipt was issued by a Securities Commission of a province in Canada, has any securities that have been listed and trading on an exchange in Canada or completed a takeover with a listed issuer.

"**RPII**" means the enzyme RNA Polymerase II.

"**Second Tranche**" means the second tranche of the Private Placement, pursuant to which 4,200,000 Common Shares were issued on August 31, 2020.

"**Sediamek**" means Sediamek Inc.

"**Shareholders**" means holders of Common Shares.

"**Special Warrant Certificate**" means a certificate representing Special Warrants.

"**Socpra**" means Socpra Sciences Sante Et Humaines, S.e.c.

"**Special Warrant Exercise Date**" means the date the Special Warrants are deemed to have been exercised into one Common Share, which is the earlier of the date that is (i) the third Business Day after the Prospectus Receipt Date and (ii) four months and one day after the issue date of the Special Warrants.

"**Special Warrant Offering**" means the non-brokered private placement of the Company of 6,137,000 Special Warrants for gross proceeds of $3,682,200 which completed on December 24, 2020 and January 25, 2021, and which will result in the deemed exercise of Special Warrants for 6,137,000 Common Shares and 6,137,000 Warrants.

"**Special Warrantholder**" means holders of Special Warrants.

"**Special Warrants**" means the special warrants issued by the Company at a price of $0.60 per Special Warrant, pursuant to the Special Warrant Offering entitling the holder thereof to acquire, for no additional consideration, one Common Share and one Warrant pursuant to the terms and conditions in the Special Warrant Certificates.

"**Stock Option Plan**" means the 10% rolling stock option plan of the Company providing for the granting of incentive Options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange.

"**Unit Offering**" means the non-brokered private placement of the Company of 2,588,000 Units at a price of $0.60 per Unit for gross proceeds of $1,552,800, which completed on December 24, 2020 and January 25, 2021.

"**Units**" means units of the Company sold pursuant to the Unit Offering, with each Unit comprised of one common share and one Unit Warrant.

"**Unit Warrant**" means the Common Share purchase warrants of the Company issued pursuant to the Unit Offering, with each Unit Warrant entitling the holder to acquire one Common Share at a price of $1.25 per Common Share until the earlier of (a) a period of two years from the Listing Date; and (b) five years from the issue date of the Units.

"**Third Tranche**" means the third tranche of the Private Placement, pursuant to which 2,035,000 Common Shares were issued on October 9, 2020.

"**Transfer Agent**" means the transfer agent and registrar of the Company, anticipated to be Computershare Trust Company of Canada.

"**TTS**" means TransferTech Sherbooke.

"**U.S.**" or "**United States**" means the United States of America, its territories or its possessions, any state of the United States or the District of Columbia.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**VP**" means vice president.

"**Warrant Certificate**" means a warrant certificate representing warrants issued by the Company.

"**Warrant Shares**" means the Common Shares issuable upon exercise of the Warrants.

"**Warrants**" means the Common Share purchase warrants of the Company issuable upon deemed exercise of the Special Warrants entitling the holder to acquire one Common Share at a price of $1.25 per Common Share until the earlier of (a) a period of two years from the Listing Date; and (b) five years from the issue date of the Special Warrants.

CURRENCY PRESENTATION

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to US$ are to United State (US) dollars. Canadian dollars are denoted as $ or C$.

The daily exchange rate on January 27, 2021, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US$1.00 equals $1.2775.

INTERPRETATION

Unless the context otherwise requires, all references in this Prospectus to "we", "us", "our" or the "Company" refer to Defence Therapeutics Inc., a British Columbia company.

Certain capitalized terms and phrases used in this Prospectus are defined under "Glossary of General Terms". Words importing the singular number include the plural, and *vice versa*, and words importing any gender include all genders.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This Prospectus uses words such as "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook", and other similar expressions to identify forward-looking information. These forward-looking statements include, among other things, statements relating to:

- the deemed exercise of the Special Warrants on the Special Warrants Exercise Date;
- the share capital of the Company;
- the Listing on the CSE;
- the executive compensation of the Company;
- the composition of the Board and management of the Company.
- the Company's expectations regarding its revenue, expenses and research and development operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- expectations with respect to the success of its research and development of its products;
- expectations regarding the Company's growth rates and growth plans and strategies;
- the medical benefits, safety, and efficacy of its products;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's expected business objectives for the next 12 months;
- the Company's plans with respect to the payment of dividends;
- beliefs and intentions regarding the ownership of patents, material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products and services; and
- the Company's ability to obtain additional funds through the sale of equity or debt commitments.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this Prospectus include, without limitation:

- the ability to obtain Listing approval from the CSE;
- obtaining the necessary regulatory approvals;
- that regulatory requirements will be maintained;
- general business and economic conditions;
- the Company's ability to successfully execute its plans and intentions;
- the availability of financing on reasonable terms;
- the Company's ability to attract and retain skilled staff;

- market competition;
- the products offered by the Company's competitors; and
- that the Company's current good relationships with the Company's suppliers, service providers and other third parties will be maintained.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors. For a more detailed discussion of certain of these risk factors, see "*Risk Factors*".

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Prospectus was obtained from third party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the Canadian and United States pharmaceutical markets and economy (including our opinions, estimates and assumptions relating to the market for psychedelics and economy based on that knowledge). We believe that the market and economic data presented throughout this Prospectus is accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Prospectus are not guaranteed and neither we nor the Agent make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, neither we nor the Agent have independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company: The Company is a biotechnology company engaged in the business of research and development, focusing on enhancing delivery of tumor-/ and infectious disease-specific therapeutics. The Company was incorporated on July 18, 2017 under the *Business Corporations Act* (Québec) and was continued under the laws of the Province of British Columbia in July of 2020. The Company is based in Vancouver, British Columbia, Canada. See "*Corporate Structure*".

Business of the Company: The principal business carried on by the Company is the development of a biological drug enhancer platform that improves the efficacy and safety of multitude biological/biosimilar-based pharmaceuticals used in the treatment of cancer and infectious diseases.

The Company's Accum technology takes multitude biological/biosimilar-based pharmaceutical to a bold new frontier by enabling efficient intracellular access while maintaining target cell specificity. The Company's product pipeline focuses on the effective intracellular access by different type of cell-based and protein-based vaccine and by protein-delivery systems such as monoclonal antibody (mAb)-based therapies. The Company is actively seeking licensing, acquisition or partnership opportunities from industry and academia, in order to continue to develop this technology and bring it to market.

See "*General Development and Business of the Company*".

The Special Warrant Offering: Pursuant to the Special Warrant Offering, the Company issued an aggregate of 6,137,000 Special Warrants for gross proceeds of $3,682,200 on December 24, 2020 and January 25, 2021. See "*Plan of Distribution"* and "*Description of Securities Distributed*".

Issue Price: C$0.60 per Special Warrant

Qualified Securities This Prospectus is being filed to qualify the distribution of 6,137,000 Common Shares and 6,137,000 Warrants upon the deemed exercise of 6,137,000 issued and outstanding Special Warrants.

Listing The Company intends to list its Common Shares on the CSE under the trading symbol "DTC" or such other symbol accepted by the CSE. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "*Plan of Distribution*".

Use of Proceeds: The Company will use the funds available to it, including the net proceeds from the Special Warrant Offering, to further its business objectives. Specifically, the Company will use the funds available to it as follows:

Principal Purpose	Amount to be Expended
Research and Development (External Proof of Concept)	$100,000
Research and Development (Validation)	$400,000
Research and Development (Development – COVID-19)	$250,000
Research and Development (Development – Cancer)	$500,000
Research and Development (Other)	$250,000

Publications and Conferences	$23,000
Intellectual Property (Ongoing Costs)	$100,000
Intellectual Property (Acquisition and Development)	$275,000
Consultant Fees and Executive Officer Salaries.	$419,675
Working capital and general and administrative expenses	$4,767,325
TOTAL	$7,085,000

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. See "*Use of Available Funds*".

Directors and Officers of the Company:

The Board consists of Sébastien Plouffe, P. Joseph Meagher, Moutih Rafei, Raimar Löbenberg and Sarkis Meterissian. The officers of the Company consist of Sébastien Plouffe (CEO), P. Joseph Meagher (CFO), Carrie Cesarone (Corporate Secretary), Dr. Simon Beaudoin (CTSO) and Dr. Moutih Rafei (VP Research and Development).

Selected Consolidated Financial Information:

Summary of Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements of the Company for the years ended June 30, 2020 and June 30, 2019 (audited), the interim financial statements of the Company for the three months ended September 30, 2020 (unaudited) and notes thereto included in this Prospectus and should be read in conjunction with the financial statements, notes thereto and related Management's Discussion & Analysis. All financial statements of the Company are prepared in accordance with IFRS. See "*Selected Financial Information and Management's Discussion and Analysis*."

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

Consolidated Statement of Financial Position Data

	As at and for the three months ended September 30, 2020 (unaudited) ($)	**As at and for the year ended June 30, 2020 (audited) ($)**	**As at and for the year ended June 30, 2019 (audited) ($)**
Cash	2,389,683	1,865,927	766
Other assets	79,220	46,018	6,999
Total assets	2,468,903	1,911,945	7,765
Liabilities	51,464	48,351	7,839
Shareholders' equity (deficiency)	2,417,439	1,863,594	(74)
Total liabilities and shareholders' equity	2,468,903	1,911,945	7,765

Consolidated Statement of Comprehensive Loss Data

	For the period ended September 30, 2020 ($)
Expenses	41,505
Interest income	-
Foreign exchange loss	-
Net loss and comprehensive loss for the period	(41,505)

See "*Selected Financial Information and Management's Discussion and Analysis*."

Risk Factors: Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business prospectus, financial condition and results of operations. For a detailed description of these risks see "*Risk Factors*".

CORPORATE STRUCTURE

Incorporation and Offices

Defence Therapeutics Inc. (the "**Company**") was incorporated on July 18, 2017 under the *Business Corporations Act* (Québec) under the name Accum Therapeutics Inc. On April 6, 2020, the Company changed its name to Defence Therapeutics Inc. and on July 10, 2020, the Company was continued into British Columbia under the *Business Corporations Act* (British Columbia). The head office of the Company is located at 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6 and the registered and records office of the Company is located at 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6. The Company has no subsidiaries.

The Company completed the Special Warrant Offering on December 24, 2020 and January 25, 2021 at a price of $0.60 per Special Warrant for aggregate gross proceeds of $3,682,200. See "*Plan of Distribution*" and "*Description of Securities Distributed*".

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Overview

The principal business carried on by the Company is the business of research and development focusing on enhancing intracellular delivery of biological/biosimilar therapeutic drugs targeting cancer and infectious diseases.

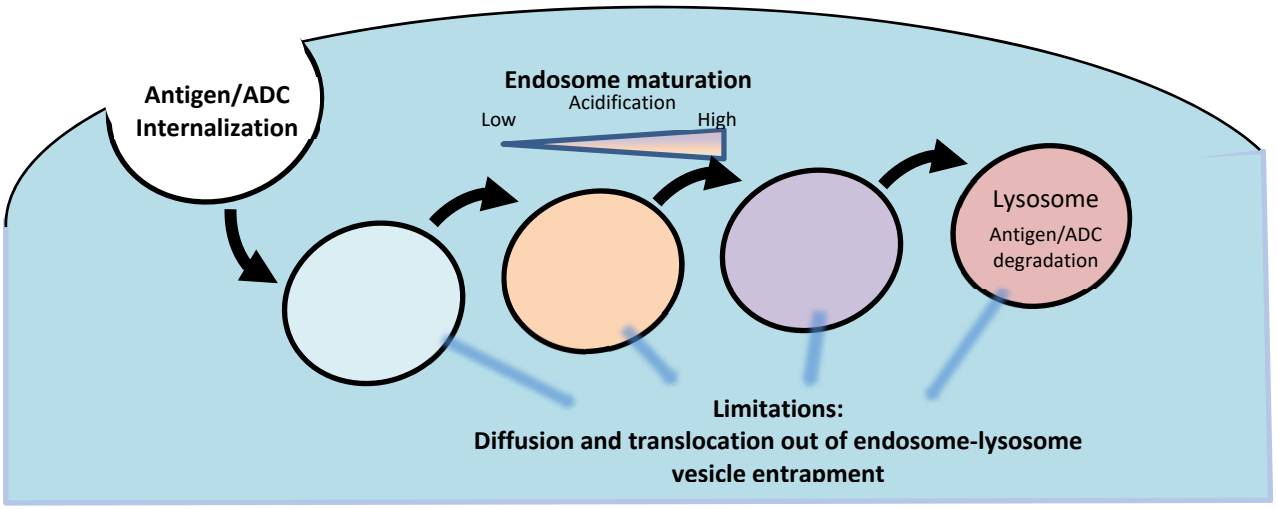
The Company's Accum technology takes multitude biological/biosimilar-based pharmaceutical to a bold new frontier by enabling efficient intracellular access to a given biological while maintaining target cell specificity. The Company's product pipeline focuses on the effective intracellular access by different type of vaccine (DNA, RNA and protein) and by protein-delivery system such as monoclonal antibody (mAb)-based therapies. The Company is actively seeking licensing, acquisition or partnership opportunities from industry and academia, in order to continue to develop this technology and bring it to market.

Development of Core Technology

Cell Accumulator (Accum)

The Company's core technological research is based around addressing a major and common challenge in the vaccine and antibody drug conjugates ("**ADCs**") fields limiting their efficacy: their entrapment in small intracellular vesicles named endosomes and lysosomes (Fig. 1).

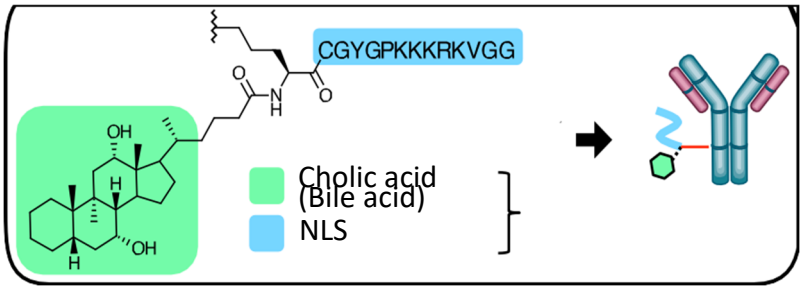
Fig. 1 - Internalization and vesicle entrapment limitation



Internalization Process: When the target cell binds and internalizes an antigen or an ADC, the complex is entrapped inside intracellular small vesicles named endosomes. Ultimately, these endosomes undergo maturation consequently leading to their degradation prior to eliciting their respective role/function. This endosome-lysosome entrapment is a major issue limiting the efficacy of those types of therapy.

The Company's goal is to use these newly innovative and revolutionary Accum enhancer formulation to improve intracellular delivery of biological therapeutic agents by inducing their escape to the cytosol consequently improving their therapeutic efficacy. Accum is a compound composed of a bile acid, as cholic acid, linked to a short peptide that contains an optimized non-unspecific cell-penetrating nuclear localization signal ("**NLS**") peptide (Fig.2).

Fig. 2



Accum is composed by a bile acid such as cholic acid and a nuclear localization signal (NLS). Accum moiety is covalently link to an antigen or an ADC by using different protein conjugation methodology.

Only the combination of bile acid and nuclear localization activity of the NLS enables escape of the therapeutic agent from endosome-lysosome entrapment and efficiently localize inside the cytoplasm and/or nucleus.

Effective Vaccine Design

The Accum technology is highly suitable to the vaccination field. More specifically, antigens that are normally captured by dendritic cells ("**DCs**") - the best antigen-presenting cells present in our body- are first entrapped in endosomes. While maturation of these endosomal organelles occurs, the pH decreases (becomes acidic ~4-5) in order to trigger the activation of specific enzymes as a means to initiate non-specific antigen degradation. As a result, the generated fragments can then pass through endosomal pores to reach the cytoplasm where specific antigen degradation takes place by the proteasomal machinery. Although this process occurs naturally, the generated antigen fragments are often damaged, which renders them unsuitable for proteasomal degradation (See Fig. 3 below).

By using the Accum technology, captured antigens are preserved in their natural conformation while being delivered to the cytoplasm. As such, proteasomal degradation ends-up leading to a higher number of immunogenic and stable peptides presented at the surface of DCs and capable of eliciting potent T-cell activation (See Fig. 3 below).

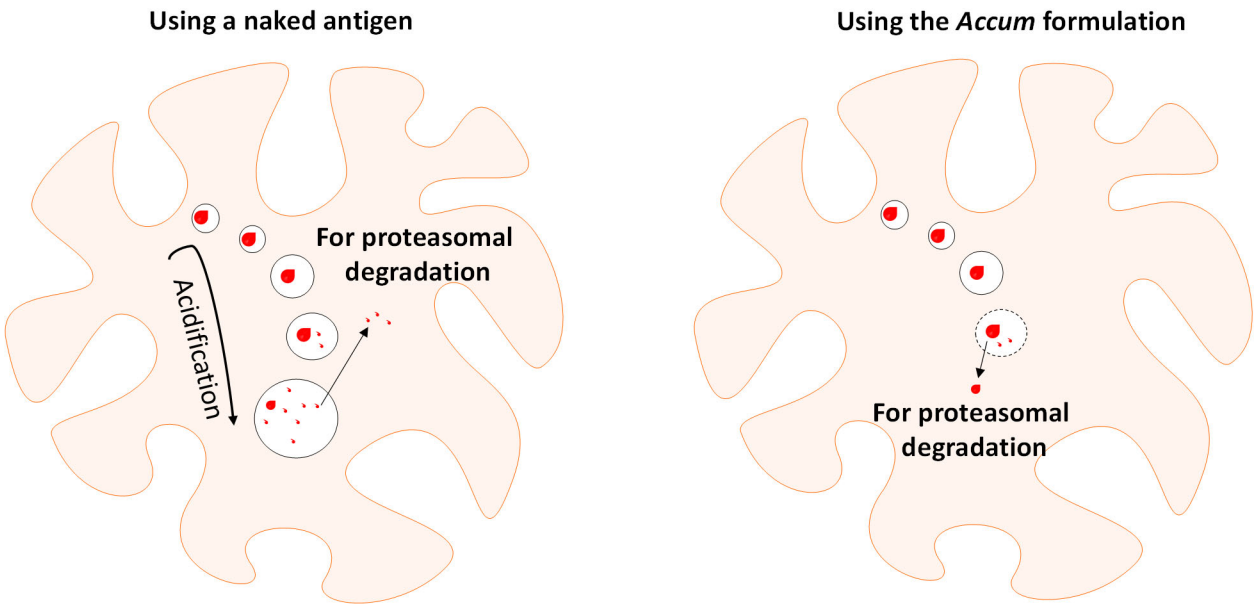


Fig. 3. A rendered comparison of the different outcomes in antigen degradation in the absence or presence of the Accum technology.

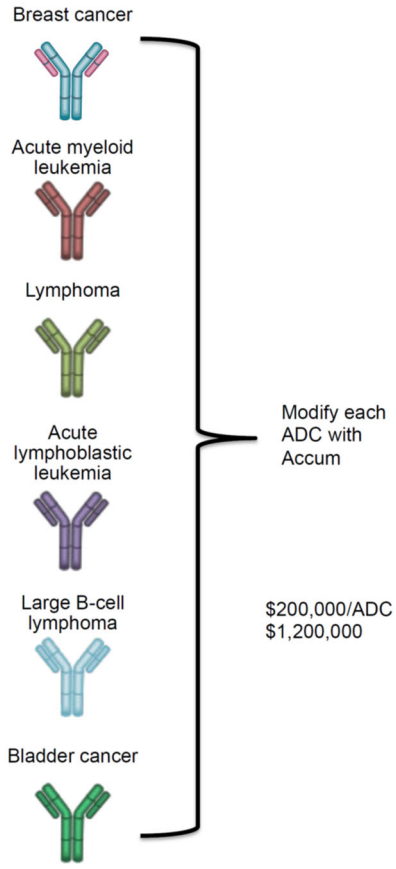
To date, addition of Accum enhances remarkably the therapeutic efficacy of cell-based vaccination with an increase survival rate of 50-80% (therapeutic vaccination). Current studies are underway to identify the best dosing as a means to develop a universal cell-based cancer vaccine. In sum, Defence Therapeutics is actively developing therapeutic and prophylaxis vaccines against cancer and infectious diseases (eg. COVID-19) respectively.

Effective Design of ADCs

The following section will discuss ADC's as an example of a transformative oncological pharmaceutical as they localize chemotherapeutic action at the site of the tumor and thereby reduce systemic toxicity associated with traditional chemotherapy. One challenge posed by ADCs is that the reliance of ADCs on lysosomal delivery results in insufficient intracellular accumulation of the delivered chemotherapeutic necessary for potent tumor killing. The Company's Accum platform induces small intracellular vesicle rupture, targeting drugs to the nucleus of the cell therefore improving their overall intracellular accumulation.

To date, we have demonstrated that the Accum technology enhances the ability of ADC Kadcyla (T-DM1) to kill specifically targeted breast cancer cells. Accum improves the escape of ADC Kadcyla from endosomes and targeting the nucleus. In addition, Accum also enables the treatment to overcome a resistance mechanism against T-DM1, breast cancer cells reduce the number of receptors at the cell surface limiting the amount of drug T-DM1 is able to deliver inside the cell. As a result, the Company believes that the Accum technology will be able to increase T-DM1 effectiveness with further development (Fig. 4).

Fig. 4.



The α-amanitin (αA), which is one of the deadliest toxins known to mankind and is the principal agent of the amatoxin family of compounds produced by *Amanita phalloides*. αA specifically inhibits the enzyme RNA Polymerase II (RPII), which is responsible for synthesizing RNA from DNA. Due to αA being highly toxic, it must be targeted to have a clinically acceptable therapeutic window. αA has previously been developed as an ADC and shown to effectively kill colorectal cancer (Liu et al.,*Nature,* 2015). An αA-ADC is most effective in tumor cells with a hemizygous loss of the well-known tumor suppressor gene TP53. The partial genomic deletion of TP53 frequently encompasses the neighboring RPII gene. However, αA-ADC is ineffective against tumor cells with full RPII gene expression.

Thus, the ability of Accum to increase the intracellular accumulation of ADCs is a potential strategy to increase the effectiveness of αA-ADCs independently of genomic alteration. Currently, the Company has formed a strategic partnership with Heidelberg Pharma in developing its Accum-αA-ADCs platform. Heidelberg Pharma is a publicly listed, biopharmaceutical company focused on oncology. Heidelberg Pharma is the first company developing the toxin αA into cancer therapies.

The Company's preliminary data shows that modification of an ADC conjugated with αA targeting aggressive breast cancer increased cell killing by factors of 2000 and 73 relative to the approved breast cancer ADC (T-DM1) and the matched αA-ADC without the Accum-modification.

Three Year History

On May 12, 2017, prior to the incorporation of the Company, Accum Therapeutics Inc. ("**Accum**"), a precursor entity to the Company and Michel Delisle, who would become a principal of the Company, entered into an Intellectual

Property Assignment and Royalty Agreement (the "**Original IP Assignment and Royalty Agreement**") with TransferTech Sherbrooke, a limited liability partnership ("**TTS**") and Jeffrey Leyton, a Professor at the Université de Sherbrooke and the Company's Head of ADCs and Nuclear Targeted Strategies Developments. The Original IP Assignment and Royalty Agreement assigns Jeffrey Leyton's invention known as "Novel Immunoconjugates with cholic acid nuclear localization sequence peptide and uses thereof" (the "**Accum Invention**") and any related intellectual property to Accum.

On May 20, 2020, the Company and TTS entered into an Amended and Restated Intellectual Property Assignment and Royalty Agreement (the "**Amended IP Assignment and Royalty Agreement**") which amends and restates the Original IP Assignment and Royalty Agreement, assigning the Accum Invention and any related intellectual property to the Company in exchange for consideration consisting of a (i) a $25,000 cash payment, (ii) the issuance of 2,085,714 Common Shares, which represented 30% of the Common Shares on a fully-diluted basis upon their issuance and are subject to a 90 days preemptive notice of disposition to the Company and a 36 months voluntary escrow see "*Escrowed Securities and Resale Restrictions*" below, (iii) certain milestone payments payable in connection with various clinical and regulatory milestones relating to the Accum Invention and any related or derivative inventions and (iv) a royalty payment of three percent (3%) calculated on the net revenues and all commercial activities involving the Accum Invention and four percent (4%) calculated on the net revenues and all commercial activities involving any related or derivative inventions. For additional information regarding the Accum Invention and related intellectual property, see "*Intellectual Property*" below.

On September 18, 2020, the Company entered into the executive consulting agreements for the services of the following consultants: Sébastien Plouffe (CEO), P. Joseph Meagher (CFO), Carrie Cesarone (Corporate Secretary), Dr. Simon Beaudoin (CTSO) and Dr. Moutih Rafei (VP Research and Development). For additional information, see "*Employment, Consulting and Management Agreements*" below.

On September 18, 2020, the Company also entered into a consultant services agreement with Axiom Services Inc ("**Axiom**"), a Company of which Dr. Moutih Rafei (VP Research and Development and a director of the Company) is a principal, in connection with the provision of services relating to the completion of a study on the Accum technology. For additional information, see "*Employment, Consulting and Management Agreements*" below.

