ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2017

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Unless otherwise indicated, all information in the Annual Information Form is presented as at and for the year ended March 31, 2017

June 15, 2017

TABLE OF CONTENTS

INTRODUCTION AND FORWARD-LOOKING STATEMENTS

The information contained in this Annual Information Form (this "AIF") is stated as at March 31, 2017, unless otherwise indicated.

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

- business strategy;
- expected future loss and accumulated deficit levels;
- projected financial position and estimated cash burn rate;
- requirements for, and the ability to obtain, future funding on favorable terms or at all;
- expectations about the timing of achieving milestones and the cost of the Company's development programs;
- observations and expectations regarding the effectiveness of MDNA55 and the potential benefits to patients;
- expectations regarding the completion of enrolment of the Company's Phase 2b clinical trial;
- expectations about the Company's products' safety and efficacy;
- expectations regarding the Company's ability to arrange for the manufacturing of the Company's products and technologies;
- expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process;
- ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- strategy to acquire and develop new products and technologies and to enhance the safety and efficacy of existing products and technologies;
- plans to market, sell and distribute the Company's products and technologies;
- expectations regarding the acceptance of the Company's products and technologies by the market;
- ability to retain and access appropriate staff, management, and expert advisers;
- expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by the Company or to the Company in respect of such arrangements; and
- strategy with respect to the protection of the Company's intellectual property.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other

forward-looking statements will not occur. Factors which could cause future outcomes to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- the effect of continuing operating losses on the Company's ability to obtain, on satisfactory terms, or at all, the capital required to maintain the Company as a going concern;
- the ability to obtain sufficient and suitable financing to support operations, preclinical development, clinical trials, and commercialization of products;
- the risks associated with the development of novel compounds at early stages of development in the Company's intellectual property portfolio;
- the risks of reliance on third-parties for the planning, conduct and monitoring of clinical trials and for the manufacture of drug product;
- the risks associated with the development of the Company's product candidates including the demonstration of efficacy and safety;
- the risks related to clinical trials including potential delays, cost overruns and the failure to demonstrate efficacy and safety;
- the risks of delays and inability to complete clinical trials due to difficulties enrolling patients;
- risks associated with the Company's inability to successfully develop companion diagnostics for the Company's development candidates;
- delays or negative outcomes from the regulatory approval process;
- the Company's ability to successfully compete in the Company's targeted markets;
- the Company's ability to attract and retain key personnel, collaborators and advisors;
- risks relating to the increase in operating costs from expanding existing programs, acquisition of additional development programs and increased staff;
- risk of negative results of clinical trials or adverse safety events by the Company or others related to the Company's product candidates;
- the potential for product liability claims;
- the Company's ability to achieve the Company's forecasted milestones and timelines on schedule;
- financial risks related to the fluctuation of foreign currency rates and expenses denominated in foreign currencies;
- the Company's ability to adequately protect proprietary information and technology from competitors;
- risks related to changes in patent laws and their interpretations;
- the Company's ability to source and maintain licenses from third-party owners; and
- the risk of patent-related litigation and the ability to protect trade secrets,

all as further and more fully described under the section of this AIF titled "Risk Factors". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Although the forward-looking statements contained in this AIF are based upon what the Company's management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements.

Any forward-looking statements represent the Company's estimates only as of the date of this AIF and should not be relied upon as representing the Company's estimates as of any subsequent date. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities laws.

All references in this AIF to “the Company”, “Medicenna”, “we”, “us”, or “our” refer to Medicenna Therapeutics Corp. and the subsidiaries through which it conducts its business, unless otherwise indicated.

All amounts are in Canadian dollars, unless otherwise indicated.

CORPORATE STRUCTURE

Corporate Information

Medicenna Therapeutics Corp. ("Medicenna"), formerly A2 Acquisition Corp. ("A2"), is the resulting issuer following a "three-cornered" amalgamation involving A2, 1102209 B.C. Ltd. ("A2 Sub"), a wholly-owned subsidiary of A2 incorporated pursuant to the *Business Corporations Act* (British Columbia) ("BCBCA"), and Medicenna Therapeutics Inc. ("MTI"), completed on March 1, 2017.

A2 was formed by articles of incorporation under the *Business Corporations Act* (Alberta) ("ABCA") on February 2, 2015, and following its initial public offering, was a capital pool company ("CPC") listed on the TSX Venture Exchange ("TSXV"). As a CPC, A2 had no assets other than cash and did not carry on any operations other than identifying and evaluating opportunities for the acquisition of an interest in assets or businesses for the completion of a qualifying transaction.

On March 1, 2017, A2 completed its qualifying transaction in accordance with the policies of the TSXV by way of reverse takeover of A2 by the shareholders of MTI (the "Transaction"). In addition, on March 1, 2017 and prior to the completion of the Transaction, the Company amended its articles as a result of (a) implementing a consolidation (the "Consolidation") of its pre-Transaction common shares (the "A2 Shares") on the basis of one new common share of the Company (each, a "Common Share") for every fourteen A2 Shares (1:14) and (b) changing its name to Medicenna Therapeutics Corp.

Medicenna's head office is located at 200-1920 Yonge Street, Toronto, Ontario, Canada, M4S 3E2 and its registered office is at 2200, 10235 - 101 Street, Edmonton, Alberta T5J 3G1.