On December 1, 2020, the Company entered into an Option and Right of First Refusal Agreement (the "**Option and Right of First Refusal Agreement**") with WASSC Technologie Inc. ("**WASSC**"), a company owned and controlled by Simon Beaudoin. Under the terms of this agreement, WASSC, which has invented certain targeted antibody-drug conjugate cancer treatment (the "**WASSC Technology**") has granted the Company a two year option to purchase the WASSC Technology and various assets and intellectual rights associated therewith for a sum of $75,000 and an agreement to incur certain additional future expenditures in connection with the development of the WASSC Technology totaling a minimum of $300,000. The Option and Right of First Refusal Agreement also includes a 5-year right of first refusal in favor of the Company with respect to the WASSC Technology.

On December 1, 2020, the Company and the University of Montreal entered into a Collaborative Research Agreement for the development of protein- and cell-based vaccines using the Accum technology. Pursuant to the terms of the agreement, the research and development work is to be carried out at the University of Montreal by Dr. Moutih Rafei, who is also an Associate Professor at the Department of Pharmacology and Physiology at the University of Montreal, and the Company is obligated to expend $54,608, representing 40% of the overhead cost relating to the cost of the research project. This agreement expires on December 31, 2021 unless terminated sooner in accordance with the provisions thereof.

Private Placements

On June 18, 2020, the Company closed the First Tranche of the Private Placement, pursuant to which it issued 15,180,000 Common Shares at a price of $0.15 per Common Shares for gross proceeds of $2,277,000. In connection with the First Tranche, the Company paid finder's fees of $227,000 and issued 1,518,000 Finder's Warrants. Each Finder's Warrant is exercisable into Common Shares at a price of $0.15 for a period of 36 months following the Company becoming a Reporting Issuer.

On August 31, 2020, the Company closed the Second Tranche of the Private Placement, pursuant to which it issued 4,200,000 Common Shares at a price of $0.15 per Common Shares for gross proceeds of $630,000. In connection with the Second Tranche, the Company paid finder's fees of $34,650 and issued 189,000 Finder's Warrants. Each Finder's Warrant is exercisable into Common Shares at a price of $0.15 for a period of 36 months following the Company becoming a Reporting Issuer.

On October 9, 2020, the Company closed the Third Tranche of the Private Placement, pursuant to which it issued 2,035,000 Common Shares at a price of $0.15 per Common Shares for gross proceeds of $305,250. In connection with the Third Tranche, the Company paid finder's fees of $13,431 and issued 113,960 Finder's Warrants. Each Finder's Warrant is exercisable into Common Shares at a price of $0.15 for a period of 36 months following the Company becoming a Reporting Issuer.

Half of the Common Shares issued pursuant to the Private Placement are subject to a voluntary escrow for a period of six months from the Listing Date, see "*Escrowed Securities and Resale Restrictions*" below.

On December 24, 2020, the Company closed the first tranche of the Unit Offering, pursuant to which it issued on a private-placement basis 2,584,000 Units at a price of $0.60 per Unit for gross proceeds of $1,550,400, which completed on December 24, 2020. Each Unit is comprised of one common share and one Unit Warrant, and each Unit Warrant entitles the holder to acquire one Common Share at a price of $1.25 per Common Share until the earlier of (a) a period of two years from the Listing Date; and (b) December 24, 2025. In connection with the Unit Offering, the Company paid finder's fees of $150,000 and issued 250,000 Finder's Warrants. Each Finder's Warrant issued under the Unit Offering is exercisable into Common Shares at a price of $0.60 until the earlier of (a) a period of two years from the Listing Date; and (b) December 24, 2025.

On January 25, 2021, the Company closed the second tranche of the Unit Offering, pursuant to which it issued on a private-placement basis 4,000 Units at a price of $0.60 per Unit, for gross proceeds of $2,400. Each Unit is comprised of one common share and one Unit Warrant, and each Unit Warrant entitles the holder to acquire one Common Share at a price of $1.25 per Common Share until the earlier of (a) a period of two years from the Listing Date; and (b) January 25, 2026.

Intellectual Property

Vaccines

On December 18, 2020, the Company filed with the United States Patent and Trademark Office its provisional patent application N° 63/127,731, "Covalently Modified Antigens for Improved Immune Response", invented by Dr. Simon Beaudoin, with proof-of-concept completed by Dr. Moutih Rafei. This patent application relates to covalently modified antigens to enhance or modify their immunogenicity and, more specifically, polypeptide antigens covalently conjugated to one or more steroid acid moieties for improved cellular immunity. On January 21, 2021, the company received a receipt from the United States Patent and Trademark Office for this patent application, which is a significant step in progressing its vaccine development objectives.

Accum

The Accum Invention includes patents in Canada (patent no CA3017950Al), the United States (patent no US20190077879A1), Japan (patent no JP20195 I 2545A), Israel (patent no IL26 l 765D0), Australia (patent no AU2017233725AI), and Europe (patent no EP3430060Al), as set out below:

Patent Application Number	**Region**	**Title**	**Inventors**	**Applicant**	**Status as of December 1, 2020**
CA3017950Al	Canada	Conjugates enhancing total	Simon Beaudoin Jeffrey Victor Leyton	Defence Therapeutics Inc.	Pending: Request for examination

		cellular accumulation			due March 15, 2022
US2019007787 A1	United States	Conjugates enhancing total cellular accumulation	Simon Beaudoin Jeffrey Victor Leyton	Defence Therapeutics Inc.	Pending: Awaiting next official communication
JP20195I2545A	Japan	Conjugates enhancing total cellular accumulation	Simon Beaudoin Jeffrey Victor Leyton	Defence Therapeutics Inc.	Pending: Awaiting next official communication
IL26 l 765D0	Israel	Conjugates enhancing total cellular accumulation	Simon Beaudoin Jeffrey Victor Leyton	Defence Therapeutics Inc.	Pending: Awaiting next official communication
AU2017233725A I	Australia	Conjugates enhancing total cellular accumulation	Simon Beaudoin Jeffrey Victor Leyton	Defence Therapeutics Inc.	Pending: Request for examination due March 15, 2022
EP3430060Al	Europe	Conjugates enhancing total cellular accumulation	Simon Beaudoin Jeffrey Victor Leyton	Defence Therapeutics Inc.	Pending: Awaiting next official communication

Our success depends, in part, on our ability to obtain and maintain intellectual property protection for our platform technology, product candidates and know-how, to defend and enforce our intellectual property rights, in particular, our patent rights, to preserve the confidentiality of our know-how and trade secrets and to operate without infringing the proprietary rights of others. We seek to protect our product candidates and technologies by, among other methods, filing Canadian, U.S. and foreign patent applications related to our proprietary technology, inventions and improvements that are important to the development of our business. We also rely on trade secrets, know-how, continuing technological innovation and in-licensing of third-party intellectual property to develop and maintain our proprietary position. We, or our collaborators and licensors, file patent applications directed to our key product candidates in an effort to establish intellectual property positions to protect our product candidates as well as uses of our product candidates for the prevention and/or treatment of diseases.

Trademarks

The Company has applied to register the following trademark applications:

Trademark	Country	Application Number
ACCUM	Canada	2,075,186
ACCUVAC	Canada	2,075,187
ACCUM	US	90/453,057
ACCUVAC	US	90/453,135

Web Domains

The Company has use and control over the defencetherapeutics.com domain name.

Employees

The Company has assembled an experienced team of biotech executives and finance professionals to manage its research and development and corporate growth. The Company has five executives, Sébastien Plouffe (CEO), P. Joseph Meagher (CFO), Carrie Cesarone (Corporate Secretary), Dr. Simon Beaudoin (CTSO) and Dr. Moutih Rafei (VP Research and Development), all of whom are engaged pursuant to executive consulting agreements.

For additional information regarding the background of the Company's executives see "Directors and Executive Officers".

Employment, Consulting and Management Agreements

The Company has entered into the following executive consulting agreements with the following executives on the following terms:

i) **Sébastien Plouffe** – On September 18, 2020, the Company entered into an Executive Consulting Agreement (the "**Plouffe Consulting Agreement**") with Sediamek Inc. ("**Sediamek**") and Sébastien Plouffe, pursuant to which Sediamek would provide the services of Sébastien Plouffe to act as the Company's CEO. Mr. Plouffe is entitled to a monthly consulting fee of $7,500 and participation in the Company's Stock Option Plan, including the issuance of 400,000 Options at an exercise price of $1.25 per Common Share, exercisable for a maximum period of 3 years from the date of issue. The Executive Consulting Agreement is for an indefinite term, subject to the termination provisions thereof, which provide that Mr. Plouffe will be paid the equivalent of 3 months in consulting fees in the event of a termination, by either Mr. Plouffe or the Company, as a result of a change in control. Mr. Plouffe is also subject to standard confidentiality, non-competition and non-solicitation provisions.

ii) **P. Joseph Meagher** – On September 18, 2020, the Company entered into an Executive Consulting Agreement (the "**Meagher Consulting Agreement**") with Meagher Consulting Inc. ("**Meagher Consulting**") and P. Joseph Meager, pursuant to which Meagher Consulting would provide the services of Mr. Meagher to act as the Company's CFO and a Director. Mr. Meagher is entitled to a monthly consulting fee of $6,000 and participation in the Company's Stock Option Plan, including the issuance of 200,000 Options at an exercise price of $1.25 per Common Share, exercisable for a maximum period of 3 years from the date of issue. The Executive Consulting Agreement is for an indefinite term, subject to the termination provisions thereof, which provide that Mr. Meagher will be paid the equivalent of 3 months in consulting fees in the event of a termination, by either Mr. Meagher or the Company, as a result of a change in control. Mr. Meagher is also subject to standard confidentiality, non-competition and non-solicitation provisions.

iii) **Carrie Cesarone** – On September 18, 2020, the Company entered into an Executive Consulting Agreement (the "**Cesarone Consulting Agreement**") with Athena Ventures Inc. ("**Athena**") and Carrie Cesarone, pursuant to which Athena would provide the services of Ms. Cesarone to act as the Company's Corporate Secretary. Ms. Cesarone is entitled to a monthly consulting fee of $6,000 and participation in the Company's Stock Option Plan, including the issuance of 50,000 Options at an exercise price of $1.25 per Common Share, exercisable for a maximum period of 3 years from the date of issue. The Executive Consulting Agreement is for an indefinite term, subject to the termination provisions thereof, which provide that Ms. Cesarone will be paid the equivalent of three months in consulting fees in the event of a termination, by either Ms. Cesarone or the Company, as a result of a change in control. Ms. Cesarone is also subject to standard confidentiality, non-competition and non-solicitation provisions.

iv) **Dr. Simon Beaudoin** - On September 18, 2020, the Company entered into an Executive Consulting Agreement (the "**Beaudoin Consulting Agreement**")_with 9368-4272 Quebec Inc. ("**9368-4272**") and Dr. Simon Beaudoin, pursuant to which 9368-4272 would provide the services of Simon Beaudoin to act as the Company's CTSO. Dr. Beaudoin is entitled to an annual consulting fee of $75,000 and participation in the Company's Stock Option Plan, including the issuance of 50,000 Options at an exercise price of $1.25 per Common Share, exercisable for a maximum period of 3 years from the date of issue. The Executive Consulting Agreement is for an indefinite term, subject to the termination provisions thereof, which provide that Dr. Beaudoin will be paid the equivalent of 3 months in consulting fees in the event of a termination, by

either Dr. Beaudoin or the Company, as a result of a change in control. Dr. Beaudoin is also subject to standard confidentiality, non-competition and non-solicitation provisions.

v) **Dr. Moutih Rafei -** On September 18, 2020, the Company entered into an Executive Consulting Agreement (the "**Rafei Consulting Agreement**") with Dr. Moutih Rafei, pursuant to which Dr. Rafei would provide his services to act as the Company's VP of Research and Development. Dr. Rafei is entitled to participation in the Company's Stock Option Plan, including the issuance of 100,000 Options at an exercise price of $1.25 per Common Share, exercisable for a maximum period of 3 years from the date of issue. The Executive Consulting Agreement is for an indefinite term, subject to the termination provisions thereof, which provide that Dr. Rafei will be paid the equivalent of three months in consulting fees in the event of a termination, by either Dr. Rafei or the Company, as a result of a change in control. Dr. Rafei is also subject to standard confidentiality, non-competition and non-solicitation provisions.

vi) **Axiom Services Inc**. - On September 18, 2020, the Company entered into a Consultant Services Agreement (the "**Axiom Consulting Agreement**") with Axiom, a Company of which Dr. Moutih is a principal, in connection with the provision of services relating to the completion of a study on the Accum technology. Axiom is entitled to an annual consulting fee of up $110,675, with $33,203 payable on execution of the Agreement and the remainder payable in connection with meeting certain project milestones. The Consultant Services Agreement is for a term of up to one year with the possibility of renewal, subject to the termination provisions thereof, and contains standard confidentiality and non-solicitation provisions.

MARKET AND REGULATORY OVERVIEW

Principal Markets

Pharmaceuticals

If the Company is able to develop and commercialize its Accum platform to the point where it will reach the market, there is significant opportunity for growth. The global pharmaceutical market will exceed $1.5 trillion by 2023, growing at 3-6% compound annual growth rates (CAGR) over the next five years (typical growth).[1]

Biopharmaceuticals

The biopharmaceutical market currently accounts for 17% ($269.3 billion) of the pharmaceutical market.[2] However, the biopharmaceutical market is growing at a rapid CAGR of 10.8% (projected to 2025).[3] This indicates biopharmaceuticals are destined to dominate the overall pharmaceutical market in the future.

In addition, antibodies and antibody-based agents (e.g. ADCs) dominate biopharmaceutical approvals and sales. There were also 31 (15.5%) antibodies on the top 200 selling pharmaceuticals in 2018, while five of the top 10 best-selling drugs are antibodies. In total, ADCs produced $1 billion in sales in 2018.[4]

Vaccines

Cancer Vaccines

The global cancer vaccines market is valued at $4,188 million (data from 2019) with a projection to $7,303 million by 2027 (a CAGR of 12.6%).[5]

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[1] "The Global Use of Medicine in 2019 and Outlook to 2023: Forecasts and Areas to Watch" (29 January 2019), online: *The IQVIA Institute for Human Data Science* <www.iqvia.com/insights/the-iqvia-institute/reports/the-global-use-of-medicine-in-2019-and-outlook-to-2023>.

[2] ResearchAndMarkets.com, Press Release, "The Global Biopharmaceuticals Market is Projected to Grow by 8.7% Through to 2025 and Reach $446 Billion" (24 June 2019), online: *Business Wire* <www.businesswire.com/news/home/20190624005782/en/The-Global-Biopharmaceuticals-Market-is-Projected-to-Grow-by-8.7-Through-to-2025-and-Reach-446-Billion---ResearchAndMarkets.com>.

[3] *Ibid.*

[4] Gary Walsh, "Biopharmaceutical benchmarks 2018" (2018) 36 Nature Biotechnology 1136, online (pdf): <www.nature.com/articles/nbt.4305.pdf>.

[5] Allied Market Research, "Cancer Vaccines Market by Technology, Type, Indication, and End User: Global Opportunity Analysis and Industry Forecast, 2020-2027" (July 2020), online: *ReportLinker* <www.reportlinker.com/p05955152/Cancer-Vaccines-Market-by-Technology-Type-Indication-and-End-User-Global-Opportunity-Analysis-and-Industry-Forecast-.html?utm_source=GNW>.

Cancer vaccines are considered as biological response modifiers designed to teach or educate the immune system to recognize and fight cancer cells. In general, cancer vaccines can be sub-divided in two branches: preventive and therapeutic cancer vaccines. Preventive cancer vaccines are used in healthy person to prevent cancer and are mostly applicable against cancers for which the etiology is caused by a virus (e.g. HPV-induced cervical cancer). Therapeutic cancer vaccines, on the other hand, are used to stimulate immunity in order to fight established tumors.

The global cancer vaccines market is segmented on the basis of technology, type, indication, end user, and region. By technology, the market is categorized into dendritic cells (DC) cancer vaccines, recombinant cancer vaccines, antigen/adjuvant cancer vaccines, and viral vector and DNA cancer vaccines. The only two indications for which a cancer vaccine have been developed are:

- cervical cancer: the preventive vaccine Gardasil developed by Merck and Cervavix by Glaxo Smithkline.
- Prostate cancer: the therapeutic vaccine Sipuleucel-T developed by Dendreon (low to null efficiency).

Due to the absence of a shared tumor-specific antigen (TSA) against cancer, Defense Therapeutics is currently exploiting its Accum Technology to develop a semi-personalized cancer vaccine against various cancer indications. The basis of the technology used universal allogeneic DCs treated with tumor lysate derived from the target cancer for the following primary indications:

- Lymphoma
- Melanoma
- Colon cancer
- Glioblastoma

COVID-19 Vaccine

Since the Accum technology can be applied to any antigen, the Company is currently working on a novel Spike-1 formulation leading to enhanced immunity (40-100X higher than currently developed COVID-19 vaccine). Although the primary target material currently tested is recombinant proteins, the Company intends to extend the use of its technology to mRNA or DNA (commonly used in vaccine design).

Competition

Companies developing a DC-based cancer vaccine:

DC Vaccines			
Therapy Type	*Product Name (Manufacturer)*	*Description*	*Current Status & 2019 Updates*
DC Vaccine	**PROVENGE** *(Dendreon)*	Autologous; prostate cancer antigen pulsed	• FDA approved 2010 in mCRPC
DC Vaccine	**APCEDEN** *(APAC Biotech)*	Autologous; monocyte-derived; tumor lysate-pulsed	• Approved for use in India for various solid tumors
DC Vaccine	**DCVax-L** *(Northwest Bio)*	Autologous; monocyte-derived; tumor lysate-pulsed	• Ph3 in Glioblastoma
DC Vaccine	**Autologous Dendritic Cells Loaded with Autologous Tumor mRNA** *(University Hospital Erlangen – Germany)*	Autologous; monocyte-derived; tumor mRNA-loaded	• Ph3 in Uveal Melanoma
DC Vaccine	**Autologous Dendritic Cells Loaded with Autologous Tumor mRNA** *(Radboud University – Netherlands)*	Autologous; antigen-loaded	• Ph3 in Melanoma
DC Vaccine	**DC Vaccine** *(Medigene)*	WT-1/PRAME DC Vaccine	• Ph2 in AML • Interim data showing tolerability and encouraging efficacy (Jun)

Companies developing a COVID-19 vaccine:

COUNTRY/ REGION	COMPANY	DEAL TERM	NO OF DOSES	DELIVERY DATE
U.S.	Moderna [MRNA.O]	$1.53 bln	100 mln + option for additional 400 mln	Unspecified
U.S.	Pfizer [PFE.N] and BioNTech 22UAy.F	$1.95 bln	100 mln + option for 500 mln more	By October
U.S.	AstraZeneca [AZN.L]	$1.2 bln	300 mln	Expected to begin in October 2020
U.S.	Novavax [NVAX.O]	$1.6 bln	100 mln	By January 2021
U.S.	Johnson & Johnson [JNJ.N]	Over $1 bln	100 mln + 200 mln more under subsequent agreement	Unspecified
U.S.	Sanofi [SASY.PA] and GlaxoSmithKline [GSK.L]	$2.1 bln	100 mln + option for 500 mln more	Unspecified
EU	AstraZeneca	750 mln euros for 300 mln doses	At least 300 mln + 100 mln additional	By end-2020
EU	Johnson & Johnson	Undisclosed	200 mln + 200 mln additional	Unspecified
EU	Sanofi and GlaxoSmithKline	324 mln euros ($384 mln)	300 mln	Unspecified
EU	Moderna	In talks	80 mln	Unspecified
EU	CureVac	In talks	225 mln + option for 180 mln additional	Unspecified
EU	BioNTech/ Pfizer	Not specified	Up to 300 mln	End of 2020
EU	ReiThera	In early talks	Unspecified	Unspecified
Italy, Germany, the Netherlands and France	AstraZeneca	750 mln euros ($843 million)	300 mln + 100 mln additional	Not applicable
UK	Johnson & Johnson	Non-profit basis for emergency use; option to purchase additional doses	30 mln + option for up to 22 mln more	Unspecified
UK	Novavax	Not specified	60 mln, and plan for a late-stage trial in UK with govt support	By early 2021; phase 3 trial in Q3
UK	Valneva [VLS.PA]	"Multi-million pound" investment	60 mln + 40 mln additional	Not Applicable
UK	Sanofi [SASY.PA] , GlaxoSmithKline	Financial terms undisclosed	Up to 60 mln	Not Applicable
UK	Pfizer and BioNTech	Financial terms undisclosed	30 mln	Not Applicable
UK	AstraZeneca	84 million pounds ($110.40 million)	100 mln	4 million in 2020. Earlier about 30 million doses were expected with initial deliveries by Sept/Oct. 2020
Canada	Pfizer and BioNTech	Financial details undisclosed	Unspecified	Through 2021

COUNTRY/ REGION	COMPANY	DEAL TERM	NO OF DOSES	DELIVERY DATE
Canada	Moderna	Unspecified	Unspecified	Unspecified
Canada	Johnson & Johnson	Unspecified	Up to 38 mln	Unspecified
Canada	AstraZeneca	Unspecified	Up to 20 mln	Unspecified
Canada	Novavax	Unspecified	Up to 76 mln	Q2 of 2021
Japan	Moderna	Unspecified	50 mln doses, to be distributed by Takeda [4502.T]	H1 of 2021
Japan	Pfizer and BioNTech	Financial details undisclosed	120 mln	H1 of 2021
Japan	Johnson & Johnson	In talks	Not Applicable	Not Applicable
Japan	AstraZeneca	Co-production with JCR Pharma [4552.T] , Daiichi Sankyo Biotech and KM Biologics	120 mln	First 30 mln expected by March 2021
Japan	Novavax	Co-production with Takeda [4502.T]	250 mln	Production is yearly estimate
Europe, Latin America and Southeast Asia	Arcturus Therapeutics Holdings Inc [ARCT.O]	In talks	Not Applicable	Not Applicable
Israel	Arcturus Therapeutics	$275 million	Initial 1 mln	Not Applicable
Israel	Moderna	Financial terms undisclosed	Not Applicable	Not Applicable
Indonesia	Sinovac Biotech [SVA.O]	Financial terms undisclosed	At least 40 mln	By March 2021
China	AstraZeneca	Produced by Shenzhen Kangtai Biological Products [300601.SZ]	At least 200 mln	By end 2021
Thailand	AstraZeneca	Undisclosed	Undisclosed	Mid-year 2021
Uzbekistan	Russia's sovereign fund, RDIF	Undisclosed	Up to 35 mln	Unspecified
Egypt	RDIF	Undisclosed	25 mln	Unspecified
India	RDIF	Undisclosed	100 mln	Late 2020
Nepal	RDIF	Undisclosed	25 mln	Unspecified
Brazil	Gamaleya Research Institute and RDIF	Undisclosed	Brazil's Bahia state to get 50 mln and will conduct Phase 3 clinical trials	To start in November
Brazil	AstraZeneca	$356 mln to buy, produce vaccine	100 mln	December/January
Mexico	Gamaleya, RDIF	Financial terms unspecified	32 mln	November 2020
Mexico, Argentina	AstraZeneca	To produce vaccine for most of Latin America	150 mln + up to 250 mln more	First half of 2021
Qatar	Moderna	Unspecified	Unspecified	As soon as vaccine is approved and released
Australia	Novavax	Unspecified	40 mln	First half of 2021

COUNTRY/ REGION	COMPANY	DEAL TERM	NO OF DOSES	DELIVERY DATE
Argentina	RDIF	Unspecified	10 mln	Between December and January 2021
Hungary	RDIF	Unspecified	Unspecified	To start importing small quantities in December 2020 for final testing and licensing

The biotechnology and biopharmaceutical industries are characterized by rapid evolution of technologies, fierce competition, and strong defense of intellectual property. Any product candidates that we successfully develop and commercialize will have to compete with existing therapies and new therapies that may become available in the future.

The Company's Accum technology enhances the technology of competitors who produce the raw material ADCs, vaccines, and others. As such, the primary competitors for the Company are those who develop new vaccine enhancer or ADC enhancer technologies. At the same time, we consider that the biggest advantage the Company has over its competitors is the Accum technology, which can be applied to a variety of competitor products (Vaccines, ADCs, enhancers) and potentially transform into strategic collaborations.

While we believe that our Accum technology, rational approach to drug design, along with our scientific expertise, provide us with competitive advantages, a wide variety of institutions, including large biopharmaceutical companies, specialty biotechnology companies, academic research departments, and public and private research institutions, are actively developing potentially competitive products and technologies.

The Company also competes with other biopharmaceutical companies whose broader aim is to discover novel chemotherapeutic drugs or drug delivery systems. As a result of this competition, the majority of which is with companies with greater financial resources, the Company may be unable to successfully discover, identify and license suitable product candidates. The Company also competes for financing with other biopharmaceutical companies, many of whom have more advanced businesses. The Company's competitors include multinational pharmaceutical companies and specialized biotechnology companies, universities, and other research institutions. The Company will face the challenge of competing with companies of varying sizes and at varying stages of licensing and levels of development of related products in the pharmaceutical industry. Other companies may develop products targeting the same conditions that the Company may be focusing on, and such competing products may be superior to the Company's potential products.

More established companies may have a competitive advantage over the Company due to their greater size, capital resources, cash flows, and institutional experience. Compared to the Company, many of its competitors may have significantly greater financial, technical, and human resources at their disposal. Due to these factors, competitors may have an advantage in marketing their approved products and may obtain regulatory approval of their product candidates before the Company can, which may limit the Company's ability to develop or commercialize its product candidates. Competitors may also develop drugs that are safer, more effective, more widely used, and less expensive, and may also be more successful in manufacturing and marketing their products. These advantages could materially impact the Company's ability to develop and commercialize its products.

We consider our most direct competitors to be Roche-Genentech, GSK, Sanofi, Innocore Pharma, Takara Bio, *Seattle* Genetics, Ascendia Pharma, and Precision NanoSystems.

The pharmaceutical industry is facing a number of significant pressures, such as decreasing research and development productivity, increasing drug development costs, increasing patent protection loss of branded drugs, high regulatory barriers, evolving payer requirements, lower return on investment, generic drug competition and post-market clinical trial result failures due to safety concerns. Pharmaceutical companies are being forced to find more efficient and cost effective ways to improve their research and development strategies.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of the Company's competitors. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties also compete with the Company in recruiting and retaining qualified personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the Company's programs. There is no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be favourable to the Company. See "*Risk Factors".*

Regulatory Environment

Drug products must be approved by the appropriate governing body before they can be sold in that country or area. Health Canada approves products for the Canadian market and the FDA approves products for the United States market. The European Medicines Agency ("**EMA**") approves products for the European Union. While the process by which products are approved by Health Canada and the FDA are very similar, each regulatory body has its own unique requirements for a product. In both cases, the development of a product through to approval can be a lengthy process and, in some cases, can take over 10 years. While early studies conducted in one jurisdiction will usually be accepted in the other, further and somewhat modified studies may be required to have a product approved in another jurisdiction

Canada Government Regulation

In Canada, our product candidates and our research and development activities are primarily regulated by the Food and Drugs Act and the rules and regulations thereunder, which are enforced by Health Canada (including its Biologics and Genetic Therapies Directorate). Health Canada regulates, among other things, the research, development, testing, approval, manufacture, packaging, labeling, storage, recordkeeping, advertising, promotion, distribution, marketing, post-approval monitoring and import and export of pharmaceutical, including biologic, products. The drug approval process under Canadian laws requires licensing of manufacturing facilities, carefully controlled research and testing of products, government review and approval of experimental results prior to giving approval to sell drug products including biologic drug products. Regulators also typically require that rigorous and specific standards such as GMP, GLP and GCP are followed in the manufacture, testing and clinical development, respectively, of any drug product. The processes for obtaining regulatory approvals in Canada, along with subsequent compliance with applicable statutes and regulations, requires the expenditure of substantial time and financial resources. For further information, see "Risk Factors."

The principal steps required for drug approval in Canada are as follows:

Preclinical Toxicology Studies

Non-clinical studies conducted in vitro and in animals to evaluate pharmacokinetics, metabolism and possible toxic effects provide evidence of the safety of the drug candidate prior to its administration to humans in clinical studies and throughout development. Such studies are conducted in accordance with applicable laws and GLP.

Initiation of Human Testing

In Canada, the process of conducting clinical trials with a new drug cannot begin until we have submitted a Clinical Trial Application, or CTA, and the required number of days has lapsed without objection from Health Canada. Biological drugs carry additional risks, as compared to traditional small molecule drugs, associated with complexity and variability in manufacturing that can contribute to increased lot-to-lot variation of the final product, and with the potential for adventitious agents. Therefore, the content requirements for the quality information for biological drugs to be used in clinical trials are different from those for standard small molecule pharmaceutical drugs (for example, the inclusion of information on manufacturing facilities is required for biological drugs). In addition, it is necessary to have more stringent controls on the release of biologic drug lots used in authorized clinical trials.

Similar regulations apply in Canada to a CTA as to an IND in the United States. If the CTA is deemed by Health Canada to be acceptable, a No Objection Letter, or NOL, would be issued. A Not Satisfactory Notice will be issued by Health Canada if significant deficiencies are identified or if timely responses to information requested have not

been received. Once approved by the issuance of an NOL, two key factors influencing the rate of progression of clinical trials are the rate at which patients can be enrolled to participate in the research program and whether effective treatments are currently available for the disease that the drug is intended to treat. Patient enrollment is largely dependent upon the incidence and severity of the disease, the treatments available and the potential side effects of the drug to be tested and any restrictions for enrollment that may be imposed by regulatory agencies. For further information, see "Risk Factors."

Clinical Trials

Similar regulations apply in Canada regarding clinical trials as in the United States. In Canada, Research Ethics Boards, or REBs, instead of IRBs, are used to review and approve clinical trial plans. Clinical trials involve the administration of an investigational new drug to human subjects under the supervision of qualified investigators, in most cases a physician, in accordance with current Good Clinical Practices, or cGCP, requirements, which include review and approval by REBs. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the trial procedures, the parameters to be used in monitoring safety and the efficacy criteria to be evaluated and a statistical analysis plan. Human clinical trials for new drugs are typically conducted in three sequential phases, Phase 1, Phase 2 and Phase 3, as discussed above in the context of government regulation in the United States.

The manufacture of investigational drugs for the conduct of human clinical trials is subject to current Good Manufacturing Practice, or cGMP, requirements. Investigational drugs and active pharmaceutical ingredients imported into Canada are also subject to regulation by Health Canada relating to their labeling and distribution. Progress reports detailing the results of the clinical trials must be submitted at least annually to Health Canada and the applicable REBs, and more frequently if serious adverse events occur. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, in Canada, Health Canada or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an REB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the REB's requirements or if the drug has been associated with unexpected serious harm to subjects. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group regularly reviews accumulated data and advises the study sponsor regarding the continuing safety of trial subjects, potential trial subjects and the continuing validity and scientific merit of the clinical trial. A sponsor may also suspend or terminate a clinical trial based on evolving business objectives or competitive climate.

New Drug Submission

Upon successful completion of Phase 3 clinical trials, in Canada the company sponsoring a new drug then assembles all the preclinical and clinical data and other testing relating to the product's pharmacology, chemistry, manufacture, and controls, and submits it to Health Canada as part of a New Drug Submission ("**NDS**"). The NDS is then reviewed by Health Canada for approval to market the drug.

As part of the approval process, Health Canada will inspect the facility or the facilities at which the drug is manufactured. Health Canada will not approve the product unless compliance with cGMP—a quality system regulating manufacturing—is satisfactory and the NDS contains data that provide substantial evidence that the drug is safe and effective in the indication studied. In addition, before approving an NDS, Health Canada will typically inspect one or more clinical sites to assure compliance with GCP.

The testing and approval process for an NDS requires substantial time, effort, and financial resources, and may take several years to complete. Biologic drugs, such as our candidates, differ from standard small molecule drugs in that applicants must include more detailed chemistry and manufacturing information. This is necessary to help ensure the purity and quality of the product, for example to help ensure that it is not contaminated by an undesired microorganism. Data obtained from preclinical and clinical testing are not always conclusive and may be susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. Health Canada may not grant approval of an NDS on a timely basis, or at all. In Canada, NDSs are subject to user fees and these fees are typically increased annually to reflect inflation.

Even if Health Canada approves a product candidate, it may limit the approved indications for use of the product candidate, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms.

Biologic products in particular are monitored post-approval by being placed on a lot release schedule tailored to their potential risk, manufacturing, testing and inspection history to date. With higher risk biologics, each lot is tested before being released for sale in Canada. Moderate risk biologics are periodically tested at the discretion of Health Canada while manufacturers of low risk biologics usually only need to contact Health Canada regarding lots being sold or for providing certification of complete and satisfactory testing. Products are carefully scrutinized before they are placed in any level of the lot release process, and at any time the testing regime for a biologic may be altered.

Health Canada may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements, notification, and regulatory authority review and approval. Further, should new safety information arise, additional testing, product labeling or regulatory notification may be required.

Canadian Biosimilars

The terms "biosimilar biologic drug" and "biosimilar" are used by Health Canada to describe a biologic drug that enters the market subsequent to a version previously authorized in Canada and with demonstrated similarity to a reference biologic drug. Accordingly, a biosimilar, previously known in Canada as a subsequent entry biologic, or SEB, will in all instances be a subsequent entrant onto the Canadian market.

Based on Health Canada guidance documents, a biosimilar can rely in part on prior information regarding safety and efficacy that is deemed relevant due to the demonstration of similarity to the reference biologic drug and which influences the amount and type of original data required. Generic drugs are chemically derived products that are pharmaceutically equivalent to innovative drugs, whereas biosimilars are products of a biologic nature that are similar to innovative biologics. According to Health Canada, it is not currently possible to demonstrate that two biologic drugs are pharmaceutically equivalent, and therefore the regulatory approval process for generics and biosimilars is different: biosimilars are approved using the standard NDS pathway with some allowances made for reduced safety and efficacy information set out in guidance documents, while generic drugs are approved using an abbreviated new drug submission pathway set in guidance and law under the Food and Drug Regulations. In part because it continues to be set out only in guidance and not law, the specific requirements in order to receive biosimilar approval are subject to some uncertainty.

As discussed above, all biosimilars enter the market subsequent to a biologic drug product previously approved in Canada and to which the biosimilar is considered similar. As such, biosimilars are subject to existing laws and regulations outlined in the Patented Medicines (Notice of Compliance) Regulations and the Food and Drug Regulations, and related guidance documents.

Similar to the Hatch-Waxman Act in the United States, Canada has the Patented Medicines (NOC) Regulations under the Patent Act which require a company that files a drug submission that references a patented product (for example, a biosimilar) to address any relevant patents listed on the Patent Register against the reference product, prior to being able to receive approval from Health Canada. The Canadian regime is similar to the United States regime, but a number of distinctions do exist.

Like the United States, Canada also has data protection, but again differences exist between the two jurisdictions. For example, Canada's data protection applies to an "innovative drug," which is defined as a drug that contains a medicinal ingredient not previously approved in a drug and that is not a variation of a previously approved medicinal ingredient such as a salt, ester, enantiomer, solvate or polymorph. If a product is deemed to be an innovate drug, it is eligible for an eight-year period of data protection (with an additional six-month pediatric extension in some circumstances). In general, biologics can be considered innovative drugs but typically biosimilars are not.

United States Government Regulation

In the United States, the FDA regulates drugs under the Federal Food, Drug and Cosmetic Act (the "**FDCA**"), and its implementing regulations, and biologics under the FDCA and the Public Health Service Act, and its implementing regulations. FDA approval is required before any new unapproved drug or biologic or dosage form, including a new use of a previously approved drug, can be marketed in the United States. In some cases, changes to aspects of an approved drug product also require pre-approval prior to implementation of these changes. Drugs and biologics are also subject to other federal, state, and local statutes and regulations. If the Company fails to comply with applicable FDA or other requirements at any time during the product development process, clinical testing, the approval process or after approval, the Company may become subject to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, civil monetary penalties or criminal prosecution. Any FDA enforcement action could have a material adverse effect on the Company.

The process required by the FDA before drug products may be marketed in the United States generally involves the following:

- completion of extensive preclinical laboratory tests and preclinical animal studies, some performed in accordance with the GLP regulations;
- submission to the FDA of an IND, which must be reviewed by the FDA and become active before human clinical trials may begin and must be updated annually;
- approval by an independent review board ("**IRB**") or ethics committee representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials conducted under Good Clinical Practices ("**GCP**") to establish the safety and efficacy of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a New Drug Application ("**NDA**") or Biologics License Application ("**BLA**") after completion of all pivotal clinical trials;
- a determination by the FDA within 60 days of its receipt of an NDA or BLA to file the application for review;
- potential review of the product application by an FDA advisory committee, where appropriate and if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities where the proposed product is produced to assess compliance with current GMP ("**cGMP**");
- a potential FDA audit of the preclinical research and clinical trial sites that generated the data in support of the NDA or BLA; and
- FDA review and approval of an NDA or BLA prior to any commercial marketing or sale of the product in the United States.

The preclinical research, clinical testing and approval process require substantial time, effort, and financial resources, and the Company cannot be certain that any approvals for the Company's product candidates will be granted on a timely basis, if at all. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans in clinical trials. The central focus of an IND submission is on the general investigational plan and the protocol(s) for human clinical trials. The IND also includes results of animal studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational new drug.

An IND must become effective before human clinical trials may begin in the US. An IND will automatically become effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to the proposed clinical trials. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before clinical trials can begin. Accordingly, submission of an IND may or may not result in the FDA allowing clinical trials to commence. As drug product programs continue in development, clinical trial protocols, additional preclinical testing results, and manufacturing information is submitted with the IND to facilitate discussions with the FDA and approval of additional clinical trials.

Clinical Trials

Clinical trials involve the administration of the investigational new drug to human subjects under the supervision of qualified investigators in accordance with GCP, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety, and the efficacy criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. Additionally, approval must also be obtained from each clinical trial site's IRB or ethics committee, before the trials may be initiated, and the IRB or ethics committee must monitor the trial until completed. All subjects must provide informed consent prior to participating in the trial. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

The clinical investigation of a drug is generally divided into three or four phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

- Phase I. The drug is initially introduced into healthy human subjects or, in some cases, patients with the target disease or condition. These studies are designed to evaluate the safety, tolerance, metabolism, pharmacokinetic and pharmacologic actions of the investigational new drug in humans, and the side effects associated with increasing doses.
- Phase II. The drug is administered to a limited patient population to evaluate safety and optimal dose levels for safety and efficacy, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy.
- Phase III. The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites to generate sufficient data to statistically evaluate dose levels, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational new drug product, and to provide an adequate basis for physician labeling.
- Phase IV. In some cases, the FDA may conditionally approve an NDA or BLA for a drug product with the sponsor's agreement to conduct additional clinical trials after approval. In other cases, a sponsor may voluntarily conduct additional clinical trials after approval to gain more information about the drug. Such post-approval studies are typically referred to as Phase IV clinical trials.

Clinical trial sponsors must also report to the FDA, within certain timeframes: (i) serious and unexpected adverse reactions, (ii) any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator's brochure, or (iii) any findings from other studies or animal testing that suggest a significant risk in humans exposed to the product candidate. The FDA, the IRB, the ethics committee or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated check points based on access to certain data from the trial.

The clinical trial process can take years to complete, and there can be no assurance that the data collected will support FDA approval or licensing of the product. Results from one trial are not necessarily predictive of results from later trials. The Company may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

Submission of an NDA or BLA to the FDA

Assuming successful completion of all required preclinical studies and clinical testing in accordance with all applicable regulatory requirements, detailed investigational new drug product information is submitted to the FDA in the form of an NDA or BLA requesting approval to market the product for one or more indications. Under federal law, the submission of most NDAs and BLAs is subject to an application user fee. An NDA or BLA must include all relevant data available from pertinent preclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data comes from company-sponsored clinical trials intended to

test the safety and effectiveness of a use of a product and may also come from several alternative sources, including clinical trials initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational new drug product to the satisfaction of the FDA.

Once an NDA or BLA has been submitted, the FDA's goal is to review the application within ten months after it accepts the application for filing, or, if the application relates to an unmet medical need in a serious or life-threatening indication, six months after the FDA accepts the application for filing. The review process is often significantly extended by the FDA's requests for additional information or clarification. Before approving an NDA or BLA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA or BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP and related regulations.

The FDA is required to refer an NDA or BLA for a novel drug (in which no active ingredient has been approved in any other application) to an advisory committee or explain why such referral was not made. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and the conditions thereof. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

The FDA's Decision on an NDA or BLA

After the FDA evaluates the NDA or BLA and conducts inspections of manufacturing facilities where the product will be produced, the FDA will issue either an approval letter or a complete response letter ("**Complete Response Letter**"). An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete, and the application is not ready for approval. To satisfy deficiencies identified in a Complete Response Letter, additional clinical data and/or an additional Phase III clinical trial(s), and/or other significant, expensive and time-consuming requirements related to clinical trials, preclinical studies or manufacturing may be required for the drug product.

Even if such additional information is submitted, the FDA may ultimately decide that the NDA or BLA does not satisfy the criteria for approval. The FDA could also approve the NDA or BLA with a risk evaluation and mitigation strategy, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA may also conditionally approve a drug product subject to, among other things, changes to proposed labeling, development of adequate controls and specifications, or a commitment to conduct one or more post-market studies or clinical trials. Such post-market testing may include Phase IV clinical trials and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. New government requirements, including those resulting from new legislation, may be established during the review process, or the FDA's policies may change, which could delay or prevent regulatory approval of the Company's products under development.

European Union Government Regulation

European Union Drug Development

Similar to the United States, the various phases of preclinical and clinical research in the European Union (the "**EU**") are subject to significant regulatory controls. Although the EU Clinical Trials Directive 2001/20/EC has sought to harmonize the EU clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the EU, the EU Member States have transposed and applied the provisions of the Directive differently. This has led to significant variations in the member state regimes. Under the current regime, before a clinical trial can be initiated, it must be approved in each of the EU countries where the trial is to be conducted by two distinct bodies: the National Competent Authority ("**NCA**"), and one or more Ethics Committees ("**ECs**").

Under the current regime all suspected unexpected serious adverse reactions to the investigated drug that occur during the clinical trial have to be reported to the NCA and ECs of the Member State where they occurred.

The EU clinical trials legislation currently is undergoing a transition process mainly aimed at harmonizing and streamlining clinical-trial authorization, simplifying adverse-event reporting procedures, improving the supervision of clinical trials and increasing their transparency. Recently enacted Clinical Trials Regulation EU No 536/2014 ensures that the rules for conducting clinical trials in the EU will be identical. In the meantime, Clinical Trials Directive 2001/20/EC continues to govern all clinical trials performed in the EU.

European Union Drug Review and Approval

In the European Economic Area, or EEA, comprising the 28 Member States of the EU plus Norway, Iceland and Liechtenstein, medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. There are two types of marketing authorizations:

The Community MA is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, of the European Medicines Agency, or EMA, and is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products and medicinal products containing a new active substance indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, auto-immune and viral diseases. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU.

National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in another Member States through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure. Under the Decentralized Procedure an identical dossier is submitted to the competent authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State, or RMS. The competent authority of the RMS prepares a draft assessment report, a draft summary of the product characteristics, or SPC, and a draft of the labeling and package leaflet, which are sent to the other Member States (referred to as the Member States Concerned) for their approval. If the Member States Concerned raise no objections, based on a potential serious risk to public health, to the assessment, SPC, labeling, or packaging proposed by the RMS, the product is subsequently granted a national MA in all the Member States (i.e., in the RMS and the Member States Concerned).

Under the above described procedures, before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

European Union New Chemical Entity Exclusivity

In the EU, new chemical entities, sometimes referred to as new active substances, qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity. The data exclusivity, if granted, prevents regulatory authorities in the EU from referencing the innovator's data to assess a generic application for eight years, after which generic marketing authorization can be submitted, and the innovator's data may be referenced, but not approved for two years. The overall ten year period will be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are determined to bring a significant clinical benefit in comparison with currently approved therapies.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information of the Company

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements for the years ended June 30, 2020 and June 30, 2019 (audited) and the interim financial statements of the Company for the three months ended September 30, 2020 (unaudited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the MD&A included in Exhibit "A" of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

	As at and for the three months ended September 30, 2020 (unaudited) ($)	As at and for the year ended June 30, 2020 (audited) ($)	As at and for the year ended June 30, 2019 (audited) ($)
Total Assets	2,468,903	1,911,945	7,765
Total Liabilities	51,464	48,351	7,839
Total Equity (Deficiency)	2,417,439	1,863,594	(74)
Revenue	-	-	-
Gross Profit	-	-	-
Loss and Comprehensive Loss for the Period	41,505	673,182	1,946

Consolidated Statement of Comprehensive Loss Data

	For the period ended September 30, 2020 ($)
Expenses	41,505
Interest income	-
Foreign exchange loss	-
Net loss and comprehensive loss for the period	41,505

Management's Discussion and Analysis

The MD&A of the Company for the years ended June 30, 2020 and June 30, 2019 and for the three months ended September 30, 2020 is attached to this Prospectus at Exhibit "A".

The MD&A of the Company should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus. Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. See "*Forward-Looking Statements*" and "*Risk Factors*".

USE OF AVAILABLE FUNDS

Proceeds

No proceeds will be raised, as no securities are being sold pursuant to this Prospectus.

Available Funds

The Company received net proceeds of approximately $3,322,200 from the Special Warrant Offering, after deducting finders' fees of $360,000. The Company received net proceeds of $1,402,800 from the Unit Offering, after deducting finders' fees of approximately $150,000. As at December 30, 2020, the Company has approximately $7,085,000 in available funds, which includes the net proceeds of the Special Warrant Offering and the Unit Offering and approximately $2,360,000 in estimated working capital. The Company intends to spend the available funds as follows:

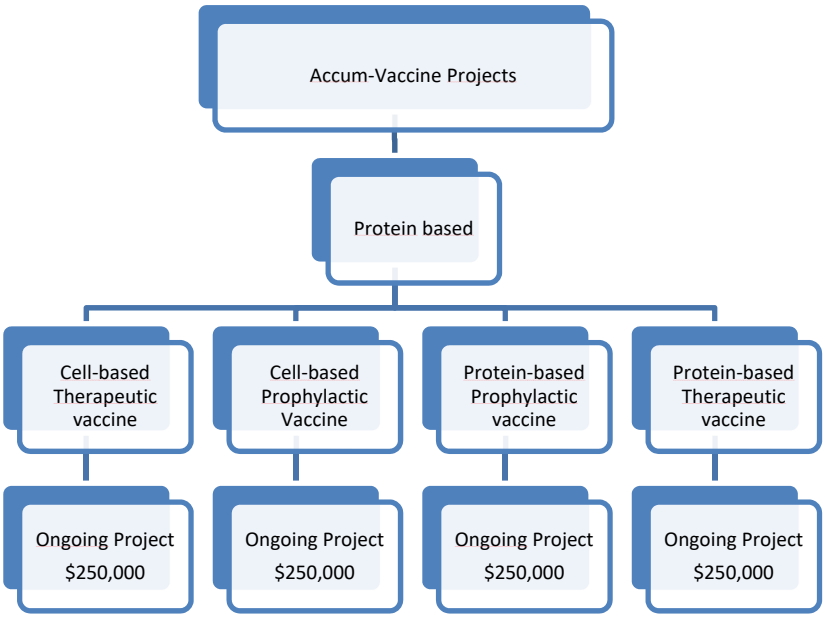
	Funds Available ($)
Working Capital as at December 30, 2020 (includes net proceeds of $1,402,800 from the Unit Offering and net proceeds of $3,322,200 from the Special Warrant Offering)	7,085,000
Total Funds Available.....	7,085,000
Expenditures:	
Research and Development (External Proof of Concept).....	100,000
Research and Development (Validation).....	400,000
Research and Development (Development – COVID-19)	250,000
Research and Development (Development – Cancer).....	500,000
Research and Development (Other)	250,000
Publications and Conferences	23,000
Intellectual Property (Ongoing Costs).....	100,000
Intellectual Property (Acquisition and Development)	275,000
Consultant Fees and Executive Officer Salaries.....	419,675
Working capital and general and administrative expenses.....	4,767,325
TOTAL.....	7,085,000

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Due to the uncertain nature of the industry in which the Company's investee companies operate, investments may be frequently reviewed and reassessed. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations (see "Risk Factors").

Business Objectives and Milestones

The Company's primary business objective is to develop, validate and commercialize its Accum platform. The Company has developed a comprehensive research plan for developing its Accum platform for different therapeutic applications such as vaccines and ADCs to treat cancer and infectious diseases. For developing its Accum platform, the Company anticipates a research outlook of two years. The Company anticipates that the budget to achieve the Accum-Vaccine platform goal will be $250 000 for each of vaccine product development (Fig. 4). With respect to ADCs, the Company will initially start with a single ADC as a proof-of-concept and will then evaluate its position with respect to proceeding to other ADCs. The Company anticipates that the budget to achieve this goal will initially be $250,000 and an additional $250,000 for each of the types of ADCs of cancer the Company is targeting, resulting in an approximate research and development budget for ADCs of $1,500,000.

Fig. 4.



In addition, the Company aims to advance its product development from pre-clinical stage to human clinical stage (i.e. Phase II clinical trials) and based on the success of such clinical trials, the Company plans to engage in licensing, partnership and/or acquisition discussions with other companies that have the resources to complete the development and commercialization of the Company's products. The Company intends to use its available funds to complete the development of its Accum platform, conduct further research and development, and for general working capital.

For the vaccine-related projects, the Company aims to conduct pre-clinical studies using first an experimental antigen to set-up the parameters required to identify the dosing and best formulation capable of inducing potent immunity. Once this objective is achieved, the best identified conditions will be applied using one or two COVID-19-related antigens and one or two tumor-associated antigens. This would lead to the development and pre-clinical testing of viral and cancer vaccines prior to their continued development in the clinic. The Company anticipates that the research and development budget to achieve this goal will be ~ $1,500,000.