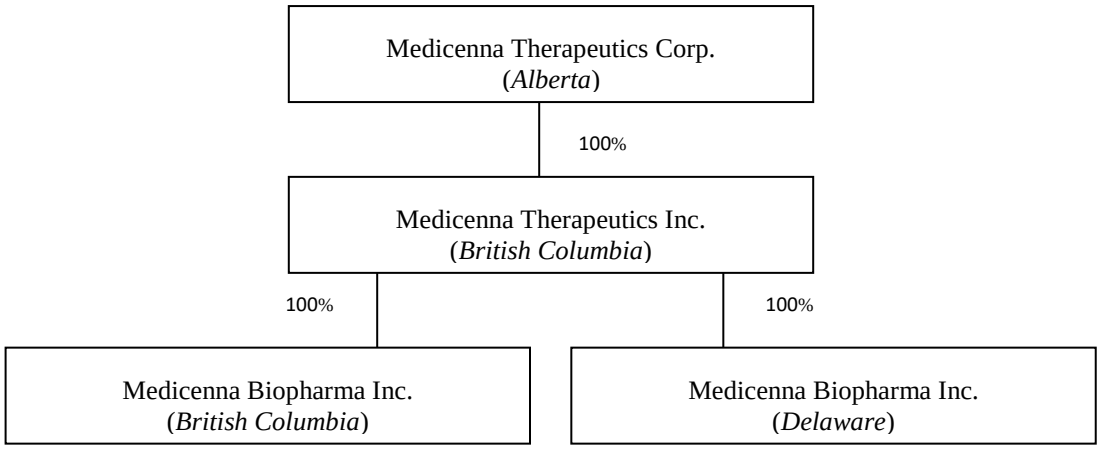
Intercorporate Relationships

MTI is a wholly owned subsidiary of Medicenna and was incorporated pursuant to the provisions of the BCBCA on October 31, 2011. MTI has two wholly-owned subsidiaries: Medicenna Biopharma Inc. (British Columbia) and Medicenna Biopharma Inc. (Delaware). MTI's head office is located at 200-1920 Yonge Street, Toronto, Ontario, Canada, M4S 3E2 and its registered office is at 439 Helmcken Street, Vancouver, British Columbia V6B 2E6.

Medicenna Biopharma Inc. (British Columbia) was incorporated under the BCBCA on October 5, 2012. Its registered office is located at 439 Helmcken Street, Vancouver, British Columbia V6B 2E6 and its head office is at 200-1920 Yonge Street, Toronto, Ontario, M4S 3E2.

Medicenna Biopharma Inc. (Delaware) was incorporated in the State of Delaware on July 1, 2014. Its registered office is located at 1209 Orange St., Wilmington, New Castle County, Delaware, United States 19801 and its head office is at 1700 Post Oak Blvd, Suite 600, Houston, TX 77056.

The following organizational chart demonstrates the corporate structure of the Company:



GENERAL DEVELOPMENT OF THE BUSINESS

A2

A2 was incorporated pursuant to the provisions of the ABCA on February 2, 2015. A2 was formed as a CPC under Policy 2.4 of the TSXV. Since becoming a CPC, the principal business of A2 has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses for the completion of a qualifying transaction and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval, where required, and acceptance for filing by the TSXV.

Year ended March 31, 2016

On July 7, 2015, A2 completed an initial public offering (the "CPC IPO") and began trading on the TSXV under the symbol "APD.P" as a CPC on, or about, July 13, 2015.

In connection with, and prior to, the CPC IPO, an aggregate of 10,000,000 (post-Consolidation 714,285) A2 Shares were issued to the directors and officers of A2 and their respective associates and affiliates. Such A2 Shares were placed in escrow pursuant to the policies of the TSXV.

Pursuant to the CPC IPO, A2 issued an aggregate of 5,000,000 (post-Consolidation 357,143) A2 Shares at $0.10 (post-Consolidation $1.40) per A2 Share, as qualified by an amended and restated final prospectus dated June 19, 2015. The agent, Richardson GMP Limited ("RGMP"), and sub agents in the public offering were granted non-transferrable broker warrants to acquire 500,000 (post-Consolidation 35,714) A2 Shares for a period of 24 months from the date of listing of the A2 Shares on the TSXV at an exercise price of $0.10 (post-Consolidation $1.40) per A2 Share.

On July 7, 2015, A2 granted an aggregate of 1,500,000 (post-Consolidation 107,143) stock options to its directors and officers to purchase A2 Shares, exercisable at a price of $0.10 (post-Consolidation $1.40) per A2 Share until July 13, 2025.

Year ended March 31, 2017

On November 7, 2016, A2 entered into a letter of intent dated November 7, 2016 with respect to the Transaction. This was superseded by a formal amalgamation agreement between A2, A2 Sub and MTI dated February 5, 2017 (the "Amalgamation Agreement"). Trading of the A2 Shares was halted on November 8, 2016 in connection with the announcement of the Transaction.

On March 1, 2017, A2 completed the Transaction. Immediately prior to completion of the Transaction, A2 completed the Consolidation, following which A2 had 1,071,428 Common Shares, 107,143 stock options and 35,714 broker warrants outstanding.

MTI

MTI entered into separate transactions with Sophiris Bio, Inc. ("Sophiris") and the National Institute of Health ("NIH") to acquire rights to the MDNA55 program. In March 2013, Sophiris executed a bill of sale with MTI in which Sophiris sold, assigned and transferred all right, title and interest in and to certain MDNA55-related property to MTI. In September 2013 and April 2014, MTI entered into two exclusive worldwide license agreements with the NIH to acquire rights to patents covering composition of MDNA55 including combination therapy with MDNA55 and a method of drug delivery (the "NIH License Agreements"). In connection with the NIH License Agreements, MTI is obligated to reimburse and maintain the ongoing patent and maintenance costs for this intellectual property and must make certain royalty and milestone payments as set forth in the NIH License Agreements. In addition, MTI was also obligated to pay 1.5% of the fair market value of MTI upon completion of the Transaction (which constituted MTI's liquidity event for purposes of the NIH License Agreements). This payment will be approximately $636,000 to be paid in four equal annual instalments.

To enable development of next generation Empowered Cytokines™ ("ECs"), MTI entered into a worldwide exclusive license agreement with Hebrew University of Jerusalem ("HUJ") in May 2013 for patents covering fully human Bcl-2 family of pro-apoptotic payloads (the "HUJ License Agreement"). In connection with the HUJ License Agreement, MTI is obligated to reimburse and maintain the ongoing patent and maintenance costs for this intellectual property and must make certain royalty and milestone payments as set forth in the HUJ License Agreement.