The primary business objectives for the Company over the next 12 months are as follows:

Business Objective	Significant Events	Time Period	Costs related to Event
External proof of concept in patient-derived xenograft (PDX) breast cancer model	To formulate and to characterize Accum-T-DM1 (Kadcyla) ADC	2-4 months	$30,000
	Conducting *in vivo* studies to assess the potency of the technology	2-4 months	$30,000
	External validation of the enhanced efficacy of Accum-T-DM1	4 months	$40,000

Validation of two Accum-ADC and Accum-α(a)-ADC technology platform	To formulate and characterize the ADC using the Accum technology	10 months	$150,000
	In vivo efficacy and toxicity	10 months	$250,000
Development of a COVID-19 vaccine candidate (Protein-based vaccine)	To formulate and to characterize the OVA antigen using the Accum technology	4-6 months	$150,000
	To test the *in vivo* immunogenicity of the COVID-19 vaccine	4-6 months	$100,000
Development of cancer vaccine candidates (cell and protein-based)	To formulate and to characterize the antigen using the Accum technology	4-6 months	$300,000
	To test the *in vivo* immunogenicity of the vaccine	4-6 months	$200,000

The Company anticipates that it will have sufficient cash available to execute its business plan and to pay its operating and administrative costs for at least twelve months after Listing.

Unallocated Funds in Trust or Escrow

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The Chief Financial Officer of the Company is responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized capital of the Company consists of an unlimited number of Class A Common Shares without par value (the "**Common Shares**"), an unlimited number of Class A Special shares without par value ("**Class A Special Shares**"), an unlimited number of Class B Common shares without par value ("**Class B Common Shares**"), an unlimited number of Class B Special shares without par value ("**Class B Special Shares**"), an unlimited number of Class C Common shares without par value ("**Class C Common Shares**"), an unlimited number of Class C Special shares without par value ("**Class C Special Shares**") and an unlimited number of Class D Special shares without par value ("**Class D Special Shares**"). As of the date hereof, there are 28,661,774 Common Shares issued and outstanding, and no other classes of shares issued and outstanding. The Company expects to issue 6,137,000 Common Shares upon exercise of the Special Warrants pursuant the Special Warrant Offering.

Class A Common Shares

The holders of the Common Shares are entitled to receive notice of, attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares (other than the Common Shares) are entitled to vote. Each Common Share entitles its holder to one (1) vote. Subject to the special rights and restrictions of the holders of the Class A Special Shares, the Class B Special Shares, the Class C Special Shares and Class D Special shares, the

holders of the Common Shares, Class B Common Shares and Class C Common shares will be entitled to receive the remaining property of the Company upon dissolution, on a pari passu basis.

Class A Special Shares

The holders of the Class A Special Shares will be entitled to receive notice of, attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares (other than the Class A Special Shares) are entitled to vote. Each Class A Special Share will entitle its holder to one (1) vote.

Save and except for such dividends or distributions as are expressly permitted in the Articles, the holders of the Class A Special shares will not be entitled to further participation in any earnings or profits of the Company or in the value of its assets. Annual, non-cumulative dividends may be declared by the directors on the Class A Special Shares provided that the aggregate amount thereof will not be greater than 8% of the aggregate redemption value of all issued and outstanding Class A Special Shares, and further provided that such dividends will only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class A Special Shares will not be entitled to any dividends other than or in excess of the above dividends.

The Company may redeem any Class A Special Share issued by it at a price equal to the redemption value thereof. At the time of payment of such redemption price, the Company will pay to the holder of said share the amount of any dividend declared thereon and unpaid.

Class B Common Shares

The Class B Common Shares rank pari passu in all respects with the Common Shares, save and except that subject to the provisions of the BCBCA, the holders of the Class B Common Shares will not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Class B Special Shares

Subject to the provisions of the BCBCA, the holders of the Class B Special Shares will not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated in the Articles, the holders of the Class B Special Shares will not be entitled to further participation in any earnings or profits of the Company or in the value of its assets.

The Company may redeem any Class B Special Share issued by it at a price equal to the redemption value thereof. At the time of payment of such redemption price, the Company will pay to the holder of said share the amount of any dividend declared thereon and unpaid.

Upon dissolution of the Company, the holders of the Class B Special Shares will be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the Common Shares, Class B Common Shares, Class C Common Shares and Class A Special Shares.

Class C Common Shares

The Class C Common Shares rank pari passu in all respects with the Common Shares and Class B Common shares, save and except that (a) subject to the provisions of the Act, the holders of the Class C Common Shares will not, as such, have any right to receive notice of, attend or vote at meetings of shareholders; and (b) the directors will not be

obliged to declare dividends on the Class C Common Shares when declaring dividends on the Common Shares and Class B Common Shares.

Class C Special Shares

Subject to the provisions of the BCBCA, the holders of the Class C Special Shares will not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated in the Articles, the holders of the Class C Special Shares will not be entitled to further participation in any earnings or profits of the Company or in the value of its assets.

Annual, non-cumulative dividends may be declared by the directors on the Class C Special Shares provided that the aggregate amount thereof will not be greater than 9% of the aggregate redemption value of all issued and outstanding Class C Special Shares, and further provided that such dividends will only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class C Special Shares will not be entitled to any dividends other than or in excess of the above dividends.

The Company may, and upon the demand of any holder thereof will, redeem any Class C Special Share issued by it at a price equal to the amount of the redemption value thereof. At the time of payment of such redemption price, the Company will pay to the holder amount of any dividend declared thereon and unpaid.

Upon dissolution of the Company the holders of the Class C Special Shares will be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the Common Shares, Class B Common Shares, Class C Common Shares, Class A Special Shares and Class B Special Shares.

Class D Special Shares

Subject to the provisions of the BCBCA, the holders of Class D Special Shares will not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Monthly, non-cumulative dividends may be declared by the directors on the Class D Special Shares provided that the aggregate amount thereof will not be greater than 1% of the aggregate redemption value of all issued and outstanding Class D Special Shares, and further provided that such dividends will only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class D Special Shares will not be entitled to any dividends other than or in excess of the above dividends.

The Company may, and upon the demand of any holder thereof will, redeem any Class D Special Share issued by it at a price per share equal to the redemption value thereof. At the time of payment of such redemption price, the Company will pay to the holder of said share the amount of any dividend declared thereon and unpaid.

Upon dissolution of the Company, the holders of the Class D Special Shares will be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any of the property to the holders of any other class of shares.

Dividends

The directors may declare dividends on the Class A Common and Class B Common shares, or on the Class C Common shares, or on the Class A Special shares, or on the Class B Special shares, or on the Class C Special Shares, or on Class D Special shares, at such times, in such manner and in such amounts as they may determine in their discretion. The directors are not obliged to declare any dividend or, except as regards the Common Shares and the Class B Common Shares, to declare a dividend on one class of shares when a dividend is declared on another class of shares.

Warrants

As at the date of this Prospectus, the Company has the following warrants outstanding: (i) 2,588,000 Unit Warrants with each Unit Warrant entitling the holder to acquire one Common Share at a price of

$1.25 per Common Share until the earlier of (a) a period of two years from the Listing Date; and (b) a period of 5 years from the issue date of the Units, and (ii) 1,921,400 Finder's Warrants, as follows: 1,071,400 Finder's Warrants issued pursuant to the Private Placement, which are exercisable into Common Shares at $0.15 for a period of 36 months after the Company becoming a Reporting Issuer and 850,000 Finder's Warrants issued pursuant the Unit Offering and the Special Warrant Offering, which are exercisable into Common Shares at $0.60 until the earlier of (a) a period of two years from the Listing Date; and (b) December 24, 2025.

The Company expects to issue approximately 6,137,000 Warrants upon deemed exercise of the Special Warrants on the Special Warrants Exercise Date. The Warrants will be represented by Warrant Certificates to be issued by the Company. The following summary of certain provisions of the Warrants does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Certificates.

Each Warrant will be exercisable by the holder to acquire one Common Share (a "**Warrant Share**") at a price of $1.25 per Warrant Share for a period equal to the shorter of (a) two years after the Listing Date, and (b) five years after the issue date of the Special Warrants.

The number of Warrant Shares issuable upon exercise of the Warrants will be subject to standard anti-dilution provisions, including an adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or distribution, a dividend or distribution paid to all or substantially all of the holders of Common Shares, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets. The number of Warrant Shares issuable upon exercise of Warrants will also be subject to standard anti-dilution adjustments upon share consolidations, share splits, spin-off events, rights issues and reorganizations.

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of the Qualified Securities, consisting of the Common Shares and Warrants issuable upon the deemed exercise of the previously issued Special Warrants. The Special Warrants were sold to subscribers at a price of $0.60 per Special Warrant for aggregate gross proceeds of $3,682,200.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

The Company intends to apply to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE.

The Special Warrants and the underlying Common Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or under any state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act).

The Special Warrants were issued pursuant to the terms of the Special Warrant Certificates representing the Special Warrants. The Special Warrant Certificates provide, among other things, that Special Warrantholders are entitled to receive in respect of each Special Warrant held, without additional consideration and without any further action on the part of the holder thereof, one Common Share and one Warrant. The Special Warrants will be deemed exercised for Common Shares and Warrants on the Special Warrant Exercise Date.

The Warrants will be represented by Warrant Certificates to be issued by the Company. See "*Description of the Securities Distributed – Warrants*".

Certificates or DRS advices representing the Common Shares and Warrants to be issued upon deemed exercise of the Special Warrants will be available for delivery upon the deemed exercise of the Special Warrants.

The Company is not currently a Reporting Issuer in any province or territory of Canada.

CONSOLIDATED CAPITALIZATION

The Company

Consolidated Capitalization

The following table sets forth the share and loan capital of the Company before and after giving effect to the deemed exercise of the Special Warrants. The table should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus.

	Amount Authorized or to be Authorized	Outstanding as at the date of this Prospectus[(1)]	Outstanding After Giving Effect to the Special Warrant Offering[(2)]
Common Shares	Unlimited	$4,262,447 (28,661,774 Common Shares)	$7,944,647 (34,798,774 Common Shares)

Note:

(1) On an undiluted basis. The Company also has 1,150,000 Options and 1,921,400 Finder's Warrants outstanding.

(2) On an undiluted basis. Assumes the issuance of 6,137,000 Common Shares upon deemed exercise of 6,137,000 Special Warrants. The Company also has 1,150,000 Options, 2,588,000 Unit Warrants and 1,921,400 Finder's Warrants outstanding and will have 6,137,000 Warrants outstanding upon deemed exercise of the Special Warrants.

Fully Diluted Share Capital

The following table sets forth the anticipated fully diluted share capital of the Company after giving effect to the deemed exercise of the Special Warrants.

	Number of Common Shares Issued or Reserved for Issuance After Giving Effect to the Special Warrant Offering	Percentage of issued and outstanding Common Shares After Giving Effect to the Special Warrant Offering (fully-diluted)
Common Shares outstanding at the date of this Prospectus	28,661,774	61.5%
Common Shares to be issued upon deemed exercise of outstanding Special Warrants	6,137,000	13.2%
Common Shares issuable upon exercise of Warrants to be issued upon deemed exercise of Special Warrants	6,137,000	13.2%
Common Shares issuable upon exercise of Options	1,150,000	2.5%
Common Shares issuable upon exercise of Unit Warrants	2,588,000	5.6%
Common Shares issuable upon exercise of Finder's Warrants	1,921,400	4.0%

	Number of Common Shares Issued or Reserved for Issuance After Giving Effect to the Special Warrant Offering	Percentage of issued and outstanding Common Shares After Giving Effect to the Special Warrant Offering (fully-diluted)
Total:	46,595,174	100%

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

Outstanding Options

As of the date of this Prospectus, the Company has 1,150,000 Options outstanding.

Option Plan

A Stock Option Plan was approved by the Company's Board on January 5, 2021 (the "**Stock Option Plan**") and shall come into effect when the Common Shares are listed on the Exchange.

The purpose of the Stock Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments.

The following information is intended to be a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan:

(a) the Stock Option Plan provides that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue, less any common shares reserved for issuance under any other share compensation arrangement. The Options are non-assignable and may be granted for a term not exceeding ten years.

(b) the exercise price may not be lower than the greater of the closing market price of the common shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options.

(c) the terms of an Option may not be amended once issued. If an option is cancelled prior to its expiry date, the Company may not grant new options to the same person until 30 days have elapsed from the date of cancellation.

Assignability of Options. All Options will be exercisable only by an optionee to whom they are granted and will not be assignable or transferable.

Amendment of the Plan by the Board of Directors.

The Board has the authority to do the following:

1) oversee the administration of the Stock Option Plan in accordance with its terms;

2) appoint or replace the administrator of the Stock Option Plan from time to time;

3) determine all questions arising in connection with the administration, interpretation and application of the Stock Option Plan, including all questions relating to the market value;

4) correct any defect, supply any information or reconcile any inconsistency in the Stock Option Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Stock Option Plan;

5) prescribe, amend, and rescind rules and regulations relating to the administration of the Stock Option Plan;

6) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option holders without constituting a termination of employment or engagement for purposes of the Stock Option Plan;

7) do the following with respect to the granting of Options:

   a. determine the executives, employees or consultants to whom Options shall be granted, based on the eligibility criteria set out in the Stock Option Plan;

   b. determine the terms of the Option to be granted to an Option holder including, without limitation, the Grant Date, Expiry Date, exercise price and vesting schedule (which need not be identical with the terms of any other Option);

   c. subject to any necessary regulatory approvals, amend the terms of any Options;

   d. determine when Options shall be granted;

   e. determine the number of Common Shares subject to each Option;

   f. accelerate the vesting schedule of any Option previously granted; and

   g. make all other determinations necessary or advisable, in its sole discretion, for the administration of the Stock Option Plan.

Amendments to the Stock Option Plan requiring Regulatory Approvals

Subject to any existing Regulatory Rules, the Company may from time to time amend any existing Option or the Stock Option Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

(a) materially decrease the rights or benefits accruing to an Option Holder; or

(b) materially increase the obligations of an Option holder; then, unless otherwise excepted out by a provision of the Stock Option Plan, the Company must also obtain the written consent of the Option holder in question to such amendment. If at the time the exercise price of an Option is reduced the Option holder is an insider of the Company, the Option holder must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

Black-Out Period. The Stock Option Plan also contains a "black-out" provision. Should the Expiry Date for an Option fall within a blackout period, within or immediately after a blackout, the Option holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the blackout; provided that the expiration date as extended will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

The Stock Option Plan will be the sole share option plan utilized by the Company for security-based compensation and long-term incentives. Any Option granted pursuant to a stock option plan previously adopted by the Board which was outstanding at the time the Stock Option Plan comes into effect shall be deemed to have been issued under the Stock Option Plan and shall, as of the date the Stock Option Plan comes into effect, be governed by the terms and conditions hereof.

The aggregate maximum number of Common Shares that may be reserved for issuance under the Stock Option Plan is not to exceed 10% the total number of Common Shares of all classes of the Company issued and outstanding on a fully-diluted basis, being 3,479,877 Common Shares at the time Listing.

The table below summarizes information about the Options expected to be outstanding prior to Listing:

	Shares under Option	**Exercise Price**	**Expiry Date**
Executive Officers[(1)]	850,000	$1.25	October 2023

	Shares under Option	Exercise Price	Expiry Date
Directors[2]	1,000,000	$1.25	October 2023 and January 2024
Employees	nil	N/A	N/A
Consultants	50,000	$1.25	October 2023

Notes:

(1) Consists of Sébastien Plouffe, P. Joseph Meagher, Moutih Rafei, Simon Beaudoin and Carrie Cesarone.
(2) Consists of Sébastien Plouffe, P. Joseph Meagher, Moutih Rafei, Raimar Löbenberg and Sarkis Meterissian.

The full text of the Stock Option Plan is available upon written request made directly to the Company at its registered office located at 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

DIVIDENDS OR DISTRIBUTIONS

The Company has not declared any cash dividends or distributions for any of its securities and no such dividends or distributions are contemplated for the current financial year.

As of the date of this Prospectus, there are no restrictions that prevent the Company from paying dividends on its Common Shares. The Company has neither declared nor paid any dividends on its shares and it is not contemplated that the Company will pay dividends in the immediate or foreseeable future. The Company currently intends to retain future earnings, if any, to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future. Any future decision to pay dividends on the Company's Common Shares will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

PRIOR SALES

This table sets out particulars of the Common Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance/Sale	Security Type	Number of Securities	Issue/Sale Price
March 7, 2020	Common Shares	1,199,900[(1)]	$0.15
June 18, 2020	Common Shares	15,180,000[(2)]	$0.15
June 18, 2020	Common Shares	2,085,714[(3)]	$0.15
August 31, 2020	Common Shares	4,200,000[(4)]	$0.15
August 31, 2020	Common Shares	189,000[(5)]	n/a
October 9, 2020	Common Shares	2,035,000[(6)]	$0.15
October 9, 2020	Common Shares	113,960[(7)]	n/a
November 17, 2020	Common Shares	1,070,100[(8)]	$0.15
December 24, 2020	Common Shares	2,584,000[(9)]	$0.60
January 25, 2021	Common Shares	4,000[(9)]	$0.60

Notes:

(1) Issued in debt settlement for services rendered, including principal work since inception.
(2) Issued in connection with the First Tranche of the Private Placement.
(3) Issued in connection with an assignment of IP rights from Socpra.
(4) Issued in connection with the Second Tranche of the Private Placement.
(5) Issued to finders in connection with the Second Tranche of the Private Placement.

(6) Issued in connection with the Third Tranche of the Private Placement.
(7) Issued to finders in connection with the Third Tranche of the Private Placement.
(8) Issued in connection with the exercise of 1,070,100 Finder's Warrants.
(9) Issued pursuant to the Unit Offering.

This table sets out particulars of securities exercisable for or exchangeable into Common Shares issued within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
June 18, 2020	Finder's Warrants	683,100[(1)]	$0.15
August 31, 2020	Finder's Warrants	184,800[(2)]	$0.15
October 9, 2020	Options	700,000[(3)]	$1.25
October 9, 2020	Finder's Warrants	203,500[(4)]	$0.15
October 23, 2020	Options	250,000[(3)]	$1.25
December 24, 2020	Special Warrants	6,000,000[(5)]	$0.60
December 24, 2020	Warrants	2,584,000[(6)]	$1.25
December 24, 2020	Finder's Warrants	850,000[(7)]	$0.60
January 5, 2021	Options	200,000[(3)]	$1.25
January 25, 2021	Special Warrants	137,000[(5)]	$0.60
January 25, 2021	Warrants	4,000[(6)]	$1.25

Notes:

(1) Issued in connection with the First Tranche of the Private Placement. The Finder's Warrants issued in connection with the Private Placement are exercisable into Common Shares at $0.15 for a period of 36 months following the Company becoming a Reporting Issuer. 1,518,000 Finder's Warrants were originally issued and 834,900 were exercised on November 17, 2020.
(2) Issued in connection with the Second Tranche of the Private Placement. The Finder's Warrants issued in connection with the Private Placement are exercisable into Common Shares at $0.15 for a period of 36 months following the Company becoming a Reporting Issuer. 420,000 Finder's Warrants were originally issued and 235,200 were exercised on November 17, 2020.
(3) Issued to certain directors and officers of the Company pursuant to consulting agreements. See "*General Development of the Business and the Company - Employment, Consulting and Management Agreements"* and "*Options and Other Rights to Purchase Securities*".
(4) Issued in connection with the Third Tranche of the Private Placement. The Finder's Warrants issued in connection with the Private Placement are exercisable into Common Shares at $0.15 for a period of 36 months following the Company becoming a Reporting Issuer.
(5) Issued in connection with the Special Warrant Offering. Each Special Warrant will be deemed exercised in exchange for one Common Share and one Warrant on the earlier of the date that is (i) the third Business Day after a receipt for a final prospectus qualifying the distribution of the Common Shares issuable upon the conversion of the Special Warrants and (ii) 4 months and one day after the issue date of the Special Warrants. The Company expects to issue 6,137,000 Common Shares and 6,137,000 Warrants upon conversion of the Special Warrants. See "*Plan of Distribution*" for a description of the terms of the Special Warrants.
(6) Issued pursuant to the Unit Offering. Each Unit Warrant entitles the holder to acquire one Common Share at a price of $1.25 per Common Share until the earlier of (a) a period of two years from the Listing Date, and (b) December 24, 2025 or January 25, 2021
(7) Issued pursuant to the Special Warrant Offering and the Unit Offering. The Finder's Warrants issued in connection with the Special Warrant Offering and the Unit Offering are exercisable into Common Shares at $0.60 until the earlier of (a) a period of two years from the Listing Date; and (b) December 24, 2025.

ESCROWED SECURITIES AND RESALE RESTRICTIONS

Escrowed Securities

CSE Escrow

As of the date of this Prospectus, none of the Company's securities are held in escrow or are subject to a contractual restriction on transfer, except as set out below under "*Voluntary Escrow*".

In connection with the proposed Listing on the CSE, the following Common Shares are expected to be subject to escrow upon completion of the listing on the CSE as shown in the following table:

Designation of Class	Number of securities held in escrow	Percentage of class
Common Shares	1,967,400 (1)	5.7%(2)

Notes:

(1) Common Shares (the "**Escrowed Securities**") to be held in escrow and released over a 36-month period pursuant to an escrow agreement (the "**Escrow Agreement**") between directors and officers of the Company and Computershare Trust Company of Canada, as escrow agent. The release of the Escrowed Securities under the Escrow Agreement is as follows: 10% on date of listing on the CSE and thereafter 15% released every six months over a 36-month period

(2) Percentage is based on 34,798,774 Common Shares expected to be outstanding upon exercise of the Special Warrants and Listing on the CSE.

Section 3.5 of National Policy 46-201 - *Escrow for Initial Public Offerings* provides that all securities of a company owned or controlled by principals will be escrowed at the time of the company's initial public offering, unless the securities held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the total issued and outstanding shares of the company after giving effect to the initial public offering.

Directors and executive officers and certain shareholders of the Company (the "**Escrow Shareholders**") have entered into the Escrow Agreement with the Company pursuant to which the Escrow Shareholders have agreed to deposit the securities of the Company which they hold with Computershare Trust Company of Canada, as escrow agent, until they are released in accordance with terms of their respective Escrow Agreements, CSE Policy and applicable securities law as follows:

Release Date	Amount of Securities to be Released
On the date the Company's securities are listed on the CSE	10% of Escrowed Securities
6 months after the listing date	15% of Escrowed Securities
12 months after the listing date	15% of Escrowed Securities
18 months after the listing date	15% of Escrowed Securities
24 months after the listing date	15% of Escrowed Securities
30 months after the listing date	15% of Escrowed Securities
36 months after the listing date	15% of Escrowed Securities

Voluntary Escrow

10,707,500 Common Shares held by 80 shareholders of the Company are subject to voluntary resale restrictions whereby such Common Shares will be released six months from Listing.

2,085,714 Common Shares issued to Socpra in connection with an assignment of certain IP rights are subject to a voluntary escrow pursuant to which 10% of the Common Shares will be released from escrow upon Listing and then an additional 15% will be released every six months thereafter.

PRINCIPAL SHAREHOLDERS

The Company

As of the date of this Prospectus, 28,661,774 Common Shares are issued and outstanding.

To the knowledge of the directors and officers of the Company, upon the deemed exercise of the Special Warrants, no persons are expected to beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name, age, city of residence, position and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the current directors and officers of the Company. The directors of the Company are Sébastien Plouffe, P. Joseph Meagher, Moutih Rafei, Raimar Löbenberg and Sarkis Meterissian and the officers of the Company consist of Sébastien Plouffe (CEO), P. Joseph Meagher (CFO), Carrie Cesarone (Corporate Secretary), Simon Beaudoin (CTSO) and Moutih Rafei (VP Research and Development).

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years	Common Shares Owned After Giving Effect to the Special Warrant Offering	
			Number	Percentage
Sébastien Plouffe [(1)] Age 48 Montreal, QC	Chief Executive Officer and Director	President and Chief Executive Officer of Sediamek Inc.	1,600,000	4.6%
P. Joseph Meagher Age 36 Vancouver, BC	Chief Financial Officer and Director	Chief Financial Officer for several publicly listed companies	350,000	1%
Carrie Cesarone Age 55 Vancouver, BC	Corporate Secretary	Corporate Secretary for several publicly listed companies	66,000	<1%
Dr. Simon Beaudoin Age 37 Montreal, QC	CTSO	Postdoctoral researcher and Investigator	Nil	-

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years	Common Shares Owned After Giving Effect to the Special Warrant Offering	
			Number	Percentage
Dr. Moutih Rafei Age 39 Vaudreuil-Dorion, QC	VP Research and Development and Director	Professor and Principal Investigator	70,000	<1%
Raimar Löbenberg (1) Age 55 Edmonton, AB	Director	Professor at the Faculty of Pharmacy and Pharmaceutical Sciences at the University of Alberta	100,000	<1%
Sarkis Meterissian (1) Age 59 Mont-Royal QC	Director	Professor of Surgery and Oncology and Director of the Breast Center of the MUHC at McGill University	Nil	-

Notes:

(1) Proposed member of audit committee.

As of the date of this Prospectus, directors and officers of the Company, as a group, own or control or exercise direction over 2,186,000 Common Shares, being approximately 7.63% of the issued Common Shares.

Directors and Officers – Biographies

The following biographies provide information in respect of the directors and officers of the Company.

Sébastien Plouffe – *Age 48 - CEO and Director*

Mr. Plouffe is an experienced finance professional and entrepreneur with over 25 years of experience in both capital markets and project development. He worked for more than 10 years as a successful VP Senior Investment Advisor with Canadian brokerages firms BMO Nesbitt Burns and Canaccord Genuity Wealth Management, from which he has accumulated considerable expertise in most aspects of raising and managing capital. Over the last 15 years, Mr. Plouffe was instrumental in the success of various Canadian and international private and public companies in sectors such as biotech, mining and technology.

Mr. Plouffe has entered into a non-competition and non-disclosure agreement with the Company. It is expected that Mr. Plouffe will devote approximately 70-75% of his time to the business of the Company to effectively fulfill his duties as a CEO and Director.

P. Joseph Meagher – *Age 36 - CFO and Director*

Mr. Meagher has been a Chartered Professional Accountant (CPA, CA) since 2008 and obtained the Chartered Director (C.Dir.) designation from The Directors College (a joint venture between McMaster University and The Conference Board of Canada) in 2017. He currently serves as the CFO for several publicly listed companies namely Gatling Exploration Inc., Pacton Gold Inc., Bessor Minerals Inc., Kanadario Gold Inc., and Huntsman Exploration Inc. Previous experience includes Staff Accountant and Manager.

Mr. Meagher has entered into a non-competition and non-disclosure agreement with the Company. It is expected that Mr. Meagher will devote approximately 15-20% of his time to the business of the Company to effectively fulfill his duties as a CFO.

Carrie Cesarone – *Age 55 - Corporate Secretary*

Ms Cesarone has worked in the public company sector for the past 30 years. She was parlegal for well-known Vancouver securities lawyers and following that, has worked as an independent contractor for both public and private companies. She has served as a director, Corporate Secretary and CFO for a number of listed companies and continues to serve a Corporate Secretary for Pacton Gold Inc. and Huntsman Exploration Inc. Ms Cesarone holds a Bachelor of Arts degree from Simon Fraser University.

Ms. Cesarone has entered into a non-competition and non-disclosure agreement with the Company. It is expected that Ms. Cesarone will devote approximately 15-20% of her time to the business of the Company to effectively fulfill her duties as Corporate Secretary.

Dr. Simon Beaudoin – *Age 37 – CTSO*

Dr. Simon Beaudoin, CTSO & Accum Co-Founder, has a MSc and PhD in Biochemistry from the University of Sherbrooke. As co-found of Defence Technologies, Mr. Beaudoin's expertise in biochemistry, and molecular and cellular biology greatly contributed to the conceptualization, realization and valorization of the Accum™ technology platform. With strong expertise in the area of immuno-conjugation and, more particularly, in the development and optimization of antibody-drug conjugates (ADC) for anti-cancer applications, and radio-immuno-conjugates for therapeutic and/or TEP imaging applications, his impressive work has been covered in many highly respected journals. Mr. Beaudoin is also the recipient of 15 peer-reviewed awards and scholarships.

Mr. Beaudoin has entered into a non-competition and non-disclosure agreement with the Company. It is expected that Mr. Beaudoin will devote approximately 60-75% of his time to the business of the Company to effectively fulfill his duties as CTSO.

Dr. Moutih Rafei – *Age 39 - VP Research and Development and Director*

Dr. Moutih Rafei, VP Research & Development and Director, is an immuno-oncologist with profound knowledge and insight in the fields of T-cell development, stem cell biology, cancer immunotherapy and autoimmune diseases. Dr. Rafei obtained a PhD in Experimental Medicine at McGill University in 2009 followed by a post-doctoral training at Université de Montréal from 2009 to 2013. Dr. Rafei became a leader in the development of immune-related therapies for catastrophic illnesses and his research has uncovered many seminal discoveries. Dr Rafei received over 20 awards and recognitions over the last 15 years. His research has resulted in over 22 high impact peer-reviewed publications, 6 reviews, 2 book chapters, 1 monograph, and 5 patents.

Dr. Rafei has entered into a non-competition or non-disclosure agreement with the Company. It is expected that Dr. Rafei will devote approximately 25-30% of his time to the business of the Company to effectively fulfill his duties as a VP Research and Development and Director.

Dr. Raimar Löbenberg – Age 55 - *Director*

Dr. Löbenberg holds a Bachelor's of Science degree in Pharmacy from the Johannes Gutenberg-University, Mainz, Germany and a PhD in Pharmaceutics from the Johann Wolfgang Goethe-University, Frankfurt, Germany. He joined the University of Alberta in 2000 where he is the founder and director of the Drug Development and Innovation Centre, Faculty of Pharmacy and Pharmaceutical Sciences. Dr. Löbenberg's research interests are in biopharmaceutics to predict the oral performance of drugs and botanicals and inhalable nanoparticles to treat lung diseases such as lung cancer, tuberculosis or leishmanasis. He is a co-founder of RS Therapeutics Inc., a foam-based topical drug delivery company.

Dr. Löbenberg's recent notable positions include: President of the Canadian Society for Pharmaceutical Sciences 2014 to 2015; Vice Chair of the United States Pharmacopeia Dietary Supplement Expert Committee 2016 to 2017; current member of the United States Pharmacopeia Dietary Supplement Expert Committee; current Vice Chair of the Specialty Committee of Traditional Chinese Medicine in Pharmaceutics of the World Foundation of Chinese Medicine Science; and current member of the Health Canada Scientific Advisory Committee on Pharmaceutical Sciences and Clinical Pharmacology and the Scientific Advisory Panel on Opioid Analgesic Abuse.

Dr. Löbenberg has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Dr. Löbenberg will devote approximately 10-15% of his time to the business of the Company to effectively fulfill his duties as a Director.

Dr. Sarkis Meterissian - Age 59 - *Director*

Dr. Meterissian is a Professor of Surgery and Oncology (tenured), Director of the Breast Center of the MUHC and Head of the MUHC Breast Tumor Site Group. From 2007-2009 he was President of the Canadian Society of Surgical Oncology and from 2013 to 2015 he was President of Breast Surgery International. He has also served as the Medical Advisory Board co-Chair of the Quebec Breast Cancer Foundation since 2012.

Dr. Meterissian is involved in a number of clinical and basic science research projects related to breast cancer. In 1999, along with Dr. Morag Park (the Director of the Goodman Cancer Center), he set-up the McGill Functional Genomics Group which includes an extensive solid and liquid tissue bank for breast cancer. This Tumor Bank has led to a number of landmarks papers including the discovery of the Stromal-derived Protein Predictor (SDPP) published in Nature Medicine in 2008. He presently is involved in clinical research collaborations with the U de M Polytechnique Institute funded by NSERC and translational research projects with Dr. Luke McCaffrey of the Goodman.

He is also on the Scientific Committee of the McPeak-Sirois group representing the MUHC. This is a Clinical Trials Research Group bringing together the large cancer centers in the province. As part of this group he has recently set-up a Breast Cancer Metastases Registry supported by major pharma. This registry will include, in a prospective fashion, clinical data on metastatic breast cancers from across the province and their management.

Dr. Meterissian has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Dr. Meterissian will devote approximately 10-15% of his time to the business of the Company to effectively fulfill his duties as a Director.

Committees

The only committee of the Board is the Audit Committee. The Audit Committee of the Company consists of Sébastien Plouffe, Raimar Löbenberg and Sarkis Meterissian.

Corporate Cease Trade Orders or Bankruptcies

No director or officer of the Company is, or has been within the past ten years, a director or officer of any other issuer that, while such person was acting in that capacity, was:

(a) the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that person.

Penalties or Sanctions

No director or officer of the Company has within the ten years before the date of this Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, theft or fraud.

Individual Bankruptcies

No director or officer of the Company is, or, within the ten years before the date of this Prospectus, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

EXECUTIVE COMPENSATION

In this section "**Named Executive Officer**" or "**NEO**" means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CEO**"), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

The Company

Compensation Discussion and Analysis

Sébastien Plouffe (CEO and Director) and P. Joseph Meagher (CFO and Director) are the Company's only Named Executive Officers.

Executive compensation is intended to be consistent with the Company's business plans, strategies and goals while taking into account various factors and criteria, including competitive factors and the Company's performance. The Company's executive compensation program is intended to provide an appropriate overall compensation package that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. Compensation for the NEOs is intended to reflect a fair evaluation of overall performance.

The Board has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board reviews compensation of senior management on an annual basis.

When determining individual compensation levels for the Company's NEOs, a variety of factors will be considered including: the overall financial and operating performance of the Company, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The Board considers the following objectives when reviewing annual compensation: (i) retaining individuals critical to the growth and overall success of the Company; (ii) rewarding achievements of individuals; (iii) providing fair and competitive compensation; and (iv) compensating individuals based on their performance.

The base salary review for each NEO is based on an assessment of factors such as current market conditions and particular skills, including leadership ability and management effectiveness, experience, responsibility and proven or expected performance.

The Company has adopted a Stock Option Plan to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders. As of the date of this Prospectus, the Company has granted 1,150,000 Options. See "Options and Other Rights to Purchase Securities."

The Company is aware that compensation practices can have unintended risk consequences. At the present time, the Board is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk.

Summary Compensation Table

The Company was not a Reporting Issuer at any time during the most recently completed period for which financial statements are available. Accordingly, the following table sets out information concerning the expected compensation to be paid to each NEO once the Company becomes a Reporting Issuer, effective as of date hereof, for the 12 month period after the Listing Date.

Name and Principal Position	**Salary (CAD$)**	**Share-based Awards (CAD$)**	**Option-based Awards (CAD$)**	**Non-equity Incentive Plan Compensation (CAD$)**		**Pension Value (CAD$)**	**All other Compen-sation (CAD$)[1)]**	**Total Compen-sation (CAD$)**
				Annual Incentive Plans	**Long-term Incentive Plans**			
Sébastien Plouffe CEO and Director	90,000	Nil	400,000	Nil	Nil	Nil	Nil	Nil
P. Joseph Meagher CFO and Director	72,000	Nil	200,000	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards

Option grants will be used to align executive interests with those of the shareholders of the Company and will be based on the executive's performance, level of responsibility, as well as the number and exercise price of Options previously issued to the executive as part of the overall aggregate total compensation package. Options may be granted on an annual basis in connection with the review of executives' compensation packages, or upon hire or promotion and as special recognition for extraordinary performance.

Pension Plan Benefits

The Company does not anticipate that it will have a pension, retirement or similar plan.

Termination of Employment and Change of Control Benefits

As summarized further below, we have written consulting agreements with each of our NEOs entitling the NEO to compensation payments in the event of a termination resulting from a change in control.

Sébastien Plouffe – Pursuant to the terms of the Executive Consulting Agreement entered into among the Company, Sediamek and Sébastien Plouffe on September 18, 2020, Mr. Plouffe is entitled to be paid the equivalent of 3 months

in consulting fees (being an aggregate sum of $22,500) in the event of a termination, by either Mr. Plouffe or the Company, as a result of a change in control.

P. Joseph Meagher – Pursuant to the terms of the Executive Consulting Agreement entered into among the Company, Meagher Consulting and P. Joseph Meager on September 18, 2020, Mr. Meagher is entitled to be paid the equivalent of 3 months in consulting fees (being an aggregate sum of $18,000) in the event of a termination, by either Mr. Meagher or the Company, as a result of a change in control.

Director Compensation

Non-executive directors of the Company are not expected to be paid fees for the year following the Listing Date. Directors will be entitled to receive options in accordance with the terms of the Stock Option Plan. The timing, amounts, exercise price of those future option-based awards are not yet determined. Directors of the Company will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board, committees of the Board or meetings of the shareholders of the Company. It is anticipated that the Company will obtain customary insurance for the benefit of its directors and that the Company will enter into indemnification agreements with each director and officer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The Company

As of the date of this Prospectus, no director or executive officer of the Company or any associate thereof, is indebted to the Company or any of its subsidiaries, or has been at any time during the preceding financial year.

AUDIT COMMITTEE

The Audit Committee's Mandate

The mandate of the Audit Committee is to ensure the Company effectively maintains the necessary management systems and controls to allow for timely and accurate reporting of financial information to safeguard shareholder value, to meet all relevant regulatory requirements and to provide recommendations to the Board in the areas of management systems and controls. The charter of the Audit Committee is attached to this Prospectus as Exhibit "B".

Composition of the Audit Committee

The Audit Committee of the Company is to consist of Sébastien Plouffe (Chair), Raimar Löbenberg and Sarkis Meterissian. Of the members of the Audit Committee, Raimar Löbenberg and Sarkis Meterissian are independent. Sébastien Plouffe (CEO) will be a non-independent member of the Audit Committee. In accordance with section 6.1.1(3) NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the Audit Committee will not be executive officers, employees or control persons of the Company.

All members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110. For a summary of the experience and education of the Audit Committee members see "*Directors and Officers – Biographies*".

Reliance on Certain Exemptions

The Company is relying on the exemptions provided for "venture issuers" in section 6.1 of NI 52-110 with respect to Part 3 – *Composition of the Audit Committee* and Part 5 – *Reporting Obligations*.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by Crowe Mackay LLP to ensure auditor independence. The following table sets out the aggregate fees billed by Crowe Mackay LLP for the audit fees and the tax fees for the two most recently completed fiscal years for each category of fees described:

Time Period	Audit Fees[1]	Audit Related Fees[2]	Tax Fees[3]	All Other Fees[4]
Fiscal year ended June 30, 2019	Nil	Nil	Nil	Nil
Fiscal year ended June 30, 2020	Nil	Nil	Nil	Nil

Notes:

(1) "Audit Fees" includes fees necessary to perform the annual audit of the Company's financial statements.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include reviewing interim financial statements and disclosure documents related to financings and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services, the aggregate fees billed for products and services, other than the services reported under Notes (1), (2) and (3) above.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the Board, whose members are elected by and are accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board is responsible for monitoring the Company's senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The Board consists of Sébastien Plouffe, P. Joseph Meagher, Moutih Rafei, Raimar Löbenberg and Sarkis Meterissian. The independent directors are Raimar Löbenberg and Sarkis Meterissian. Sébastien Plouffe, the CEO of the Company, P. Joseph Meagher, the CFO of the Company, and Moutih Rafei, VP Research and Development of the Company, are non-independent directors.

Directorships

The following director of the Company is currently a director of other reporting issuers (or equivalent in a foreign jurisdiction):

Name	Name of Reporting Issuer
Raimar Löbenberg	XPhyto Therapeutics Corp.

Orientation and Continuing Education

When new directors are appointed to the Board, they receive an orientation, commensurate with their previous experience on the Company's business and on the responsibilities of directors.

Meetings of the Board may also include presentations by the Company's management to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole; however, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the officers, employees and non-executive directors of the Company. The Board annually reviews all forms of compensation paid to officers, employees and non-executive directors, both with regard to the expertise and experience of each individual and in relation to industry peers. See "*Executive Compensation*".

Other Committees of the Board of Directors

The Board has no committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and Audit Committee.

RISK FACTORS

Risks Relating to the Company's Business

Limited Operating History

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company has experienced some changes in its operating plans and certain delays in its plans. As a result, the Company's net loss and cash flow may differ materially from the Company's projected net loss and cash flow. The process for estimating the Company's net loss and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company may not be successful in its efforts to identify, license or discover additional product candidates.

Although a substantial amount of the Company's effort will focus on the continued research and pre-clinical testing, potential approval and commercialization of its existing product candidates, the success of its business also depends in part upon its ability to identify, license or discover additional product candidates. The Company's research programs or licensing efforts may fail to yield additional product candidates for clinical development for a number of reasons, including but not limited to the following:

- the Company's research or business development methodology or search criteria and process may be unsuccessful in identifying potential product candidates;
- the Company may not be able or willing to assemble sufficient resources to acquire or discover additional product candidates;
- the Company's product candidates may not succeed in pre-clinical or clinical testing;
- the Company's product candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval;
- competitors may develop alternatives that render the Company's product candidates obsolete or less attractive;
- product candidates the Company develops may be covered by third parties' patents or other exclusive rights;
- the market for a product candidate may change during the Company's program so that such a product may become unreasonable to continue to develop;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Company may be forced to abandon its development efforts to identify, license or discover additional product candidates, which would have a material adverse effect on its business and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company as a going concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions.

While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

The Company's intellectual property and licences thereto

The Company's success will depend in part on its ability to protect and maintain its intellectual property rights and its licenses. No assurance can be given that the license or rights used by the Company will not be challenged, invalidated, infringed or circumvented, nor that the rights granted thereunder will provide competitive advantages to the Company. It is not clear whether the pending patent applications will result in the issuance of patents. There is no assurance that the Company will be able to enter into licensing arrangements, develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its production processes. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others and not breaching the exclusive license granted to the Company. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licences have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with its licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

The Company faces product liability exposure, which, if not covered by insurance, could result in significant financial liability.

The risk of product liability is inherent in the research, development, manufacturing, marketing and use of pharmaceutical products. Product candidates and products that we may commercially market in the future may cause, or may appear to have caused, injury or dangerous drug reactions, and expose the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate collaborators or others selling such products. If the Company's product candidates during clinical trials were to cause adverse side effects, the Company may be exposed to substantial liabilities. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

- decreased demand for our products due to negative public perception;
- injury to our reputation;
- withdrawal of clinical trial participants or difficulties in recruiting new trial participants;
- initiation of investigations by regulators;
- costs to defend or settle related litigation;
- a diversion of management's time and resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues from product sales; and
- the inability to commercialize any of product candidates, if approved.

The Company intends to obtain clinical trial insurance once a clinical trial is initiated. However, the insurance coverage may not be sufficient to reimburse the Company for any expenses or losses it may suffer. Insurance coverage is becoming increasingly expensive, and, in the future, the Company, or any of its collaborators, may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts or at all to protect against losses due to liability. Even if the Company's agreements with any future collaborators entitle it to indemnification against product liability losses, such indemnification may not be available or adequate should any claim arise. The Company's

inability to obtain sufficient product liability insurance at an acceptable cost to protect against product liability claims could prevent or inhibit the commercialization of its product candidates. If a successful product liability claim or series of claims is brought against the Company for uninsured liabilities or in excess of insured liabilities, its assets may not be sufficient to cover such claims and its business operations could be impaired.

Should any of the events described above occur, this could have a material adverse effect on the Company's business, financial condition and results of operations.

We are very early in our development efforts. If we are unable to advance our product candidates through clinical development, obtain regulatory approval and ultimately commercialize our product candidates, or if we experience significant delays in doing so, our business will be materially harmed.

We are very early in our development efforts. Our most advanced product, Accum, is still in the early stages of preclinical development. Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of one or more of our product candidates. The success of our product candidates will depend on several factors, including the following:

- successful completion of preclinical studies;
- successful initiation of clinical trials;
- successful patient enrollment in, and completion, of clinical trials;
- receipt and related terms of marketing approvals from applicable regulatory authorities;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- making and maintaining arrangements with third-party manufacturers, or establishing manufacturing capabilities, for both clinical and commercial supplies of our product candidates;
- establishing sales, marketing and distribution capabilities and successfully launching commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other cancer therapies;
- obtaining and maintaining third-party coverage and adequate reimbursement; and
- maintaining a continued acceptable safety profile of our products following regulatory approval.

Our business is highly dependent on our lead product candidate, Accum, and we must complete preclinical studies and clinical testing before we can seek regulatory approval and begin commercialization of any of our other product candidates. If we are unable to obtain regulatory approval for, and successfully commercialize Accum, our business may be materially harmed and such failure may affect the viability of our other product candidates.

There is no guarantee that any of our product candidates will proceed in preclinical or clinical development or achieve regulatory approval. The process for obtaining marketing approval for any product candidate is very long and risky and there will be significant challenges for us to address in order to obtain marketing approval as planned or at all.

There is no guarantee that the results obtained in planned preclinical studies or our Phase 1 clinical trial of Accum or other future clinical trials will be sufficient to obtain regulatory approval. In addition, if our lead product candidate encounters safety or efficacy problems, developmental delays, regulatory issues, or other problems, our development plans and business related to our other current or future product candidates could be significantly harmed. A failure of our lead product candidate may affect the ability to obtain regulatory approval to continue or conduct clinical programs for our other or future product candidates. Further, competitors who are developing products with similar technology may experience problems with their products that could identify problems that would potentially harm our business.

Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. If our preclinical studies and clinical trials are not sufficient to support regulatory approval of any of our product candidates, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of such product candidate.

We cannot be certain that our preclinical study and clinical trial results will be sufficient to support regulatory approval of our product candidates. Clinical testing is expensive and can take many years to complete, and its outcomes are inherently uncertain. Human clinical trials are expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. Our clinical trials may not be conducted as planned or completed on schedule, if at all, and failure can occur at any time during the preclinical study or clinical trial process. Despite promising preclinical or clinical results, any product candidate can unexpectedly fail at any stage of preclinical or clinical development. The historical failure rate for product candidates in our industry is high.

We may experience delays in obtaining Health Canada's authorization to initiate clinical trials. Additionally, we cannot be certain that preclinical studies or clinical trials for our product candidates will begin on time, not require redesign, enroll an adequate number of subjects on time, or be completed on schedule, if at all. Clinical trials can be delayed or terminated for a variety of reasons.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are not as positive as we expect or if there are safety concerns, our business and results of operations may be adversely affected and we may incur significant additional costs. Accordingly, our clinical trial costs are likely to be significantly higher than those for more conventional therapeutic technologies or drug product candidates. We could also experience delays if physicians encounter unresolved ethical issues associated with enrolling patients in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety, efficacy, potency and purity profiles. We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such clinical trials are being conducted, by Health Canada or by another regulatory authority.

If we experience delays in the completion, or termination, of any preclinical study or clinical trial of our product candidates, the commercial prospects of our product candidates may be harmed, and our ability to generate revenues from any of these product candidates will be delayed or not realized at all. In addition, any delays in completing our preclinical studies or clinical trials may increase our costs, slow down the development of our product candidates and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may significantly harm our business, financial condition and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates. If one or more of our product candidates generally prove to be ineffective, unsafe or commercially unviable, our entire product pipeline and technology would have little, if any, value, which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

We expect to develop Accum, and potentially future product candidates, in combination with other therapies, which exposes us to additional risks.

We intend to develop Accum, and may develop future product candidates, for use in combination with one or more currently approved cancer therapies. Even if any product candidate we develop was to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risks that Health Canada, the FDA or similar foreign regulatory authorities could revoke approval of the therapy used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. Combination therapies are commonly used for the treatment of cancer, and we would be subject to similar risks if we develop any of our product candidates for use in combination with other drugs or for indications other than cancer. This could result in our own products being removed from the market or being less successful commercially.

We may also evaluate Accum or any other future product candidates in combination with one or more other cancer therapies that have not yet been approved by Health Canada, the FDA or similar foreign regulatory authorities.

We will not be able to market and sell Accum or any product candidate we develop in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval.

If Health Canada or similar foreign regulatory authorities do not approve these other drugs or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, the drugs we choose to evaluate in combination with Accum or any product candidate we develop, we may be unable to obtain approval of or market Accum or any product candidate we develop.

Our preclinical studies and clinical trial may fail to adequately demonstrate the safety, potency and purity of any of our product candidates, which would prevent or delay development, regulatory approval and commercialization.

Before obtaining regulatory approvals for the commercial sale of our product candidates, including our lead product candidate, we must demonstrate through lengthy, complex and expensive preclinical studies and clinical trials that our product candidates are both safe and effective for use in each target indication. Preclinical studies and clinical trials are expensive and can take many years to complete, and their outcomes are inherently uncertain. Failure can occur at any time during the preclinical study and clinical trial processes, and, because our product candidates are in an early stage of development, there is a high risk of failure and we may never succeed in developing marketable products.

Any preclinical studies or clinical trials that we may conduct may not demonstrate the safety, potency and purity necessary to obtain regulatory approval to market our product candidates. If the results of our ongoing or future preclinical studies and clinical trials are inconclusive, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates, we may be prevented or delayed in obtaining marketing approval for such product candidates. In some instances, there can be significant variability in results between different preclinical studies and clinical of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

In addition, any future clinical trials that may be completed for Accum or other product candidates, we cannot guarantee that Health Canada will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. To the extent that the results of the trials are not satisfactory to Health Canada to support a marketing application, approval of our product candidates may be significantly delayed or prevented entirely, or we may be required to expend significant additional resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates.

The results of preclinical studies and early-stage clinical trials may not be predictive of future results. Initial success in our ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later-stage trials.

The results of preclinical studies may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence may not be predictive of the results of the later-stage clinical trials. In addition, initial success in clinical trials may not be indicative of results obtained when such trials are completed. There can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our product candidates. There is a high failure rate for drugs and biologics proceeding through clinical trials.

A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies, and any such setbacks in our clinical development could have a material adverse effect on our business and operating results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies or clinical trials nonetheless failed to obtain Health Canada approval or approval from foreign regulatory authorities.

Interim, "top-line" and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim, "top-line" or preliminary data from our clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a full analysis of all data related to the particular trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. Data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Interim, "top-line" or preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim, "top-line," and preliminary data should be viewed with caution until the final data are available. Adverse differences between interim, "top-line" or preliminary data and final data could significantly harm our reputation and business prospects.

In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is distilled from a large body of raw data and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosures, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular drug, product candidate or our business. If the interim, "top-line," or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for and commercialize our product candidates, our business, prospects, financial condition and results of operations may be harmed.

COVID-19 may materially and adversely affect our business and financial results.

In December 2019, a novel strain of coronavirus, which causes the disease known as COVID-19, was reported to have surfaced in Wuhan, China. Since then, COVID-19 coronavirus has spread globally. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic.