Year ended March 31, 2015

In February 2015, MTI received notice that it had been awarded a grant by the Cancer Prevention Research Institute of Texas ("CPRIT") whereby MTI is eligible to receive up to US$14.1 million on eligible expenditures over a three-year period related to the conduct of MTI's phase 2b clinical trials with MDNA55 for recurrent Glioblastoma ("rGB"), development of a companion diagnostic for detection of interleukin-4 receptors ("IL4R") and early pre-clinical development of next generation ECs targeting the IL4R. The funding under CPRIT is subject to a number of conditions including proof that MTI has raised the 50% matching funds to release CPRIT funds and relocation of the project to the State of Texas such that the substantial functions for the MDNA55 program are undertaken from the State of Texas. An aggregate of approximately US$7.6 million has been advanced to date under the CPRIT grant. Funds are released by CPRIT based on MTI's budgeted eligible expenses for the upcoming 12 month period.

On February 12, 2015, MTI issued 7,100,000 class A common shares (reclassified as MTI common shares on March 3, 2016) to settle an outstanding unsecured, interest free shareholder loan in the amount of $1,081,195.

Year ended March 31, 2016

On August 21, 2015, MTI entered into two license agreements (the "Stanford License Agreements") with the Board of Trustees of the Leland Stanford Junior University ("Stanford"), for the exclusive license to the following technologies: (i) Superkines and Synthekines: Repurposed Cytokines with New and Enhanced Signaling Activities; (ii) Therapeutic IL-13 Polypeptides; (iii) Engineered IL-2 superagonists and antagonists for a wide variety of immune disorders, and (iv) Interleukin-2 partial agonists and antagonists for activation and inhibition of specific immune cell populations. In connection with the Stanford License Agreements, MTI issued 649,999 class A common shares (reclassified as MTI common shares on March 3, 2016) to Stanford and affiliated inventors. In addition, MTI is obligated to reimburse and maintain the ongoing patent and maintenance costs for this intellectual property and must make certain royalty and milestone payments as set forth in the Stanford License Agreements.

On September 21, 2015, MTI's founders and principal shareholders advanced funds and incurred costs on behalf of MTI in the amount of US$1,125,000. These funds were required in order for CPRIT to advance the initial US$2,244,130 in funding. As at March 31, 2016 the shareholder loan was valued at $1,459,014. This shareholder loan was unsecured and interest-free. Pursuant to a directors resolution of MTI dated June 1, 2016 this loan was re-paid to the shareholders on June 8, 2016.

On March 4, 2016, MTI completed a first tranche of a private placement financing of special warrants, exercisable for no additional consideration into MTI common shares ("Special Warrants"). On closing, MTI issued an aggregate of 1,841,012 Special Warrants at a price of $2.00 per Special Warrant for aggregate gross proceeds of $3,682,024, each of which entitled the holder thereof to receive one MTI common share at no additional consideration upon the date of completion of the Transaction.

Bloom Burton Securities Inc. ("Bloom Burton") acted as exclusive agent in connection with the financing pursuant to the terms and conditions of an agency agreement dated March 4, 2016 between MTI and Bloom Burton. In connection with the first tranche, MTI paid Bloom Burton a cash commission of $257,322 and issued an aggregate of 147,040 broker warrants, each of which entitled the holder to purchase one MTI common share at a price of $2.00 per common share at any time prior to March 4, 2018.

In addition, MTI also issued to Bloom Burton 1,288,000 incentive warrants with each incentive warrant entitling the holder thereof to acquire one MTI common share at a price of $2.00 per share at any time prior to March 4, 2021.

Year ended March 31, 2017

On April 4, 2016, MTI closed a second tranche of the private placement of Special Warrants issuing an aggregate of 1,303,668 Special Warrants at a price of $2.00 per Special Warrant for gross proceeds of $2,607,336. In connection with the second tranche, MTI paid Bloom Burton a cash commission of $119,630 and issued an aggregate of 68,360 broker warrants, each of which entitled the holder to purchase one MTI common share at a price of $2.00 per MTI common share at any time prior to April 4, 2018.

On April 5, 2016, MTI completed a convertible debenture (the "Debenture") financing (the "Debenture Financing"). On closing, MTI issued 900,000 Debentures at a price of $2.00 per Debenture for aggregate gross proceed of $1,800,000. Each Debenture was convertible, for no additional consideration into one Special Warrant at the discretion of the MTI. MTI immediately exercised its option to convert all 900,000 Debentures into 900,000 Special Warrants on April 5, 2016. In connection with the Debenture Financing,

MTI issued an aggregate of 198,000 MTI warrants, each of which entitled the holder to acquire a MTI common share at a price of $2.00 per share at any time up to April 5, 2021.

On April 22, 2016, MTI closed a third tranche of the private placement of Special Warrants. On closing, MTI issued an aggregate of 428,500 Special Warrants at a price of $2.00 per Special Warrant for gross proceeds of $857,000. In connection with the third tranche, MTI paid Bloom Burton a cash commission of $54,390 and issued an aggregate of 31,080 broker warrants, each of which entitled the holder to purchase one MTI common share at a price of $2.00 per share at any time prior to April 22, 2018.

On November 22, 2016, MTI appointed Mr. Albert Beraldo, Dr. Chandrakant Panchal and Mr. Andrew Strong as independent directors of MTI.

On November 30, 2016, MTI closed a fourth tranche of the private placement of Special Warrants. On closing, MTI issued an aggregate of 400,262 Special Warrants at a price of $2.00 per Special Warrant for gross proceeds of $800,524. In connection with the fourth tranche, MTI paid Bloom Burton a cash commission of $53,937 and issued an aggregate of 30,820 broker warrants, each of which entitled the holder to purchase one MTI common share at a price of $2.00 per share at any time prior to November 30, 2018.

In addition, on December 1, 2016, MTI issued an aggregate of 97,974 Special Warrants on a non-brokered basis to Stanford at a price of $2.00 per Special Warrant for gross proceeds of $195,948. Following such issuance, Stanford held an aggregate of 497,142 Special Warrants.

On December 12, 2016, MTI appointed Ms. Elizabeth Williams as Chief Financial Officer.

On December 13, 2016, MTI announced the initiation of a Phase 2 clinical trial of MDNA55 for the treatment of recurrent glioblastoma ("rGB").

On December 13, 2016, MTI entered into a two year agreement with The University of Texas MD Anderson Cancer Center ("MDACC"), a member institution of the University of Texas system to pursue research in the area of cancer therapeutics entitled "Development of Completely Human Fusion Constructs Targeting the Interleukin-4 Receptor ("IL4R") and Containing Bcl-2 associated death ("BAD") promoter.

Effective January 1, 2017, MTI entered into an amendment to the consulting agreement between MTI and Bloom Burton dated as of February 25, 2016. Pursuant to the amendment, in exchange for certain services, MTI has agreed to issue to Bloom Burton an aggregate of 1,379,083 incentive warrants, each of which entitled was exercisable into one MTI common share at an exercise price of $2.00 per share until January 1, 2021. Such incentive warrants will be held in escrow until the earlier of (i) December 31, 2018 and (ii) the date MTI attains certain research and development metrics.

On January 1, 2017, the Company appointed Mr. Patrick Ward as Chief Operating Officer.

Qualifying Transaction

On February 5, 2017, MTI, A2 and A2 Sub entered into the Amalgamation Agreement governing the terms and conditions of the Transaction.

On February 28, 2017, prior to the completion of the Transaction, MTI completed a private placement financing. On closing, MTI issued an aggregate of 2,000,000 subscription receipts (the "Subscription Receipts") at a price of $2.00 per Subscription Receipt for aggregate gross proceeds of $4,000,000, each

of which entitled the holder thereof to acquire one MTI common share for no additional consideration and without any further action, subject to satisfaction of certain escrow conditions. The escrow conditions were all satisfied prior to the completion of the Transaction. In connection with the financing, MTI paid a cash commission of $274,575 (plus a $35,000 corporate finance fee) and issued 156,512 broker warrants exercisable at $2.00 per MTI common share at any time up to February 28, 2019.

On March 1, 2017, A2 and MTI completed the Transaction. In connection with the Transaction, the Company issued in aggregate a total of: (a) 16,249,999 Common Shares to former holders of MTI common shares (b) 4,971,416 Common Shares to former holders of Special Warrants of MTI; and (c) 2,000,000 Common Shares to former holders of Subscription Receipts. The Company also issued the following convertible securities in connection with the Transaction: 1,100,000 stock options, 198,000 common share purchase warrants, 2,667,083 incentive warrants and 277,300 broker warrants.

In addition, 14,500 Common Shares were issued at a deemed price of $2.00 per Common Share to RGMP, an arm's length finder in connection with the Transaction. In accordance with applicable securities laws, such securities issued in connection with the finder's fee are subject to a four-month hold period, expiring June 28, 2017.

As a result of the foregoing, the outstanding capital of the Company upon completion of the Transaction consisted of 24,307,343 Common Shares. In accordance with the policies of the TSXV, an aggregate of 16,314,285 Common Shares were subject to 36-month escrow restrictions. An aggregate of 1,634,128 Common Shares were released from escrow on March 3, 2017 upon receipt of TSXV final approval for the Transaction. The balance of 14,680,157 Common Shares will be released on each of the six month, twelve month, eighteen month, twenty-four month, thirty month and thirty-six month anniversaries of such approval.

The Common Shares resumed trading on the TSXV under the symbol "MDNA" effective the commencement of trading on March 8, 2017.

Subsequent Development

In April 2017, the Company announced that it has treated the first patient in its Phase 2b clinical trial of MDNA55 for the treatment of rGB.

Significant Acquisitions and Dispositions

Except as set forth herein, the Company has not completed any significant acquisitions for which disclosure would be required under Part 8 of National Instrument 51-102 as at the date hereof.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

Medicenna is a clinical stage immunotherapy company developing first and best-in-class proprietary super agonist and antagonist versions of cytokines called Superkines™. These proprietary Superkines™ are immune modulators that have the potential to improve efficacy in a variety of diseases while minimizing off-target effects. Superkines™ fused to cell-killing payloads to form ECs, are being developed for targeted treatment of cancer and are identified as potential alternatives to other targeted therapies such as Antibody Drug Conjugates ("ADC").

MDNA55 is Medicenna's lead EC in clinical development for the treatment of brain cancers. It is a fusion of a circularly permuted version of interleukin ("IL-4"), fused to a potent fragment of the bacterial toxin, Pseudomonas exotoxin ("PE"). To date, MDNA55 has promising clinical data from 72 patients including 66 adult patients with rGB, the most aggressive and uniformly fatal form of brain cancer. MTI has secured Orphan Drug Status from the United States Food and Drug Administration ("FDA") and the European Medicines Agency ("EMA") as well as Fast Track Designation from the FDA. MTI was awarded a product development grant of up to US$14.1 million from CPRIT. Grant funds are supporting the Phase 2b clinical trial for treatment of rGB and, in collaboration with MDACC, pre-clinical development of next generation fully human IL-4 receptor targeting ECs for treatment of other solid tumors.

Complementing Medicenna's lead clinical asset (MDNA55), the Company has built a deep pipeline of promising pre-clinical candidates. These include a library of Superkines™ such as IL-2 agonists (MDNA109), IL-2 antagonists (MDNA209), dual IL-4/IL-13 antagonists (MDNA413) and the IL-13 agonist (MDNA132), all in-licensed from Stanford University.