The effects of COVID-19 could disrupt our business and delay any future clinical trials, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course. These and similar, and perhaps more severe, disruptions in our operations could negatively impact our business, financial condition and results of operations, including our ability to obtain financing. Quarantines, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, related to COVID-19 or other infectious diseases could impact personnel at third-party manufacturing facilities or the availability or cost of materials, which would disrupt our supply chain.

In addition, any future clinical trials have been and may be further affected by the COVID-19 pandemic, including:

- delays or difficulties in enrolling patients in the clinical trial, including patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion or prioritization of healthcare resources away from the conduct of clinical trials and towards the COVID-19 pandemic, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials, who, as healthcare providers, may have heightened exposure to COVID-19 and adversely impact our clinical trial operations;
- interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal, state or provincial governments, employers and others; and

- limitations in employee resources that would otherwise be focused on the conduct of our clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people.

Disruptions at Health Canada and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products and services from being developed, approved or commercialized in a timely manner, which could negatively impact our business.

The ability of the Health Canada to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, statutory, regulatory, and policy changes and other events that may otherwise affect Health Canada's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at Health Canada and other agencies may also slow the time necessary for new biologics to be reviewed and/or approved or cleared by necessary government agencies, which would adversely affect our business.

If a prolonged government shutdown occurs, or if global health concerns Health Canada or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of Health Canada or other regulatory authorities to timely review and process regulatory submissions, which could have a material adverse effect on our business. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Exchange rate fluctuations between the U.S. dollar and the Canadian dollar may negatively affect the Company's earnings cash flows.

The Company's functional currency is the Canadian dollar. The Company may incur expenses in Canadian dollars and U.S. dollars. As a result, we are exposed to the risks that the Canadian dollar may devalue relative to the U.S. dollar,or, if the Canadian dollar appreciates relative to the U.S. dollar, that the inflation rate in Canada may exceed such rate of devaluation of the Canadian dollar, or that the timing of such devaluation may lag behind inflation in Canada. The Company cannot predict any future trends in the rate of inflation in Canada or the rate of devaluation, if any, of the Canadian dollar against the U.S. dollar.

If patent laws or the interpretation of patent laws change, the Company's competitors may be able to develop and commercialize our discoveries.

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical products and processes in Canada, and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of our and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease selling or using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize our products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

The Company may not be able to enforce its intellectual property rights throughout the world. This risk is exacerbated because it expects that one or more of its product candidates will be manufactured and used in a number of foreign countries.

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property

rights in certain foreign jurisdictions. This risk is exacerbated for the Company because it expects that future product candidates could be manufactured and used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to life sciences. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.

Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the U.S., and foreign countries may affect our ability to obtain adequate protection for the Company's technology and the enforcement of its intellectual property.

The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. 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. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

If you purchase the Common Shares in an offering, you will experience substantial and immediate dilution, because the price that you pay will be substantially greater than the net tangible book value per share of the Common Shares that you acquire. This dilution is due in large part to the fact that the Company's earlier investors will have paid substantially less than a public offering price when they purchased the Common Shares.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or Companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Need for additional financing

The Company believes that it will have sufficient capital to operate its business for at least 12 months following Listing. However, it is possible that costs associated with the operation of the Company's business will exceed its projections depending on the timing of future operating and capital expenses. Assuming the Company's existing funds sustain its operations for this period, the Company believes that it may thereafter require additional capital for additional product development, sales and marketing operations, other operating expenses and for general corporate purposes to fund growth in the Company's markets. The Company does not know how much additional funding it may require. The Company may therefore be required to seek other sources of financing in the future, which sources (assuming it is able to locate such alternative sources of financing) may be on terms less favorable to the Company than those in the Special Warrant Offering. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future

opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

Uncertainty of Use of Proceeds

Although the Company has set out its intended use of proceeds available to it, these intended uses are estimates only and may be subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

If the Company has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of its financial statements, which could result in a decrease in the value of its securities.

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Difficulties with Forecasts

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical marijuana industry in Canada. A failure in the demand for its products and services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Risks Relating to the Common Shares

Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of companies with a small market capitalization have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally, as well as market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to the Company's success and are, therefore, not within the Company's control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up or other transfer

restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

No Established Market

Although the Company has applied for the listing of the Common Shares on the CSE, there is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Common Shares purchased under this Prospectus. An active public market for the Common Shares might not develop or be sustained after this Offering. Even if a market develops, there is no assurance that the price of the Common Shares offered under this Prospectus, which has been determined by negotiations between the Company and representatives of the Agent, will reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the initial public offering price.

Dividends

The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Company will be subject to additional regulatory burden resulting from its public listing on the CSE.

The Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE or any other stock exchange. In anticipation of Listing, the Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, the Company cannot assure purchasers of Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

PROMOTERS

Sébastien Plouffe is a Promoter of the Company. For information on the security holdings and consideration received by the Promoter see "Directors and Officers" and "Executive Compensation."

LEGAL PROCEEDINGS

The Company is not a party to any material legal proceedings and the Company does not know of any such proceedings that are contemplated.

REGULATORY ACTIONS

The Company does not know of any:

(a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years preceding the date of this Prospectus;

(b) any other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years preceding the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed above under the heading "*Executive Compensation*", no Insider, director or executive officer of the Company and no associate or affiliate of any director, executive officer or Insider has any material interest, direct or indirect, in any transaction within the three years before the date of the prospectus that has materially affected or is reasonably expected to materially affect the Company.

AUDITORS

The Company's independent auditor is Crowe Mackay LLP, located at 1100 - 1177 W Hastings St, Vancouver, BC V6E 4T5.

REGISTRAR AND TRANSFER AGENT

Prior to filing the final prospectus, the Company intends to appoint Computershare Trust Company of Canada as the Transfer Agent and registrar for the Company's common shares at its office located at 510 Burrard St, Third Floor, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company, other than:

(a) the Stock Option Plan, as described under "Options and Other Rights to Purchase Securities";

(b) the Amended IP Assignment and Royalty Agreement, as described under "Three Year History";

(c) the Option and Right of First Refusal Agreement, as described under "Three Year History";

(d) the Plouffe Consulting Agreement, as described under "Employment, Consulting and Management Agreements";

(e) the Meagher Consulting Agreement, as described under as described under "Employment, Consulting and Management Agreements";

(f) the Cesarone Consulting Agreement, as described under as described under "Employment, Consulting and Management Agreements";

(g) the Beaudoin Consulting Agreement, as described under as described under "Employment, Consulting and Management Agreements";

(h) the Rafei Consulting Agreement, as described under as described under "Employment, Consulting and Management Agreements"; and

(i) the Axiom Consulting Agreement, as described under as described under "Employment, Consulting and Management Agreements".

EXPERTS AND INTERESTS OF EXPERTS

Certain matters relating to the Special Warrant Offering will be passed upon on behalf of the Company by McMillan LLP. As of the date of this Prospectus, McMillan LLP beneficially owns, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Company.

The independent auditor of the Company is Crowe Mackay LLP. Crowe Mackay LLP is independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

OTHER MATERIAL FACTS

There are no material facts relating to the Company or the Special Warrant Offering other than as disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission 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 for the particulars of these rights or consult with a legal adviser.

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

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Company has granted to each holder of Special Warrants a contractual right of recession of the prospectus-exempt transaction under which the Special Warrants were initially acquired. The contractual right of rescission provides that if a holder of Special Warrants who acquires Common Shares on exercise of the Special Warrants as provided for in this Prospectus is, and becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the Special Warrant Offering under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company and on the acquisition of the Special Warrants, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and a refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

EXHIBIT A

FINANCIAL STATEMENTS OF THE COMPANY
AND MANAGEMENT'S DISCUSSION ANALYSIS

Defence Therapeutics Inc.

(formerly Accum Therapeutics Inc.)

Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)

Years Ended June 30, 2020 and 2019

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Financial Statements

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Independent Auditor's Report

To the Directors of Defence Therapeutics Inc.

Opinion

We have audited the financial statements of Defence Therapeutics Inc. ("the Company"), which comprise the statements of financial position as at June 30, 2020 and June 30, 2019 and the statements of comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and June 30, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
January 5, 2021

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Statements of Financial Position
June 30,
(Expressed in Canadian Dollars)

		2020		2019
Assets				
Current				
Cash	$	1,865,927	$	766
Prepaids		-		6,999
		1,865,927		7,765
Intangible Assets (note 7)		46,018		-
	$	1,911,945	$	7,765
Liabilities				
Current				
Accounts payable and accrued liabilities	$	48,351	$	7,839
Shareholders' Equity (Deficiency)				
Share Capital (note 9)		2,396,829		100
Share-based Payments Reserve (note 9)		140,121		-
Deficit		(673,356)		(174)
		1,863,594		(74)
	$	1,911,945	$	7,765

Subsequent Events (note 12)

Approved on behalf of the Board:

"Sebastien Plouffe"	*"Joseph Meagher"*
…… Director	…… Director
Sebastien Plouffe	Joseph Meagher

The accompanying notes are an integral part of these financial statements.

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Statements of Comprehensive Loss
For the Years Ended June 30,
(Expressed in Canadian Dollars)

	2020	2019
Expenses		
Accounting and legal	$ 51,961	$ 4,840
Consulting fees	7,600	35,000
Office and general	185	2,106
Research and lab fees (note 7)	433,451	-
Share-based compensation (notes 8 and 9)	179,985	-
	(673,182)	(41,946)
Other Item		
Other income (note 7)	-	40,000
Net Loss and Comprehensive Loss for the Year	$ (673,182)	$ (1,946)
Basic and Diluted Loss Per Share	$ (0.71)	$ (19.46)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	943,207	100

The accompanying notes are an integral part of these financial statements.

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Class A Common Shares	Share Capital	Share-Based Payments Reserve	Retained Earnings (Deficit)	Total
Balance, June 30, 2018	**100**	**$ 100**	**$ -**	**$ 1,772**	**$ 1,872**
Net loss and comprehensive loss for the year	-	-	-	(1,946)	(1,946)
Balance, June 30, 2019	**100**	**100**	**-**	**(174)**	**(74)**
Shares issued for services	1,199,900	179,985	-	-	179,985
Shares issued for intellectual property agreement	2,085,714	312,857	-	-	312,857
Private placement	15,180,000	2,277,000	-	-	2,277,000
Share issue costs	-	(373,113)	140,121	-	(232,992)
Net loss and comprehensive loss for the year	-	-	-	(673,182)	(673,182)
Balance, June 30, 2020	**18,465,714**	**$ 2,396,829**	**$ 140,121**	**$ (673,356)**	**$ 1,863,594**

The accompanying notes are an integral part of these financial statements.

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Statements of Cash Flows
For the Years Ended June 30,
(Expressed in Canadian Dollars)

		2020		2019
Operating Activities				
Net loss for the year	$	(673,182)	$	(1,946)
Items not involving cash				
Shares issued for services		179,985		-
Shares issued for intellectual property agreement		312,857		-
Changes in non-cash working capital				
Prepaids		6,999		(6,999)
Accounts payable and accrued liabilities		40,512		5,798
Cash Used in Operating Activities		(132,829)		(3,147)
Investing Activity				
Purchase of intangible assets		(46,018)		-
Cash Used in Investing Activity		(46,018)		-
Financing Activities				
Shares issued for cash		2,277,000		-
Share issue costs		(232,992)		-
Cash Provided by Financing Activities		2,044,008		-
Inflow (Outflow) of Cash		1,865,161		(3,147)
Cash, Beginning of Year		766		3,913
Cash, End of Year	$	1,865,927	$	766
Supplemental Disclosure with Respect to Cash Flows				
Income tax paid	$	-	$	-
Interest paid	$	-	$	-
Fair value of finder's warrants issued	$	140,121	$	-

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

Defence Therapeutics Inc. (the "Company") was incorporated as Accum Therapeutics Inc. on July 18, 2017, under the laws of the province of Quebec. The Company changed its name to Defence Therapeutics Inc. on March 26, 2020 and was continued into British Columbia on July 10, 2020. Its principal business activity is the development of anti-body drug conjugates (ADCs) that improve the efficacy and safety of nano and protein-based pharmaceuticals used in the treatment of cancer. The Company's head office address and registered and records office is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue its operations and to realize assets at their carrying value is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund its development and operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. Subsequent to the year-end, the Company closed private placements for net proceeds of approximately $5,500,000. Based on its current plans, budgeted expenditures, and cash requirements, the Company has sufficient cash to finance its current plans for at least 12 months from the date the financial statements are issued. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

In early March 2020, there was a global outbreak of coronavirus (COVID-19). The effects of COVID-19 could delay any future clinical trials, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on the Company's ability to conduct business in the ordinary course. These and similar, and perhaps more severe, disruptions to operations could negatively impact the Company's business, financial condition and results of operations, including the ability to obtain financing.

3. BASIS OF PREPARATION

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 5, 2021.

3. BASIS OF PRESENTATION (Continued)

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout by the Company for purposes of these financial statements.

a) Intangible assets

Intangible assets consist of intellectual property, including patent applications. Intangible assets with finite useful lives are measured at cost less accumulated amortization and impairment losses. Intangible assets are amortized on a straight-line basis over the estimated useful life, being the life of the patent applications, which is twenty years from the date of application, once the patent has been granted.

b) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and at least annually. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive income/loss.

c) Financial instruments

All financial assets not classified at amortized cost or fair value through other comprehensive income ("FVTOCI") are measured at fair value through profit or loss ("FVTPL"). On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial instruments (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified as FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and financial liabilities classified as amortized cost are subsequently measured at amortized cost using the effective interest method. Financial assets classified as FVTOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income/loss. When the financial instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income/loss and is not reclassified to profit or loss.

Cash is classified as FVTPL. Accounts payable and accrued liabilities are classified as amortized cost.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Inputs for assets or liabilities that are not based on observable market data.

d) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of comprehensive income (loss). Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Income taxes (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted the residual method with respect to the measurement of shares and warrants issued as private placement units. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve.

The fair value of the common shares is based on the closing quoted bid price on the announcement date. The fair value attributed to the warrants is recorded in equity reserves. Upon expiry, the fair value is transferred to deficit.

f) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and has the ability to use or sell the asset. The expenditures capitalized include the costs of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs on qualifying assets. Other development expenditures are recognized in profit or loss as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as an expense with a corresponding increase in share-based payments reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in share-based payments reserve is transferred to share capital.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. The amounts recorded in reserves for unexercised share options are transferred to deficit upon their expiry or cancellation.

h) Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) New accounting standard adopted during the year

IFRS 16 Leases

Initial adoption

On July 1, 2019, the Company adopted IFRS 16, which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, International Accounting Standard ("IAS") 17 Leases. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

The Company has elected to apply IFRS 16 using a modified retrospective approach, which does not require restatement of prior period financial information. Modified retrospective application recognizes the cumulative effect of IFRS 16 as an adjustment to opening deficit at July 1, 2019 and applies the standard prospectively. The Company has determined that at July 1, 2019, adoption of IFRS 16 did not result in the recognition of a right-of-use ("ROU") asset nor a lease obligation.

Ongoing recognition and measurement

On the date that the leased asset becomes available for use, the Company recognizes a ROU asset and a corresponding lease obligation. Interest expense associated with the lease obligation is charged to the statement of income/loss over the lease period with a corresponding increase to the lease obligation. The lease obligation is reduced as payments are made against the principal portion of the lease. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation of the ROU asset is recognized in depreciation expense.

j) New accounting standard issued but not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company is currently evaluating the impact of the amendments.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next fiscal year are discussed below.

a) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

b) Going concern risk assessment

The assessment of the Company's ability to continue as a going concern requires significant judgment. The financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

c) Impairment of intangible assets

The application of the Company's accounting policy for intangible assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as FVTPL; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

June 30, 2020	Level 1	Level 2	Level 3	Total
Cash	$ 1,865,927	$ -	$ -	$ 1,865,927

June 30, 2019	Level 1	Level 2	Level 3	Total
Cash	$ 766	$ -	$ -	$ 766

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of June 30, 2020 equal $48,351. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

6. FINANCIAL INSTRUMENTS (Continued)

c) Market risk (continued)

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the years ended June 30, 2020 and 2019. The Company is not subject to externally imposed capital requirements.

7. INTELLECTUAL PROPERTY AGREEMENT AND INTANGIBLE ASSETS

On May 12, 2017, prior to the incorporation of the Company, a precursor entity to the Company and a former principal of the Company, entered into an Intellectual Property Assignment and Royalty Agreement (the "Original IP Assignment and Royalty Agreement") with TransferTech Sherbrooke, a limited liability partnership ("TTS") and Jeffrey Victor Leyton ("Leyton"), a professor at the Universite de Sherbrooke. The Original IP Assignment and Royalty Agreement assigns Leyton's invention known as "Novel Immunoconjugates with cholic acid nuclear localization sequence peptide and uses thereof" (the "Accum Invention") and any related intellectual property to the Company.

On May 20, 2020, the Company and TTS entered into an Amended and Restated Intellectual Property Assignment and Royalty Agreement (the "Amended IP Assignment and Royalty Agreement"), which amends and restates the Original IP Assignment and Royalty Agreement, assigning the Accum Invention and any related intellectual property to the Company in exchange for consideration as follows:

- $25,000 upon completion of the agreement (paid); and
- The issuance of 2,085,714 Common Shares of the Company (issued and valued at $312,857).

(Expressed in Canadian Dollars)

7. INTELLECTUAL PROPERTY AND INTANGIBLE ASSETS (Continued)

The Company must also make milestone payments related to the Accum Invention and any related or derivate inventions as follows:

- $10,000 within 30 days of the completion of the first non-rodent positive toxicology study;
- $25,000 within 30 days of the recruitment of the first phase 1 patient;
- $50,000 within 30 days of the recruitment of the first phase 2 patient;
- $100,000 within 30 days of the recruitment of the first phase 3 patient; and
- $250,000 within 30 days of the first regulatory approval from a relevant registration authority.

In addition, the Company must pay a royalty of 3% calculated on the net revenues and all commercial activities involving the Accum Invention, and 4% calculated on the net revenues and all commercial activities involving any related or derivative inventions.

The Company was also required to enter into a research contract for a minimum of $45,000 (completed).

The Company has determined that the cash and share consideration paid for the Amended IP Assignment and Royalty Agreement, along with the costs of the research contract, do not qualify as development costs. Accordingly, the amounts have been expensed to research and lab fees.

The Company has capitalized the following amounts as intangible assets:

		Intellectual Property
Cost		
Balance at June 30, 2018 and 2019	$	**-**
Patent costs		46,018
Balance at June 30, 2020	$	**46,018**

During the year ended June 30, 2019, the Company received $40,000 as part of an agreement to assign the Accum Invention to another company. That agreement was not completed. The Company recognized the $40,000 as other income during the year ended June 30, 2019.

8. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the statement of comprehensive income (loss):

		Year Ended June 30, 2020		Year Ended June 30, 2019
Share-based compensation	$	15,000	$	-

There were no other related party transactions for the years ended June 30, 2020 and 2019.

There were no related party balances as at June 30, 2020 or 2019.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL

a) Authorized

- Unlimited Class A Common Shares, voting, participating, without par value ("Common Shares");
- Unlimited Class A Special Shares, voting, non-participating, non-cumulative, redeemable, without par value;
- Unlimited Class B Common Shares, non-voting, participating, without par value;
- Unlimited Class B Special Shares, non-voting, non-participating, redeemable, without par value;
- Unlimited Class C Common Shares, non-voting, participating, without par value;
- Unlimited Class C Special Shares, non-voting, non-participating, non-cumulative, redeemable, without par value; and
- Unlimited Class D Special Shares, non-voting, non-participating, non-cumulative, redeemable without par value.

b) Issued and outstanding

During the year ended June 30, 2020

On March 7, 2020, the Company issued 1,199,900 Common Shares valued at $179,985 for services provided by consultants and former key management.

On June 18, 2020, the Company issued 2,085,714 Common Shares valued at $312,857 in relation to an intellectual property agreement (note 7).

On June 18, 2020, the Company closed the first tranche of a private placement for gross proceeds of $2,277,000. The Company issued 15,180,000 Common Shares at a price of $0.15 per share. The Company paid finder's fees of $227,700 and issued 1,518,000 finder's warrants valued at $140,121 (note 9(c)). Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.15 for a period of 36 months following the date the Company becomes a reporting issuer in any province or territory. The Company incurred other share issue costs of $5,292.

During the year ended June 30, 2019

There were no changes to the issued and outstanding Common Shares during the year ended June 30, 2019.

c) Finder's warrants

Finder's warrant transactions and the number of finder's warrants outstanding are summarized as follows:

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	-	$ -	-	$ -
Issued	1,518,000	0.15	-	-
Outstanding, end of year	1,518,000	$ 0.15	-	$ -

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Finder's warrants (continued)

The following finder's warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**June 30, 2020**
36 months after the Company becomes a reporting issuer	N/A	$ 0.15	1,518,000
	N/A		1,518,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its finder's warrants issued. During the year ended June 30, 2020, 1,518,000 (2019 - nil) finder's warrants were issued with a fair value of $760,390 (2019 - $nil).

The fair value of each finder's warrant issued was calculated using the following weighted average assumptions:

	Year Ended June 30, 2020	**Year Ended June 30, 2019**
Expected life (years)	3.00	N/A
Risk-free interest rate	0.32%	N/A
Annualized volatility	100%	N/A
Dividend yield	N/A	N/A
Stock price at grant date	$ 0.15	N/A
Exercise price	$ 0.15	N/A
Weighted average grant date fair value	$ 0.09	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has estimated the volatility of the share price based on comparable start up companies' volatilities.

d) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of Common Shares that may be subject to option at any one time may not exceed 10% of the issued Common Shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years. All options vest when granted unless they are otherwise specified by the Board of Directors.

There were no transactions under the Company's stock option plan for the years ended June 30, 2020 and 2019.

(Expressed in Canadian Dollars)

10. SEGMENTED DISCLOSURE

The Company has one operating segment, being research and development. All of the Company's assets are located in Canada.

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year Ended June 30, 2020	Year Ended June 30, 2019
Loss before income taxes	$ (673,182)	$ (1,946)
Statutory income tax rate	27.00%	27.00%
Income tax (benefit) computed at statutory tax rate	(182,000)	(1,000)
Non-deductible items	49,000	-
Non-capital loss carried back	-	1,000
Unrecognized benefit of deferred income tax assets	133,000	-
Income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred income tax assets and deferred income tax liabilities at June 30, 2020 and 2019 are presented below:

	Year Ended June 30, 2020	Year Ended June 30, 2019
Non-capital losses carried forward	**$** 146,000	$ -
Share issue costs	50,000	-
	196,000	-
Unrecognized deferred income tax assets	(196,000)	-
Net deferred income tax assets	**$** -	$ -

The Company has non-capital losses of $540,000 available for carry-forward to reduce future years' income for income tax purposes. The losses expire in 2040.

12. SUBSEQUENT EVENTS

a) On August 31, 2020, the Company closed the second tranche of a private placement for gross proceeds of $630,000. The Company issued 4,200,000 Common Shares at a price of $0.15 per share. The Company paid finder's fees of $34,650 and issued 189,000 finder's shares (valued at $28,350) and 420,000 finder's warrants. Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.15 for a period of 36 months following the date the Company becomes a reporting issuer in any province or territory.

12. SUBSEQUENT EVENTS (Continued)

b) On September 18, 2020, the Company entered into consulting agreements with its CEO, CFO, Corporate Secretary and Chief Technical Scientific Officer. The consulting agreements have indefinite terms and monthly fees totalling $25,760. In the event the agreements are terminated by the Company or the consultants as a result of a change in control, the Company would be required to pay a total of $77,280 to the consultants.

c) On October 9, 2020, the Company closed the third and final tranche of a private placement for gross proceeds of $305,250. The Company issued 2,035,000 Common Shares at a price of $0.15 per share. The Company paid finder's fees of $13,431 and issued 113,960 finder's shares (valued at $17,094) and 203,500 finder's warrants. Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.15 for a period of 36 months following the date the Company becomes a reporting issuer in any province or territory.

d) On October 9, 2020, the Company granted 700,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 9, 2023.

e) On October 23, 2020, the Company granted 250,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 23, 2023.

f) On December 1, 2020, the Company entered into an option and right of first refusal agreement to acquire intellectual property. In order to acquire the intellectual property, the Company paid $25,000 and must make additional payments as follows:

- Up to $200,000 in development costs;
- $75,000 upon completion of the acquisition;
- A minimum of $200,000 related to a service agreement for continuing development to be entered into between the Company and the vendor at a future date; and
- $100,000 upon submission of a patent for the intellectual property.

The Company's Chief Scientific Officer is an officer of the vendor.

g) On December 24, 2020, the Company closed a private placement and issued 6,000,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $3,600,000. The Company also issued 2,584,000 units at a price of $0.60 per unit, for gross proceeds of $1,550,400. The special warrants are deemed to be exercised into one Common Share of the Company and one share purchase warrant on the earlier of three business days after the Company receives a prospectus receipt and April 25, 2021. Each warrant is exercisable into one Common Share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the Canadian Securities Exchange ("CSE") and December 24, 2025. The units consist of one Common Share and one share purchase warrant, with each warrant being exercisable into one Common Share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and December 24, 2025. The Company paid finder's fees of $510,000 and issued 850,000 finder's warrants. Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.60 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and December 24, 2025.

12. SUBSEQUENT EVENTS (Continued)

g) (continued)

The Company intends to file a prospectus in the province of British Columbia in order to qualify the distribution of the Company's common shares and special warrants, and to list its common shares on the CSE. As of January 5, 2021, no prospectus has been filed and no listing application has been made with the CSE.

h) On January 5, 2021, the Company granted 200,000 stock options to a director. The stock options have an exercise price of $1.25 and expire on January 5, 2024.

i) Subsequent to June 30, 2020, the Company received $160,515 on the exercise of 1,070,100 finder's warrants.

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the year ended June 30, 2020 contains forward-looking information, including forward-looking information about Defence Therapeutic Inc.'s (formerly Accum Therapeutics Inc.) (the "Company") operations, estimates, and research and development.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the year ended June 30, 2020 should be read in conjunction with the audited financial statements as at June 30, 2020. This MD&A is effective January 5, 2021. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its audited financial statements for year ended June 30, 2020 in Canadian dollars and in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

DESCRIPTION OF BUSINESS

The Company was incorporated as Accum Therapeutics Inc. on July 18, 2017, under the laws of the province of Quebec. The Company changed its name to Defence Therapeutics Inc. on March 26, 2020 and was continued into British Columbia on July 10, 2020. Its principal business activity is the development of anti-body drug conjugates (ADCs) that improve the efficacy and safety of nano and protein-based pharmaceuticals used in the treatment of cancer. The Company's head office address and registered and records office is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

BUSINESS OF THE COMPANY

On May 12, 2017, prior to the incorporation of the Company, a precursor entity to the Company and a former principal of the Company entered into an Intellectual Property Assignment and Royalty Agreement (the "Original IP Assignment and Royalty Agreement") with TransferTech Sherbrooke, a limited liability partnership ("TTS") and Jeffrey Victor Leyton ("Leyton"), a professor at the Universite de Sherbrooke. The Original IP Assignment and Royalty Agreement assigns Leyton's invention known as "Novel Immunoconjugates with cholic acid nuclear localization sequence peptide and uses thereof" (the "Accum Invention") and any related intellectual property to the Company.

On May 20, 2020, the Company and TTS entered into an Amended and Restated Intellectual Property Assignment and Royalty Agreement (the "Amended IP Assignment and Royalty Agreement"), which amends and restates the Original IP Assignment and Royalty Agreement, assigning the Accum Invention and any related intellectual property to the Company in exchange for consideration as follows:

- $25,000 upon completion of the agreement (paid); and
- The issuance of 2,085,714 common shares of the Company (issued and valued at $312,857).

The Company must also make milestone payments related to the Accum Invention and any related or derivate inventions as follows:

- $10,000 within 30 days of the completion of the first non-rodent positive toxicology study;
- $25,000 within 30 days of the recruitment of the first phase 1 patient;

- $50,000 within 30 days of the recruitment of the first phase 2 patient;
- $100,000 within 30 days of the recruitment of the first phase 3 patient; and
- $250,000 within 30 days of the first regulatory approval from a relevant registration authority.

In addition, the Company must pay a royalty of 3% calculated on the net revenues and all commercial activities involving the Accum Invention, and 4% calculated on the net revenues and all commercial activities involving any related or derivative inventions.

The Company was also required to enter into a research contract for a minimum of $45,000 (completed).

The Company has determined that the cash and share consideration paid for the Amended IP Assignment and Royalty Agreement, along with the costs of the research contract, do not qualify as development costs. Accordingly, the amounts have been expensed to research and lab fees.

The Company has capitalized the following amounts as intangible assets:

		Intellectual Property
Cost		
Balance at June 30, 2018 and 2019	$	-
Patent costs		46,018
Balance at June 30, 2020	$	**46,018**

During the year ended June 30, 2019, the Company received $40,000 as part of an agreement to assign the Accum Invention to another company. That agreement was not completed. The Company recognized the $40,000 as other income during the year ended June 30, 2019.

The Accum Invention includes patents as set out below:

Patent Application Number	Region	Application Date	Publication Date
CA3017950Al	Canada	March 15, 2017	September 21, 2017
US2019007787 A1	United States	March 15, 2017	March 14, 2019
JP20195I2545A	Japan	March 15, 2017	May 16, 2019
IL26 l 765D0	Israel	September 13, 2018	October 31, 2018
AU2017233725AI	Australia	March 15, 2017	October 25, 2018
EP3430060Al	Europe	March 15, 2017	January 23, 2019

As of the date of this MD&A, all the patent applications are pending. The Company will commence amortization of the intellectual property if and when the patents are granted.

On December 1, 2020, the Company entered into an option and right of first refusal agreement to acquire intellectual property. In order to acquire the intellectual property, the Company paid $25,000 and must make additional payments as follows:

- Up to $200,000 in development costs;
- $75,000 upon completion of the acquisition;
- A minimum of $200,000 related to a service agreement for continuing development to be entered into between the Company and the vendor at a future date; and
- $100,000 upon submission of a patent for the intellectual property.

The Company's Chief Scientific Officer is an officer of the vendor.

On December 24, 2020, the Company closed a private placement and issued 6,000,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $3,600,000. The Company also issued 2,584,000 units at a price of $0.60 per unit, for gross proceeds of $1,550,400. The special warrants are deemed to be exercised into one common share of the Company and one share purchase warrant on the earlier of three business days after the Company receives a prospectus receipt and April 25, 2021. Each warrant is exercisable into one common share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the Canadian Securities Exchange ("CSE") and December 24, 2025. The units consist of one common share and one share purchase warrant, with each warrant being exercisable into one common share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and December 24, 2025. The Company paid finder's fees of $510,000 and issued 850,000 finder's warrants. Each finder's warrant is exercisable into one common share of the Company at a price of $0.60 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and December 24, 2025.

The Company intends to file a prospectus in the province of British Columbia in order to qualify the distribution of the Company's common shares and special warrants, and to list its common shares on the CSE. As of January 5, 2021, no prospectus has been filed and no listing application has been made with the CSE.

SELECTED ANNUAL INFORMATION

	June 30, 2020 $	June 30, 2019 $	June 30, 2018 $
Revenue	-	-	-
Net income (loss)	(673,182)	(1,946)	1,772
Basic and diluted earnings (loss) per common share	(0.71)	(19.46)	17.72
Total assets	1,911,945	7,765	3,913
Long-term debt	-	-	-
Dividends	-	-	-

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below.

For the Quarter Periods Ended	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $	September 30, 2019 $
Total revenue	Nil	Nil	Nil	Nil
Net loss for the period	(471,507)	(192,270)	(2,869)	(6,536)
Basic and diluted loss per share	(0.27)	(0.61)	(28.69)	(65.36)
Total assets	2,345,397	28,836	110	1,229
Total non-current liabilities	Nil	Nil	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

For the Quarter Periods Ended	June 30, 2019 $	March 31, 2019 $	December 31, 2018 $	September 30, 2018 $
Total revenue	Nil	Nil	Nil	Nil
Net income (loss) for the period	(9,861)	(5,019)	12,952	(18)
Basic and diluted earnings (loss) per share	(98.61)	(50.19)	129.52	(0.18)
Total assets	7,765	17,787	22,806	3,895
Total non-current liabilities	Nil	Nil	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

OPERATIONS

During the three months ended June 30, 2020, the Company reported a net loss of $471,507 (2019 - $9,861). The Company's loss included expenditures as follows:

- Accounting and legal of $37,944 (2019 - $4,840) increased due to legal and audit fees as the Company began work towards a public listing in 2020;
- Consulting fees of $nil (2019 - $5,000) decreased, as the Company had limited cash available for consultants until late in 2020;
- Office and general of $112 (2019 - $21) remained consistent period to period; and
- Research and lab fees of $433,451 (2019 - $nil) consisted primarily of the cash and shares paid in relation to the acquisition of the Accum technology.

During the year ended June 30, 2020, the Company reported a net loss of $673,182 (2019 – $1,946), including other income of $nil (2019 - $40,000). The Company's loss included expenditures as follows:

- Accounting and legal of $51,961 (2019 - $4,840) increased due to legal and audit fees as the Company began work towards a public listing in 2020;
- Consulting fees of $7,600 (2019 - $35,000) decreased, as the Company had limited cash available for consultants until late in 2020;
- Office and general of $185 (2019 - $2,106) was lower due to limited cash available for most of 2020;
- Research and lab fees of $433,451 (2019 - $nil) consisted primarily of the cash and shares paid in relation to the acquisition of the Accum technology; and
- Share-based compensation of $179,985 (2019 - $nil) related to 1,199,900 common shares issued to consultants and former key management for services.

Other income for the year ended June 30, 2019 of $40,000 was the result of funds advanced to the Company for an agreement to assign the Accum Invention to another company. The agreement was not completed.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at June 30, 2020 was $1,865,927 (2019 - $766). The working capital was $1,817,576 at June 30, 2020 (2019 – deficiency of $74).

During the year-ended June 30, 2020 and as of the date of this MD&A, the Company has issued shares for cash as follows:

- On June 18, 2020, the Company closed the first tranche of a private placement for gross proceeds of $2,277,000. The Company issued 15,180,000 common shares at a price of $0.15 per share. The Company paid finder's fees of $227,000 and issued 1,518,000 finder's warrants valued at $140,121.
- On August 31, 2020, the Company closed the second tranche of a private placement for gross proceeds of $630,000. The Company issued 4,200,000 common shares at a price of $0.15 per share. The Company paid finder's fees of $34,650 and issued 189,000 finder's shares (valued at $28,350) and 420,000 finder's warrants.
- On October 9, 2020, the Company closed the third and final tranche of a private placement for gross proceeds of $305,250. The Company issued 2,035,000 common shares at a price of $0.15 per share. The Company paid finder's fees of $13,431 and issued 113,960 finder's shares (valued at $17,094) and 203,500 finder's warrants.
- On December 24, 2020, the Company closed a private placement and issued 6,000,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $3,600,000. The Company also issued 2,584,000 units at a price of $0.60 per unit, for gross proceeds of $1,550,400. The Company paid finder's fees of $510,000 and issued 850,000 finder's warrants.
- Subsequent to June 30, 2020, the Company received $160,515 on the exercise of 1,070,100 finder's warrants.

The Company will need to raise additional financing following the 2021 fiscal year in order to continue research and for development of its intellectual property.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the statement of comprehensive income (loss):

	Year Ended June 30, 2020	Year Ended June 30, 2019
Share-based compensation	$ 15,000	$ -

There were no other related party transactions for the years ended June 30, 2020 and 2019.

There were no related party balances as at June 30, 2020 or 2019.

EVENTS OCCURRING AFTER THE REPORTING DATE

On September 18, 2020, the Company entered into consulting agreements with its CEO, CFO, Corporate Secretary and Chief Technical Scientific Officer. The consulting agreements have indefinite terms and monthly fees totalling $25,760. In the event the agreements are terminated by the Company or the consultants as a result of a change in control, the Company would be required to pay a total of $77,280 to the consultants.

On October 9, 2020, the Company granted 700,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 9, 2023.

On October 23, 2020, the Company granted 250,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 23, 2023.

On January 5, 2021, the Company granted 200,000 stock options to a director. The stock options have an exercise price of $1.25 and expire on January 5, 2024.

Subsequent to June 30, 2020, the Company issued common shares and special warrants, and entered into an option and right of first refusal agreement as described in **Liquidity and Capital Resources** and **Business of the Company**.

CAPITAL DISCLOSURES

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the years ended June 30, 2020 and 2019. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS AND RISKS

As at June 30, 2020, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values.

Fair value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3 - Inputs that are not based on observable market data.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

June 30, 2020	Level 1	Level 2	Level 3	Total
Cash	$ 1,865,927	$ -	$ -	$ 1,865,927

June 30, 2019	Level 1	Level 2	Level 3	Total
Cash	$ 766	$ -	$ -	$ 766

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of June 30, 2020 equal $48,351. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying value is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund its development and operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. Subsequent to the year-end, the Company closed private placements for net proceeds of approximately $5,500,000. Based on its current plans, budgeted expenditures, and cash requirements, the Company has sufficient cash to finance its current plans for at least 12 months from the date the financial statements are issued. The financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

If the going concern assumption were not appropriate for the financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

Impairment of intangible assets

The application of the Company's accounting policy for intangible assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

NEW ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company is currently evaluating the impact of the amendments.

SHARE CAPITAL

The Company had the following securities issued and outstanding:

	January 5, 2021	June 30, 2020	June 30, 2019
Common shares	28,657,774	18,465,714	100
Special warrants	6,000,000	-	-
Warrants	4,505,400	1,518,000	-
Stock options	1,150,000	-	-
Fully diluted shares	40,313,174	19,983,714	100

RISKS AND UNCERTAINTIES

Limited operating history

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

The Company may be subject to various potential conflicts of interest as some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions that conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The Company's intellectual property and licenses thereto

The Company's success will depend in part on its ability to protect and maintain its intellectual property rights and its licenses. No assurance can be given that the license or rights used by the Company will not be challenged, invalidated, infringed or

circumvented, nor that the rights granted thereunder will provide competitive advantages to the Company. It is not clear whether the pending patent applications will result in the issuance of patents. There is no assurance that the Company will be able to enter into licensing arrangements, develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its production processes. Moreover, the Company could potentially incur substantial legal costs in defending legal actions that allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others and not breaching the exclusive license granted to the Company. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licenses have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with its licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

If patent laws or the interpretation of patent laws change, the Company's competitors may be able to develop and commercialize its discoveries

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical products and processes in Canada, and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease selling or using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property rights alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize its products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

The Company may not be able to enforce its intellectual property rights throughout the world. This risk is exacerbated as it expects that one or more of its product candidates will be manufactured and used in a number of foreign countries

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This risk is exacerbated for the Company as it expects that future product candidates could be manufactured, and used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to life sciences. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.

Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the US, and foreign countries may affect the Company's ability to obtain adequate protection for the Company's technology and the enforcement of its intellectual property.

COVID-19 may materially and adversely affect the Company's business and financial results

In December 2019, a novel strain of coronavirus, which causes the disease known as COVID-19, was reported to have surfaced in Wuhan, China. Since then, COVID-19 has spread globally. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic.

The effects of COVID-19 could disrupt the Company's business and delay any future clinical trials, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on the Company's ability to conduct its business in the ordinary course. These and similar, and perhaps more severe, disruptions in the Company's operations could negatively impact the Company's business, financial condition and results of operations, including its ability to obtain financing. Quarantines, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, related to COVID-19 or other infectious diseases could impact personnel at third-party manufacturing facilities or the availability or cost of materials, which would disrupt the Company's supply chain.

In addition, any future clinical trials have been and may be further affected by the COVID-19 pandemic, including:

- Delays or difficulties in enrolling patients in the clinical trial, including patients that may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services;
- Delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- Diversion or prioritization of healthcare resources away from the conduct of clinical trials and towards the COVID-19 pandemic, including the diversion of hospitals serving as the Company's clinical trial sites and hospital staff supporting the conduct of the clinical trials, who, as healthcare providers, may have heightened exposure to COVID-19 and adversely impact the clinical trial operations;
- Interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal, state or provincial governments, employers and others; and
- Limitations in employee resources that would otherwise be focused on the conduct of the Company's clinical trials, including due to sickness of employees or their families or the desire of employees to avoid contact with large groups of people.

Preclinical studies, clinical trials, licensing, regulations and products

The Company is also exposed to risks related to preclinical studies, clinical trials, licensing, regulations and products as follows:

- The Company may not be successful in its efforts to identify, license or discover additional product candidates;
- The Company faces product liability exposure, which, if not covered by insurance, could result in significant financial liability;
- If the Company is unable to advance product candidates through clinical development, obtain regulatory approval and ultimately commercialize product candidates, or if the Company experiences significant delays in doing so, business will be materially harmed;
- The Company's business is highly dependent on its lead product candidate, Accum, and it must complete preclinical studies and clinical testing before it can seek regulatory approval and begin commercialization of any of its other product candidates. If the Company is unable to obtain regulatory approval for, and successfully commercialize Accum, its business may be materially harmed and such failure may affect the viability of its other product candidates;
- Any product candidates that the Company successfully develops and commercializes will have to compete with existing therapies and new therapies that may become available in the future;
- Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. If preclinical studies and clinical trials are not sufficient to support regulatory approval of any of the Company's product candidates, it may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of such product candidate;

- The Company expects to develop Accum, and potentially future product candidates, in combination with other therapies, which exposes it to additional risks;
- The Company's preclinical studies and clinical trial may fail to adequately demonstrate the safety, potency and purity of any of its product candidates, which would prevent or delay development, regulatory approval and commercialization;
- The results of preclinical studies and early-stage clinical trials may not be predictive of future results. Initial success in the Company's ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later-stage trials;
- Interim, "top-line" and preliminary data from clinical trials that the Company announces or publishes from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data; and
- Disruptions at Health Canada and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products and services from being developed, approved or commercialized in a timely manner, which could negatively impact the Company's business.

Defence Therapeutics Inc.

(formerly Accum Therapeutics Inc.)

Condensed Interim Financial Statements

Three Months Ended September 30, 2020

(Unaudited – Expressed in Canadian Dollars)

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)

Three Months Ended September 30, 2020

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Condensed Interim Financial Statements

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

		September 30, 2020 (unaudited)		June 30, 2020 (audited)
Assets				
Current				
Cash	$	2,389,683	$	1,865,927
Prepaids		33,202		-
		2,422,885		1,865,927
Intangible Assets (note 7)		46,018		46,018
	$	2,468,903	$	1,911,945
Liabilities				
Current				
Accounts payable and accrued liabilities	$	51,464	$	48,351
Shareholders' Equity				
Share Capital (note 9)		2,953,421		2,396,829
Share-based Payments Reserve (note 9)		178,879		140,121
Deficit		(714,861)		(673,356)
		2,417,439		1,863,594
	$	2,468,903	$	1,911,945

Commitments (note 11)
Subsequent Events (note 12)

Approved on behalf of the Board:

"Sebastien Plouffe" ..... Director
Sebastien Plouffe

"Joseph Meagher" ..... Director
Joseph Meagher

The accompanying notes are an integral part of these condensed interim financial statements.

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Condensed Interim Statements of Comprehensive Loss
For the Three Months Ended September 30,
(Unaudited – Expressed in Canadian Dollars)

		2020		2019
Expenses				
Accounting and legal	$	25,672	$	-
Consulting fees		-		6,500
Management fees (note 8)		8,623		-
Office and general		24		36
Research and lab fees		7,186		-
Net Loss and Comprehensive Loss for the Period	$	(41,505)	$	(6,536)
Basic and Diluted Loss Per Share	$	(0.00)	$	(65.36)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted		19,896,910		100

The accompanying notes are an integral part of these condensed interim financial statements.

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Condensed Interim Statements of Changes in Equity (Deficiency)
(Unaudited – Expressed in Canadian Dollars)

	Share Capital				
	Number of Class A Common Shares	Share Capital	Share-based Payments Reserve	Deficit	Total
Balance, June 30, 2019	**100**	**$ 100**	**$ -**	**$ (174)**	**$ (74)**
Net loss and comprehensive loss for the period	-	-	-	(6,536)	(6,536)
Balance, September 30, 2019	**100**	**100**	**-**	**(6,710)**	**(6,610)**
Shares issued for services	1,199,900	179,985	-	-	179,985
Shares issued for intellectual property agreement	2,085,714	312,857	-	-	312,857
Private placement	15,180,000	2,277,000	-	-	2,277,000
Share issue costs	-	(373,113)	140,121	-	(232,992)
Net loss and comprehensive loss for the period	-	-	-	(666,646)	(666,646)
Balance, June 30, 2020	**18,465,714**	**2,396,829**	**140,121**	**(673,356)**	**1,863,594**
Private placement	4,200,000	630,000	-	-	630,000
Share issue costs	189,000	(73,408)	38,758	-	(34,650)
Net loss and comprehensive loss for the period	-	-	-	(41,505)	(41,505)
Balance, September 30, 2020	**22,854,714**	**$ 2,953,421**	**$ 178,879**	**$ (714,861)**	**$ 2,417,439**

The accompanying notes are an integral part of these condensed interim financial statements.

Defence Therapeutics Inc.
(formerly Accum Therapeutics Inc.)
Condensed Interim Statements of Cash Flows
For the Three Months Ended September 30,
(Unaudited – Expressed in Canadian Dollars)

		2020		2019
Operating Activities				
Net loss for the period	$	(41,505)	$	(6,536)
Changes in non-cash working capital				
Prepaids		(33,202)		6,999
Accounts payable and accrued liabilities		3,113		-
Cash Used in Operating Activities		(71,594)		463
Financing Activities				
Shares issued for cash		630,000		-
Share issue costs		(34,650)		-
Cash Provided by Financing Activities		595,350		-
Inflow of Cash		523,756		463
Cash, Beginning of Period		1,865,927		766
Cash, End of Period	$	2,389,683	$	1,229
Supplemental Disclosure with Respect to Cash Flows				
Income tax paid	$	-	$	-
Interest paid	$	-	$	-
Fair value of finder's warrants issued	$	38,758	$	-

The accompanying notes are an integral part of these condensed interim financial statements.

1. NATURE OF OPERATIONS

Defence Therapeutics Inc. (the "Company") was incorporated as Accum Therapeutics Inc. on July 18, 2017, under the laws of the province of Quebec. The Company changed its name to Defence Therapeutics Inc. on March 26, 2020 and was continued into British Columbia on July 10, 2020. Its principal business activity is the development of anti-body drug conjugates (ADCs) that improve the efficacy and safety of nano and protein-based pharmaceuticals used in the treatment of cancer. The Company's head office address and registered and records office is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

2. GOING CONCERN

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue its operations and to realize assets at their carrying value is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund its development and operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. Subsequent to September 30, 2020, the Company closed private placements for net proceeds of approximately $4,900,000. Based on its current plans, budgeted expenditures and cash requirements, the Company has sufficient cash to finance its current plans for at least 12 months from the date the financial statements are issued. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

If the going concern assumption were not appropriate for these condensed interim financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

In early March 2020, there was a global outbreak of coronavirus (COVID-19). The effects of COVID-19 could delay any future clinical trials, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on the Company's ability to conduct business in the ordinary course. These and similar, and perhaps more severe, disruptions to operations could negatively impact the Company's business, financial condition and results of operations, including the ability to obtain financing.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim financial statements of the Company should be read in conjunction with the Company's June 30, 2020 audited financial statements, which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 28, 2021.

3. BASIS OF PRESENTATION (Continued)

b) Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4). These condensed interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited financial statements for the year ended June 30, 2020.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next fiscal year are discussed below.

a) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

b) Going concern risk assessment

The assessment of the Company's ability to continue as a going concern requires significant judgment. The condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

c) Impairment of intangible assets

The application of the Company's accounting policy for intangible assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as fair value through profit or loss; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following tables sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

September 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 2,389,683	$ -	$ -	$ 2,389,683

June 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 1,865,927	$ -	$ -	$ 1,865,927

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

6. FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2020 equal $51,464. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended September 30, 2020. The Company is not subject to externally imposed capital requirements.

(Unaudited – Expressed in Canadian Dollars)

7. INTELLECTUAL PROPERTY AGREEMENT AND INTANGIBLE ASSETS

On May 12, 2017, prior to the incorporation of the Company, a precursor entity to the Company and a former principal of the Company, entered into an Intellectual Property Assignment and Royalty Agreement (the "Original IP Assignment and Royalty Agreement") with TransferTech Sherbrooke, a limited liability partnership ("TTS") and Jeffrey Victor Leyton ("Leyton"), a professor at the Universite de Sherbrooke. The Original IP Assignment and Royalty Agreement assigns Leyton's invention known as "Novel Immunoconjugates with cholic acid nuclear localization sequence peptide and uses thereof" (the "Accum Invention") and any related intellectual property to the Company.

On May 20, 2020, the Company and TTS entered into an Amended and Restated Intellectual Property Assignment and Royalty Agreement (the "Amended IP Assignment and Royalty Agreement"), which amends and restates the Original IP Assignment and Royalty Agreement, assigning the Accum Invention and any related intellectual property to the Company in exchange for consideration as follows:

- $25,000 upon completion of the agreement (paid); and
- The issuance of 2,085,714 common shares of the Company (issued and valued at $312,857).

The Company must also make milestone payments related to the Accum Invention and any related or derivate inventions as follows:

- $10,000 within 30 days of the completion of the first non-rodent positive toxicology study;
- $25,000 within 30 days of the recruitment of the first phase 1 patient;
- $50,000 within 30 days of the recruitment of the first phase 2 patient;
- $100,000 within 30 days of the recruitment of the first phase 3 patient; and
- $250,000 within 30 days of the first regulatory approval from a relevant registration authority.

In addition, the Company must pay a royalty of 3% calculated on the net revenues and all commercial activities involving the Accum Invention, and 4% calculated on the net revenues and all commercial activities involving any related or derivative inventions.

The Company was also required to enter into a research contract for a minimum of $45,000 (completed).

The Company has determined that the cash and share consideration paid for the Amended IP Assignment and Royalty Agreement, along with the costs of the research contract, do not qualify as development costs. Accordingly, the amounts have been expensed to research and lab fees.

The Company has capitalized the following amounts as intangible assets:

		Intellectual Property
Cost		
Balance at June 30, 2018 and 2019	$	-
Patent costs		46,018
Balance at June 30, 2020 and September 30, 2020	$	**46,018**

(Unaudited – Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
Management fees	$ 8,623	$ -

During the three months ended September 30, 2020, the Company entered into various consulting agreements that included key management (note 11).