Cancer

Despite recent advances, cancer continues to be the leading cause of death worldwide accounting for 8.2 million deaths annually. According to the World Health Organization ("WHO"), there were 14 million new cases of cancer worldwide in 2012 (WHO: Cancer Fact Sheet # 297, February, 2015). By 2030 there will be nearly 22 million new cases (WHO: Cancer Fact Sheet # 297, February, 2015). The global market for cancer therapeutics exceeds $100 billion and is expected to reach $150 billion by 2020 (IMS Health: June 2016; Global Oncology Trend Report: A Review of 2015 and Outlook to 2020).

Advanced targeted therapies have improved survival outcomes for some cancers; however, the cure rates for a majority of cancers still remain low. Recent understanding of complex interaction between the cancer and surrounding non-malignant cells has unequivocally demonstrated that the tumor microenvironment ("TME"), helps drive the process of cancer progression and resistance to current treatments. These non-malignant cells play a key role in the formation of new vasculature (angiogenesis), are actively involved in tumor development, progression, and metastasis and contribute to the formation of the immunosuppressive TME. New understanding of the role played by the TME in protecting cancer indicates that targeting cancer cells alone will not do much to significantly alter survival outcomes.

Medicenna's Drug Development Platforms

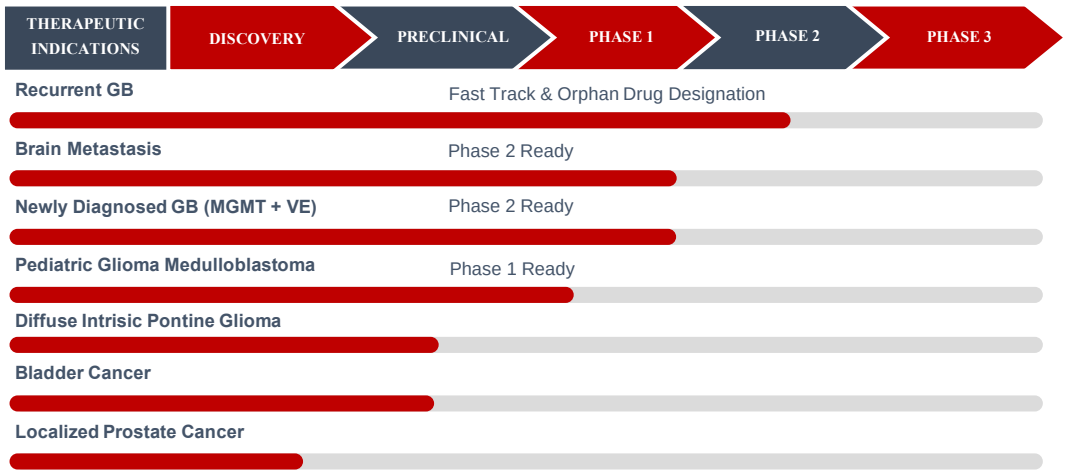
Medicenna's approach is to develop and commercialize a novel class of multi-targeted fusion toxins called ECs, that have the ability to simultaneously target the bulk tumour and disrupt the TME which protects the cancer from the immune system. Medicenna believes that a dual-targeted approach is required if its therapies are to improve survival and quality of life for cancer patients.

ECs are target centric Molecular Trojan Horses consisting of proprietary Superkines™ (Targeting Domain) fused to potent toxins (Payloads) for the treatment of cancer. Unlike ADCs, ECs are stable, only active in the cytoplasm, efficiently internalize their payloads, inexpensive to manufacture and mono-disperse with affinities and potencies in the picomolar range.

Medicenna's lead program, MDNA55, is squarely focused around one target: the IL4R. Expression levels of IL4R are low on the surface of healthy and normal cells, but increase 10-100 fold on cancer cells. This differential expression of IL4R therefore provides IL4 Empowered Cytokines™ ("IL4-ECs"), a wide therapeutic window.

The IL4R is an ideal target for the development of cancer therapeutics, as it is frequently and intensely expressed on a wide variety of human carcinomas. However, the IL4R target is currently under-exploited. Analysis of over 2,000 biopsies show IL4R over-expression in 20 different cancers affecting over a million cancer patients every year. Furthermore, the IL-4/IL4R bias is a marker for highly aggressive forms of cancer, plays a central role in the establishment of an immunosuppressive TME and is generally associated with poor survival outcomes. By disrupting this pro-tumoral IL4/IL4R axis, Medicenna's IL4-ECs will directly interfere with multiple networks that support cancer. This approach potentially provides partnering opportunities with companies developing cancer immunotherapies, a market that is estimated to exceed $35 billion by 2023. Medicenna believes that the pipeline potential of Medicenna's lead IL4-EC, MDNA55 (Figure 1), and next generation fully human IL4-ECs either as monotherapy or in combination with immunotherapies, could be substantial.

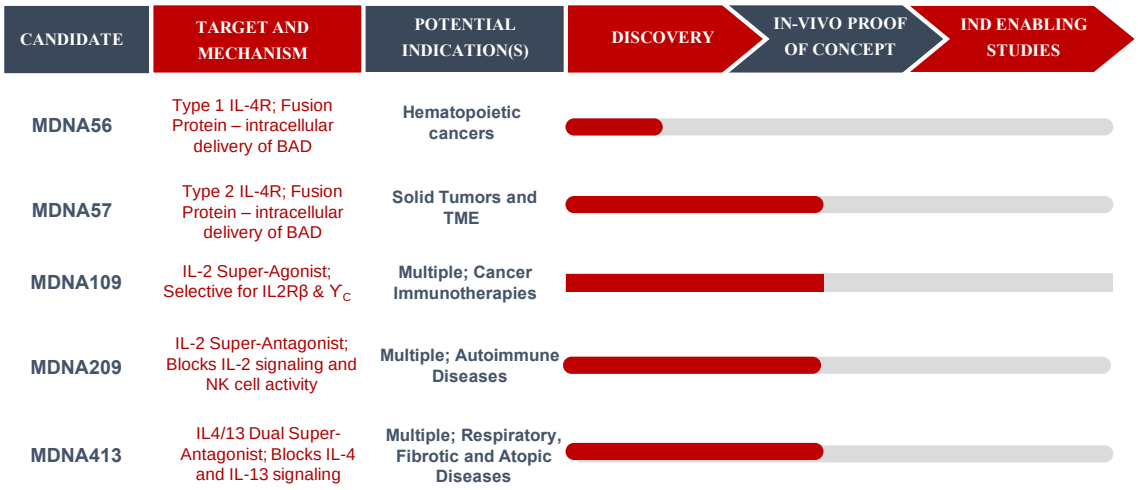
Figure 1: MDNA55 Provides Multiple Pipeline Opportunities



Medicenna's Target Centric approach is complemented by its Patient Centric approach in that, by selecting patient populations that have a biased IL-4/IL-4R profile, Medicenna believes that its IL4-ECs will have a higher probability of clinical, regulatory and reimbursement success.