There were no other related party transactions for the three months ended September 30, 2020 and 2019.

There were no related party balances as at September 30, 2020 and June 30, 2020.

9. SHARE CAPITAL

a) Authorized

- Unlimited Class A Common Shares, voting, participating, without par value ("Common Shares");
- Unlimited Class A Special Shares, voting, non-participating, non-cumulative, redeemable, without par value;
- Unlimited Class B Common Shares, non-voting, participating, without par value;
- Unlimited Class B Special Shares, non-voting, non-participating, redeemable, without par value;
- Unlimited Class C Common Shares, non-voting, participating, without par value;
- Unlimited Class C Special Shares, non-voting, non-participating, non-cumulative, redeemable, without par value; and
- Unlimited Class D Special Shares, non-voting, non-participating, non-cumulative, redeemable without par value.

b) Issued and outstanding

During the three months ended September 30, 2020

On August 31, 2020, the Company closed the second tranche of a private placement for gross proceeds of $630,000. The Company issued 4,200,000 Common Shares at a price of $0.15 per share. The Company paid finder's fees of $34,650 and issued 189,000 finder's shares (valued at $28,350) and 420,000 finder's warrants valued at $38,758 (note 9(c)). Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.15 for a period of 36 months following the Company becomes a reporting issuer in any province or territory.

(Unaudited – Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

b) Issued and outstanding (continued)

During the year ended June 30, 2020

On March 7, 2020, the Company issued 1,199,900 Common Shares valued at $179,985 for services provided by consultants and former key management.

On June 18, 2020, the Company issued 2,085,714 Common Shares valued at $312,857 in relation to an intellectual property agreement (note 7).

On June 18, 2020, the Company closed the first tranche of a private placement for gross proceeds of $2,277,000. The Company issued 15,180,000 Common Shares at a price of $0.15 per share. The Company paid finder's fees of $227,700 and issued 1,518,000 finder's warrants valued at $140,121 (note 9(c)). Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.15 for a period of 36 months following the date the Company becomes a reporting issuer in any province or territory. The Company incurred other share issue costs of $5,292.

c) Finder's warrants

Finder's warrant transactions and the number of finder's warrants outstanding are summarized as follows:

	Three Months Ended September 30, 2020		**Year Ended June 30, 2020**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	1,518,000	$ 0.15	-	$ -
Issued	420,000	0.15	1,518,000	0.15
Outstanding, end of period	1,938,000	$ 0.15	1,518,000	$ 0.15

The following finder's warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**September 30, 2020**
36 months after the Company becomes a reporting issuer	N/A	$ 0.15	1,938,000
	N/A		1,938,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its finder's warrants issued. During the three months ended September 30, 2020, 420,000 (year ended June 30, 2020 - 1,518,000) finder's warrants were issued with a fair value of $38,758 (year ended June 30, 2020 - $140,121).

(Unaudited – Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Finder's warrants (continued)

The fair value of each finder's warrant issued was calculated using the following weighted average assumptions:

	Three Months Ended September 30, 2020	Year Ended June 30, 2020
Expected life (years)	3.00	3.00
Risk-free interest rate	0.29%	0.32%
Annualized volatility	100%	100%
Dividend yield	N/A	N/A
Stock price at grant date	$ 0.15	$ 0.15
Exercise price	$ 0.15	$ 0.15
Weighted average grant date fair value	$ 0.09	$ 0.09

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has estimated the volatility of the share price based on comparable start up companies' volatilities.

d) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of Common Shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years. All options vest when granted unless they are otherwise specified by the Board of Directors.

There were no transactions under the Company's stock option plan for the three months ended September 30, 2020 or the year ended June 30, 2020.

10. SEGMENTED DISCLOSURE

The Company has one operating segment, being research and development. All of the Company's assets are located in Canada.

11. COMMITMENTS

On September 18, 2020, the Company entered into consulting agreements with its Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Chief Technical Scientific Officer. The consulting agreements have indefinite terms and monthly fees totalling $25,760. In the event the agreements are terminated by the Company or the consultants as a result of a change in control, the Company would be required to pay a total of $77,280 to the consultants.

12. SUBSEQUENT EVENTS

a) On October 9, 2020, the Company closed the third and final tranche of a private placement for gross proceeds of $305,250. The Company issued 2,035,000 Common Shares at a price of $0.15 per share. The Company paid finder's fees of $13,431 and issued 113,960 finder's shares (valued at $17,094) and 203,500 finder's warrants. Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.15 for a period of 36 months following the Company becomes a reporting issuer in any province or territory.

b) On October 9, 2020, the Company granted 700,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 9, 2023.

c) On October 23, 2020, the Company granted 250,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 23, 2023.

d) On December 1, 2020, the Company entered into an option and right of first refusal agreement to acquire intellectual property. In order to acquire the intellectual property, the Company paid $25,000 and must make additional payments as follows:

- Up to $200,000 in development costs;
- $75,000 upon completion of the acquisition;
- A minimum of $200,000 related to a service agreement for continuing development to be entered into between the Company and the vendor at a future date; and
- $100,000 upon submission of a patent for the intellectual property.

The Company's Chief Scientific Officer is an officer of the vendor.

e) On December 24, 2020, the Company closed a private placement and issued 6,000,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $3,600,000. The Company also issued 2,584,000 units at a price of $0.60 per unit, for gross proceeds of $1,550,400. The special warrants are deemed to be exercised into one Common Share of the Company and one share purchase warrant on the earlier of three business days after the Company receives a prospectus receipt and April 25, 2021. Each warrant is exercisable into one Common Share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the Canadian Securities Exchange ("CSE") and December 24, 2025. The units consist of one Common Share and one share purchase warrant, with each warrant being exercisable into one Common Share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and December 24, 2025. The Company paid finder's fees of $510,000 and issued 850,000 finder's warrants. Each finder's warrant is exercisable into one Common Share of the Company at a price of $0.60 for a period of 24 months following the date the Company becomes a reporting issuer in any province or territory.

f) On January 5, 2021, the Company granted 200,000 stock options to a director. The stock options have an exercise price of $1.25 and expire on January 5, 2024.

12. SUBSEQUENT EVENTS (Continued)

g) On January 25, 2021, the Company closed a private placement and issued 137,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $82,200. The Company also issued 4,000 units at a price of $0.60 per unit, for gross proceeds of $2,400. The special warrants are deemed to be exercised into one Common Share of the Company and one share purchase warrant on the earlier of three business days after the Company receives a prospectus receipt and May 26, 2021. Each warrant is exercisable into one Common Share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and January 25, 2026. The units consist of one Common Share and one share purchase warrant, with each warrant being exercisable into one Common Share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and January 25, 2026.

h) Subsequent to September 30, 2020, the Company received $160,515 on the exercise of 1,070,100 finder's warrants.

i) The Company is filing a prospectus in the province of British Columbia, Alberta, Manitoba and Ontario in order to qualify the distribution of the Company's Common Shares and special warrants, and to list its Common Shares on the CSE.

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the three months ended September 30, 2020 contains forward-looking information, including forward-looking information about Defence Therapeutic Inc.'s (formerly Accum Therapeutics Inc.) (the "Company") operations, estimates, and research and development.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the three months ended September 30, 2020 should be read in conjunction with the condensed interim financial statements as at September 30, 2020 and the audited financial statements as at June 30, 2020. This MD&A is effective January 28, 2021. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed interim financial statements for the three months ended September 30, 2020 in Canadian dollars and in accordance with International Financial Reporting Standards and International Accounting Standard 34 *Interim Financial Statements*, as issued by the International Accounting Standards Board.

DESCRIPTION OF BUSINESS

The Company was incorporated as Accum Therapeutics Inc. on July 18, 2017, under the laws of the province of Quebec. The Company changed its name to Defence Therapeutics Inc. on March 26, 2020 and was continued into British Columbia on July 10, 2020. Its principal business activity is the development of anti-body drug conjugates (ADCs) that improve the efficacy and safety of nano and protein-based pharmaceuticals used in the treatment of cancer. The Company's head office address and registered and records office is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

BUSINESS OF THE COMPANY

On May 12, 2017, prior to the incorporation of the Company, a precursor entity to the Company and a former principal of the Company entered into an Intellectual Property Assignment and Royalty Agreement (the "Original IP Assignment and Royalty Agreement") with TransferTech Sherbrooke, a limited liability partnership ("TTS") and Jeffrey Victor Leyton ("Leyton"), a professor at the Universite de Sherbrooke. The Original IP Assignment and Royalty Agreement assigns Leyton's invention known as "Novel Immunoconjugates with cholic acid nuclear localization sequence peptide and uses thereof" (the "Accum Invention") and any related intellectual property to the Company.

On May 20, 2020, the Company and TTS entered into an Amended and Restated Intellectual Property Assignment and Royalty Agreement (the "Amended IP Assignment and Royalty Agreement"), which amends and restates the Original IP Assignment and Royalty Agreement, assigning the Accum Invention and any related intellectual property to the Company in exchange for consideration as follows:

- $25,000 upon completion of the agreement (paid); and
- The issuance of 2,085,714 common shares of the Company (issued and valued at $312,857).

The Company must also make milestone payments related to the Accum Invention and any related or derivate inventions as follows:

- $10,000 within 30 days of the completion of the first non-rodent positive toxicology study;
- $25,000 within 30 days of the recruitment of the first phase 1 patient;
- $50,000 within 30 days of the recruitment of the first phase 2 patient;
- $100,000 within 30 days of the recruitment of the first phase 3 patient; and
- $250,000 within 30 days of the first regulatory approval from a relevant registration authority.

In addition, the Company must pay a royalty of 3% calculated on the net revenues and all commercial activities involving the Accum Invention, and 4% calculated on the net revenues and all commercial activities involving any related or derivative inventions.

The Company was also required to enter into a research contract for a minimum of $45,000 (completed).

The Company has determined that the cash and share consideration paid for the Amended IP Assignment and Royalty Agreement, along with the costs of the research contract, do not qualify as development costs. Accordingly, the amounts have been expensed to research and lab fees.

The Company has capitalized the following amounts as intangible assets:

		Intellectual Property
Cost		
Balance at June 30, 2018 and 2019	$	-
Patent costs		46,018
Balance at June 30, 2020 and September 30, 2020	$	**46,018**

The Accum Invention includes patents as set out below:

Patent Application Number	Region	Application Date	Publication Date
CA3017950Al	Canada	March 15, 2017	September 21, 2017
US2019007787 A1	United States	March 15, 2017	March 14, 2019
JP20195I2545A	Japan	March 15, 2017	May 16, 2019
IL26 l 765D0	Israel	September 13, 2018	October 31, 2018
AU2017233725AI	Australia	March 15, 2017	October 25, 2018
EP3430060Al	Europe	March 15, 2017	January 23, 2019

As of the date of this MD&A, all the patent applications are pending. The Company will commence amortization of the intellectual property if and when the patents are granted.

On December 1, 2020, the Company entered into an option and right of first refusal agreement to acquire intellectual property. In order to acquire the intellectual property, the Company paid $25,000 and must make additional payments as follows:

- Up to $200,000 in development costs;
- $75,000 upon completion of the acquisition;
- A minimum of $200,000 related to a service agreement for continuing development to be entered into between the Company and the vendor at a future date; and
- $100,000 upon submission of a patent for the intellectual property.

The Company's Chief Scientific Officer is an officer of the vendor.

On December 24, 2020, the Company closed a private placement and issued 6,000,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $3,600,000. The Company also issued 2,584,000 units at a price of $0.60 per unit, for gross proceeds of $1,550,400. The special warrants are deemed to be exercised into one common share of the Company and one share purchase warrant on the earlier of three business days after the Company receives a prospectus receipt and April 25, 2021. Each warrant is exercisable into one common share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the Canadian Securities Exchange ("CSE") and December 24, 2025. The units consist of one common share and one share purchase warrant, with each warrant being exercisable into one common share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and December 24, 2025. The Company paid finder's fees of $510,000 and issued 850,000 finder's warrants. Each finder's warrant is exercisable into one common share of the Company at a price of $0.60 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and December 24, 2025.

On January 25, 2021, the Company closed a private placement and issued 137,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $82,200. The Company also issued 4,000 units at a price of $0.60 per unit, for gross proceeds of $2,400. The special warrants are deemed to be exercised into one common share of the Company and one share purchase warrant on the earlier of three business days after the Company receives a prospectus receipt and May 26, 2021. Each warrant is exercisable into one common share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and January 25, 2026. The units consist of one common share and one share purchase warrant, with each warrant being exercisable into one common share of the Company at a price of $1.25 for a period equal to the shorter of two years after the Company's shares are listed on the CSE and January 25, 2026.

The Company is filing a prospectus in the province of British Columbia, Alberta, Manitoba and Ontario in order to qualify the distribution of the Company's common shares and special warrants, and to list its common shares on the CSE.

SELECTED ANNUAL INFORMATION

	June 30, 2020 $	June 30, 2019 $	June 30, 2018 $
Revenue	-	-	-
Net income (loss)	(673,182)	(1,946)	1,772
Basic and diluted earnings (loss) per common share	(0.71)	(19.46)	17.72
Total assets	1,911,945	7,765	3,913
Long-term debt	-	-	-
Dividends	-	-	-

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below.

For the Quarter Periods Ended	September 30, 2020 $	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $
Total revenue	Nil	Nil	Nil	Nil
Net loss for the period	(41,505)	(471,507)	(192,270)	(2,869)
Basic and diluted loss per share	(0.00)	(0.27)	(0.61)	(28.69)
Total assets	2,468,903	1,911,945	28,836	110
Total non-current liabilities	Nil	Nil	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

For the Quarter Periods Ended	September 30, 2019 $	June 30, 2019 $	March 31, 2019 $	December 31, 2018 $
Total revenue	Nil	Nil	Nil	Nil
Net income (loss) for the period	(6,536)	(9,861)	(5,019)	12,952
Basic and diluted earnings (loss) per share	(65.36)	(98.61)	(50.19)	129.52
Total assets	1,229	7,765	17,787	22,806
Total non-current liabilities	Nil	Nil	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

OPERATIONS

During the three months ended September 30, 2020, the Company reported a net loss of $41,505 (2019 - $6,536). The Company's loss included expenditures as follows:

- Accounting and legal of $25,672 (2019 - $nil) increased due to legal and audit fees as the Company began work towards a public listing in 2020;
- Consulting fees of $nil (2019 - $6,500) decreased and management fees of $8,623 (2019 - $nil) increased, as duties were carried out by management in 2020; and
- Research and lab fees of $7,186 (2019 - $nil) increased due to research and lab testing work beginning in 2020.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at September 30, 2020 was $2,389,683 (June 30, 2020 - $1,865,927). The working capital was $2,371,421 at September 30, 2020 (June 30, 2020 - $1,817,576).

During the three months ended September 30, 2020 and as of the date of this MD&A, the Company has issued shares for cash as follows:

- On August 31, 2020, the Company closed the second tranche of a private placement for gross proceeds of $630,000. The Company issued 4,200,000 common shares at a price of $0.15 per share. The Company paid finder's fees of $34,650 and issued 189,000 finder's shares (valued at $28,350) and 420,000 finder's warrants valued at $38,758.
- On October 9, 2020, the Company closed the third and final tranche of a private placement for gross proceeds of $305,250. The Company issued 2,035,000 common shares at a price of $0.15 per share. The Company paid finder's fees of $13,431 and issued 113,960 finder's shares (valued at $17,094) and 203,500 finder's warrants.
- On December 24, 2020, the Company closed a private placement and issued 6,000,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $3,600,000. The Company also issued 2,584,000 units at a price of $0.60 per unit, for gross proceeds of $1,550,400. The Company paid finder's fees of $510,000 and issued 850,000 finder's warrants.
- On January 25, 2021, the Company closed a private placement and issued 137,000 special warrants at a price of $0.60 per special warrant, for gross proceeds of $82,200. The Company also issued 4,000 units at a price of $0.60 per unit, for gross proceeds of $2,400.
- Subsequent to September 30, 2020, the Company received $160,515 on the exercise of 1,070,100 finder's warrants.

The Company will need to raise additional financing in order to continue research and for development of its intellectual property.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive income (loss):

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
Management fees	$ 8,623	$ -

During the three months ended September 30, 2020, the Company entered into various consulting agreements that included key management (see **Commitments**).

There were no other related party transactions for the three months ended September 30, 2020 and 2019.
There were no related party balances as at September 30, 2020 and June 30, 2020.

COMMITMENTS

On September 18, 2020, the Company entered into consulting agreements with its Chief Executive Officer, Chief Financial Officer , Corporate Secretary and Chief Technical Scientific Officer. The consulting agreements have indefinite terms and monthly fees totaling $25,760. In the event the agreements are terminated by the Company or the consultants as a result of a change in control, the Company would be required to pay a total of $77,280 to the consultants.

EVENTS OCCURRING AFTER THE REPORTING DATE

On October 9, 2020, the Company granted 700,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 9, 2023.

On October 23, 2020, the Company granted 250,000 stock options to officers, directors and consultants. The stock options have an exercise price of $1.25 and expire on October 23, 2023.

On January 5, 2021, the Company granted 200,000 stock options to a director. The stock options have an exercise price of $1.25 and expire on January 5, 2024.

Subsequent to September 30, 2020, the Company issued common shares, as described in **Liquidity and Capital Resources** and entered into an option and right of first refusal agreement as described in **Business of the Company**.

CAPITAL DISCLOSURES

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended September 30, 2020. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS AND RISKS

As at September 30, 2020, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values.

Fair value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3 - Inputs that are not based on observable market data.

The following tables sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

September 30, 2020	Level 1	Level 2	Level 3	Total
Cash	$ 2,389,683	$ -	$ -	$ 2,389,683

June 30, 2020	Level 1	Level 2	Level 3	Total
Cash	$ 1,865,927	$ -	$ -	$ 1,865,927

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2020 equal $51,464. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying value is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund its development and operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. Subsequent to September 30, 2020, the Company closed private placements for net proceeds of approximately $4,900,000. Based on its current plans, budgeted expenditures and cash requirements, the Company has sufficient cash to finance its current plans for at least 12 months from the date the financial statements are issued. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

If the going concern assumption were not appropriate for these condensed interim financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

Impairment of intangible assets

The application of the Company's accounting policy for intangible assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

NEW ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company is currently evaluating the impact of the amendments.

SHARE CAPITAL

The Company had the following securities issued and outstanding:

	January 28, 2021	September 30, 2020	June 30, 2020
Common shares	28,661,774	22,854,714	18,465,714
Special warrants	6,137,000	-	-
Warrants	4,509,400	1,938,000	1,518,000
Stock options	1,150,000	-	-
Fully diluted shares	40,458,174	24,792,714	19,983,714

RISKS AND UNCERTAINTIES

Limited operating history

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

The Company may be subject to various potential conflicts of interest as some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions that conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The Company's intellectual property and licenses thereto

The Company's success will depend in part on its ability to protect and maintain its intellectual property rights and its licenses. No assurance can be given that the license or rights used by the Company will not be challenged, invalidated, infringed or

circumvented, nor that the rights granted thereunder will provide competitive advantages to the Company. It is not clear whether the pending patent applications will result in the issuance of patents. There is no assurance that the Company will be able to enter into licensing arrangements, develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its production processes. Moreover, the Company could potentially incur substantial legal costs in defending legal actions that allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others and not breaching the exclusive license granted to the Company. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licenses have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with its licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

If patent laws or the interpretation of patent laws change, the Company's competitors may be able to develop and commercialize its discoveries

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical products and processes in Canada, and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease selling or using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property rights alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize its products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

The Company may not be able to enforce its intellectual property rights throughout the world. This risk is exacerbated, as it expects that one or more of its product candidates will be manufactured and used in a number of foreign countries

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This risk is exacerbated for the Company, as it expects that future product candidates could be manufactured and used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to life sciences. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.

Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the US and foreign countries may affect the Company's ability to obtain adequate protection for the Company's technology and the enforcement of its intellectual property.

COVID-19 may materially and adversely affect the Company's business and financial results

In December 2019, a novel strain of coronavirus, which causes the disease known as COVID-19, was reported to have surfaced in Wuhan, China. Since then, COVID-19 has spread globally. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic.

The effects of COVID-19 could disrupt the Company's business and delay any future clinical trials, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on the Company's ability to conduct its business in the ordinary course. These and similar, and perhaps more severe, disruptions in the Company's operations could negatively impact the Company's business, financial condition and results of operations, including its ability to obtain financing. Quarantines, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, related to COVID-19 or other infectious diseases could impact personnel at third-party manufacturing facilities or the availability or cost of materials, which would disrupt the Company's supply chain.

In addition, any future clinical trials have been and may be further affected by the COVID-19 pandemic, including:

- Delays or difficulties in enrolling patients in the clinical trial, including patients that may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services;
- Delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- Diversion or prioritization of healthcare resources away from the conduct of clinical trials and towards the COVID-19 pandemic, including the diversion of hospitals serving as the Company's clinical trial sites and hospital staff supporting the conduct of the clinical trials, who, as healthcare providers, may have heightened exposure to COVID-19 and adversely impact the clinical trial operations;
- Interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal, state or provincial governments, employers and others; and
- Limitations in employee resources that would otherwise be focused on the conduct of the Company's clinical trials, including due to sickness of employees or their families or the desire of employees to avoid contact with large groups of people.

Preclinical studies, clinical trials, licensing, regulations and products

The Company is also exposed to risks related to preclinical studies, clinical trials, licensing, regulations and products as follows:

- The Company may not be successful in its efforts to identify, license or discover additional product candidates;
- The Company faces product liability exposure, which, if not covered by insurance, could result in significant financial liability;
- If the Company is unable to advance product candidates through clinical development, obtain regulatory approval and ultimately commercialize product candidates, or if the Company experiences significant delays in doing so, business will be materially harmed;
- The Company's business is highly dependent on its lead product candidate, Accum, and it must complete preclinical studies and clinical testing before it can seek regulatory approval and begin commercialization of any of its other product candidates. If the Company is unable to obtain regulatory approval for and successfully commercialize Accum, its business may be materially harmed and such failure may affect the viability of its other product candidates;
- Any product candidates that the Company successfully develops and commercializes will have to compete with existing therapies and new therapies that may become available in the future;
- Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. If preclinical studies and clinical trials are not sufficient to support regulatory approval of any of the Company's product candidates, it may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of such product candidate;

- The Company expects to develop Accum, and potentially future product candidates, in combination with other therapies, which exposes it to additional risks;
- The Company's preclinical studies and clinical trial may fail to adequately demonstrate the safety, potency and purity of any of its product candidates, which would prevent or delay development, regulatory approval and commercialization;
- The results of preclinical studies and early-stage clinical trials may not be predictive of future results. Initial success in the Company's ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later-stage trials;
- Interim, "top-line" and preliminary data from clinical trials that the Company announces or publishes from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data; and
- Disruptions at Health Canada and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products and services from being developed, approved or commercialized in a timely manner, which could negatively impact the Company's business.

EXHIBIT B

AUDIT COMMITTEE CHARTER

DEFENCE THERAPEUTICS INC.
CHARTER OF THE AUDIT COMMITTEE

PURPOSE AND PRIMARY RESPONSIBILITY

1. This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Defence Therapeutics Inc., (the "**Company**"), annual evaluation and compliance with this charter.

2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

MEMBERSHIP

3. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

4. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

5. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

6. The Chair of the Audit Committee will be appointed by the Board.

AUTHORITY

7. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(i) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

(ii) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(iii) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

DUTIES AND RESPONSIBILITIES

8. The duties and responsibilities of the Audit Committee include:

(i) recommending to the Board the external auditor to be nominated by the Board;

(ii) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

(iii) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

(iv) overseeing the work of the external auditor;

(v) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;

(vi) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

(vii) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

(viii) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("**MD&A**"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

(ix) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

(x) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

(xi) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

(xii) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

(xiii) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

(xiv) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

(xv) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

(xvi) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

(xvii) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

(xviii) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

(xix) resolving disputes between management and the external auditor regarding financial reporting;

(xx) establishing procedures for:

1. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

2. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(xxi) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(xxii) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(xxiii) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;

(xxiv) establishing procedures for:

3. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;

4. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;

5. obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

6. reviewing fraud prevention policies and programs, and monitoring their implementation;

7. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

(I) Tax and financial reporting laws and regulations;

(II) Legal withholding requirements;

(III) Environmental protection laws and regulations; and

(IV) Other laws and regulations which expose directors to liability;

9. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

10. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

MEETINGS

11. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

12. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

13. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

14. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

15. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

16. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a

meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

REPORTS

17. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

18. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

MINUTES

19. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

ANNUAL PERFORMANCE EVALUATION

20. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

CERTIFICATE OF THE COMPANY

Dated: January 28, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Manitoba and Ontario.

"Sébastien Plouffe"

Sébastien Plouffe
Chief Executive Officer and Director

"P. Joseph Meagher"

P. Joseph Meagher
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Raimar Löbenberg"

Raimar Löbenberg
Director

"Sarkis Meterissian"

Sarkis Meterissian
Director

CERTIFICATE OF THE PROMOTER

Dated: **January 28, 2021**

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Manitoba and Ontario.

"Sébastien Plouffe"

Sébastien Plouffe
Promoter