In addition to IL4-ECs, Medicenna's early stage pipeline consists of engineered Superkines™ exclusively licensed from Stanford with early proof of concept results published in prestigious journals such as Nature and Science Signaling. Medicenna's pipeline of Superkine™ agonists and antagonists are built around the IL-2, IL-4 or IL-13 backbone and are designed to address unmet needs in oncology, respiratory, fibrotic, autoimmune and inflammatory diseases (Figure 2).

Figure 2: Medicenna's Pre-Clinical Pipeline



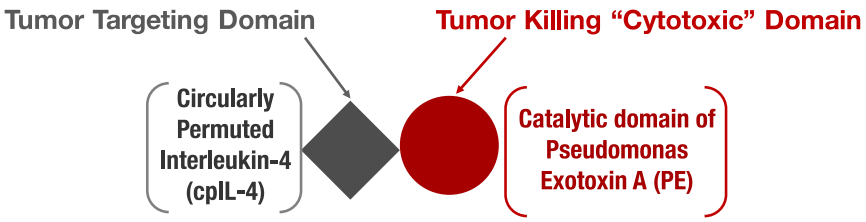
Products and Markets

MDNA55 is a novel, locally-acting, anti-cancer therapeutic being developed by Medicenna for the treatment of tumors of the brain in adults of which Glioblastoma ("GB") is the most aggressive type. GB is also the most common form of adult brain cancer, with 27,500 new cases diagnosed each year and the second most common cause of brain cancer deaths. To date, 72 adult patients have been treated in four Phase 1 and Phase 2 studies for either recurrent GB or peripheral non-brain solid tumors. A Phase 2 protocol for evaluating MDNA55 for the treatment of rGB has been approved by the FDA and is currently enrolling patients in the United States. MDNA55 has obtained Fast Track Designation from the FDA as well as Orphan Drug Designation from the FDA and the EMA.

MDNA55: Structure and Mechanism of Action

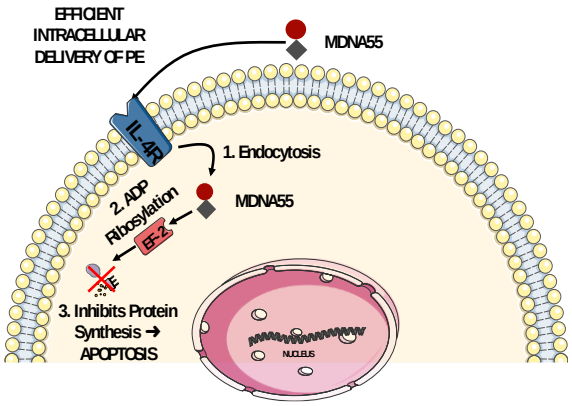
MDNA55 is a targeted fusion protein being developed by Medicenna for the treatment of tumors that over-express the IL4R. MDNA55 (Figure 3) consists of a high-affinity circularly permuted variant of IL-4 (cpIL-4) fused with a truncated version of *Pseudomonas* exotoxin ("PE").

Figure 3: Schematic Representation of MDNA55 Structure



MDNA55 binds with high affinity to IL-4R overexpressed on the surface of tumor cells and is endocytosed. Following cleavage and activation by furin-like proteases found in the endosome of cancer cells, the catalytic domain of the truncated PE is released into the cytosol where it induces cell death via ADP-ribosylation of Elongation Factor-2 (Figure 4).

Figure 4: Mechanism of Action of MDNA55



Glioblastoma

GB is an aggressive brain tumor characterized by rapid proliferation of undifferentiated cells, extensive infiltration, and a high propensity to recur. It is a rapidly progressing and universally fatal cancer. First-line treatment for primary GB generally includes surgical resection of the bulk tumor to the maximal extent possible, followed by radiotherapy, often in combination with chemotherapy consisting of temozolomide. The approval of temozolomide ("TMZ") represented a breakthrough in treatment; the drug offers improvements in overall survival ("OS,") although the actual benefits are modest. When used in combination with radiotherapy following surgery, TMZ provided a median survival of 58.4 weeks for newly diagnosed GB patients compared to 48.4 weeks for radiotherapy alone. TMZ is less effective in GB patients who harbor unmethylated MGMT promoters in the tumor tissue; more than half of GB patients have unmethylated MGMT promoters. In practice, even patients without MGMT promoter methylation are prescribed TMZ because of a lack of approved treatment alternatives.

Recurrent Glioblastoma (rGB)

Unlike treatment of newly diagnosed GB, no consensus exists regarding the optimal treatment of rGB. Recurrence rates for newly diagnosed GB patients treated with the current standard of care ("SOC") is high, even in completely resected patients.

Drugs currently approved in the United States for treatment of rGB are Gliadel® and bevacizumab (Avastin®). In a Phase 3 study, placing a Gliadel implant directly into the tumor cavity after surgical resection of the tumor, 56% of rGB treated subjects survived 6 month and the median survival was 26-weeks. However, the majority of patients with rGB are not candidates for additional surgery, resulting in a large unmet need for this patient population.

Avastin® is an anti-angiogenic antibody that targets the vascular endothelial growth factor receptors. It is indicated as a single agent for adult patients with rGB but has not been shown to improve disease-related symptoms or survival. Avastin® was granted accelerated approval on the basis of an objective response rate ("ORR"), of 28% following an open label Phase 2 study in 85 patients receiving Avastin® only. In 2013, Avastin® completed its confirmatory trial in newly diagnosed GB patients and did not meet its primary endpoint of overall survival. Based on the results of this trial, Genentech did not receive approval in the European Union for newly diagnosed GB; however, Avastin® remains indicated in the United States and Japan for rGB.

Rationale for Development of MDNA55 for rGB

MDNA55 is being initially developed for the treatment of rGB. Using current treatment paradigms, most GB patients experience tumor recurrence/progression after standard first line treatment. Treatment options for patients with rGB are very limited and the outcome is generally unsatisfactory. Specifically, chemotherapy regimens for recurrent or progressive GB have been unsuccessful, producing toxicity without benefit. As overall survival remains dismal, novel anti-cancer modalities, with greater tumor specificity, more robust cytotoxic mechanisms and novel delivery techniques are needed for the treatment of recurrent GB.

MDNA55 is one such novel therapeutic that provides a targeted treatment approach whereby tumor cells are more sensitive to the toxic effects of the drug than normal cells. When combined with a novel precision delivery to the brain using convection enhanced delivery ("CED"), treatment with MDNA55 could be an ideal approach for the treatment of rGB and other brain tumors that over-express the IL4R. Cells that do not express the IL4R target do not bind to MDNA55 and are, therefore, not subject to the effects of the toxic payload.

Many features of MDNA55 make it a potentially attractive choice for the treatment of recurrent GB:

1. The majority of cancer biopsy and autopsy samples from adult and pediatric primary and metastatic brain cancers, including rGB, have been shown to over-express the IL4R with little or no IL4R expression in normal adult and pediatric brain tissue.

2. O6-methylguanine-methyltransferase ("MGMT"), positive cancer cells (harboring unmethylated MGMT promoters) are common in GB making them resistant to temozolomide. However, MGMT positive cancer tumors are extremely sensitive to MDNA55, suggesting that MDNA55 could provide a treatment option for GB patients who would not benefit from temozolomide.

3. GB has a robust immunosuppressive TME and may comprise up to 40% of the tumor mass. Recently, it has been shown that malignant gliomas have a T-helper cell type-2 (Th2) bias and are heavily infiltrated by myeloid derived suppressor cells ("MDSCs") and tumor associated macrophages ("TAMs") and that the IL4/IL4R bias mediates their immunosuppressive functions. Furthermore, IL4R is up-regulated on glioma-infiltrating myeloid cells but not in the periphery or in normal brain. Thus, purging Th2 cells, MDSCs, and TAMs using MDNA55 may alleviate the immune block associated with cancer (in a manner similar to immunomodulators such as ipilumimab, pembrolizumab or nivolumab), thereby promoting anti-tumor immunity and aid in long-term disease control.

The MDNA55 program therefore offers a promising approach to address serious unmet needs for brain cancer patients. Furthermore, MDNA55 is the only treatment in development that has the ability to simultaneously target the bulk tumor and the immunosuppressive TME. Accordingly, MDNA55 has the potential of altering the treatment paradigm for many brain cancer patients.

Convection Enhanced Delivery of MDNA55

As with most protein therapeutics, MDNA55 does not cross the blood brain barrier ("BBB"), and therefore must be delivered directly to the tumor (also known as intra-tumoral therapy) via local one time infusion procedure called CED. Medicenna's development platform includes rights to all oncology indications for MDNA55 as well as novel image guided CED of MDNA55. These technologies are protected by patents either owned or exclusively licensed by Medicenna.

Development History of MDNA55

The targeting domain and payload for Medicenna's lead candidate, MDNA55, was developed in the laboratories of Dr. Ira Pastan at the National Cancer Institute ("NCI") and Dr. Raj Puri at Center for Biologics Evaluation and Research ("CBER"), at the FDA. The Targeting Domain was engineered to improve the binding affinity of IL-4 to the IL4R and thereby increase potency of MDNA55. The Payload Domain of MDNA55 was engineered in order to remove off-target binding components further improving safety. Preclinical and clinical development of MDNA55 for the treatment of brain as well as other non-brain tumors is described in over 50 publications.

In March 2013, Medicenna acquired all clinical, regulatory and material assets for MDNA55, from Sophiris (formerly Protox Therapeutics, Inc.). The acquisition was comprised of two Investigational New Drug Applications ("IND"), with the FDA, Fast Track Designation from the FDA, Orphan Drug Designations from FDA and EMA, clinical data from 72 patients enrolled in three different brain cancer studies, clinical data from 14 patients enrolled in a Phase 1 solid tumor study and all cell banks and reference material required to manufacture MDNA55. Subsequent to the purchase agreement with Sophiris, Medicenna and the NIH, entered into the NIH License Agreements covering composition, methods of use, combination therapy and delivery of MDNA55. A summary of the clinical trials related to the treatment of high grade gliomas is provided below.

Three clinical trials were previously conducted with MDNA55 in 72 patients with recurrent high grade glioma (66 rGB and 6 recurrent Anaplastic Astrocytoma patients). In a majority of the patients, MDNA55 was delivered only once by intratumoral infusion using CED via ventricular catheters.

A Phase 1 single centre investigator initiated study (United States) was conducted in a single United States site enrolling nine subjects with rGB. Doses evaluated ranged from 0.2 - 6.0 µg/mL (total dose 6 – 720 µg). One subject remained disease free at >18 months after the procedure; 6/8 subjects had partial to extensive tumor necrosis confirmed by pathology. Most subjects had transient increased intracranial pressure treated readily with craniotomy.

A Phase 1 sponsor initiated multi-centre study (Germany and United States) was carried out in 31 subjects of whom 25 subjects had rGB and six subjects had recurrent anaplastic astrocytoma ("rAA"). Treatment with MDNA55 using intratumoral CED infusion was dose escalated from 240 to 900 µg. In approximately 40% of the subjects, anti-MDNA55 antibodies were observed. Systemic toxicity was not observed. Although not designed to measure efficacy, results showed MDNA55 administration was followed by rapid tumor necrosis with an objective response rate, ORR (i.e. ≥50% decrease in tumor size) of 56%. These data compare favorably with an ORR of 5% with current therapies and ORR of 28% achieved by Avastin. These results, including a Complete Response Rate (100% decrease in tumor size) of 20% following a single treatment with MDNA55 are encouraging given that nearly half of the subjects enrolled in the trial had multiple relapses and had poor prognosis due to late stage of the disease. Furthermore, catheter placement and CED of MDNA55 were not optimized at that time.

In the Phase 2a multi-centre study (United States and Germany), MDNA55 was administered by intratumoral infusion via CED in 32 subjects with rGB at doses of 90 µg, 240 µg or 300 µg. Approximately 3 weeks post-infusion, surgical resection was performed and therefore tumor response analysis was not performed. Tissue samples pre- and post-treatment were adequate for assessment in 10/32 subjects. Seven subjects showed a marked reduction in tumor cellularity post-treatment. Of these seven cases, five showed little or no cellular tumor in the resection samples, while the other two had at least a 75% reduction of cellular tumor. The remaining three subjects showed no change compared to baseline. These results, although preliminary, were consistent with ORR observed in the earlier studies. As in the previous studies, systemic toxicity was not observed. Although the trial was not designed to

make definitive assessments of efficacy, the highest 6-month survival rate based on a Kaplan-Meier estimate, was observed in the 90 µg dose group.

Overall, the doses studied in the three clinical trials ranged from 6 µg to 900 µg. Evidence of antitumor activity was observed at all doses and although doses of up to 240 µg were administered with acceptable toxicity, the 90 µg dose was found to be just as efficacious and associated with the least number of adverse events. In the current Phase 2 rGB clinical trial the maximum total intratumoral dose will be 90 µg. Given the overall bleak response to current therapy for rGB and the fact that administered doses will not exceed those that have already exhibited acceptable safety, the proposed clinical protocol has a good likelihood of benefit at an acceptable level of risk.

Improvements in CED Technology for MDNA55

Since the above mentioned clinical trials, there have been many improvements to the CED technology. This includes use of newly developed techniques for high precision insertion and placement of catheters into the tumor bed as well as novel stepped design catheters that prevent backflow of MDNA55 during treatment. Furthermore, by co-infusion of an MRI (Magnetic Resonance Imaging) contrast agent with MDNA55, drug distribution can be monitored in real-time ensuring complete coverage of the tumor bed and the tumor margins. Unlike previous clinical trials, each of these improvements will facilitate highly accurate targeting and uniform distribution of MDNA55 to regions of active tumor growth. Medicenna has obtained an exclusive license from the NIH to patents covering CED and the use of a surrogate tracer for real-time monitoring of MDNA55 delivery and distribution.

Phase 2b Study Outline for Glioblastoma at First Recurrence or Progression

A Phase 2b protocol evaluating MDNA55 for the treatment of recurrent GB, with improved CED technology, has been approved by the FDA. The Phase 2b trial (ClinicalTrials.gov identifier: NCT02226965) is a multi-center, open-label, single-arm study in approximately 43 subjects with first recurrence or progression of GB after surgery or radiotherapy ± adjuvant therapy. The first patient was treated in the trial in April 2017.

The primary endpoint in the study is to determine the ORR per Response Assessment in Neuro-Oncology ("RANO"), criteria following a single intra-and peri-tumoral infusion of MDNA55 in adult subjects with GB at first recurrence or progression. The ORR will be assessed by gadolinium-enhanced MRI and determined by an independent blinded review committee. The primary efficacy analysis, conducted on the Intent to Treat ("ITT"), population, will be assessed according to a single-arm, single-stage binomial design with primary hypothesis test comparing a null response rate of 6% with an alternative pursue rate of 18%, at 1-sided alpha = 0.10. Analyses will also be conducted by IL4R stratum, including 95% confidence interval estimates of ORR within strata and examination of the treatment effect by IL4R level. With 36 ITT subjects, there will be 80% power for this test; accounting for approximately 17% non-evaluable, it is planned to enroll 43 subjects.

This study is designed to test the hypothesis that ORR is improved to a clinically significant extent with MDNA55 administered via CED, as compared to current available second-line treatments. The assumptions regarding response to current treatment are based on ORR data from previous clinical trials in patients with recurrent/progressive glioblastoma. Research has been compiled to report the case number-weighted mean ORR for clinical studies in rGB patients evaluating cytotoxic agents (21 clinical trials, N = 1,745 patients) and non-cytotoxic/non-antiangiogenic drugs (18 clinical trials, N = 1,239). The ORR was 6% (range 0 to 17%) and 4% (range 0 to 9%), respectively, for patients treated with cytotoxic agents or non-cytotoxic/non-anti-angiogenic drugs. The results for non-cytotoxic/anti-angiogenic drugs were better with an ORR rate of 14%. Although one of the features of the Phase 2 study will be to confirm treatment benefits at the optimal dose of 90µg (observed in a previous study), the ability to

correlate survival and tumor response with IL-4R expression following a single MDNA55 infusion will also be one of the objectives.

Key Development Milestones

With the first patient treated in April 2017, interim top-line results are expected to be available by early 2018. Medicenna intends to seek the coveted Breakthrough Designation for rGB and, as in the case of Avastin®, MDNA55 could potentially secure Accelerated Approval based on an expanded Phase 2 clinical trial for rGB. Fast Track and Breakthrough Designations expedite review by the FDA thereby shortening the time to approval. With a clinical asset addressing unmet needs for various types of brain cancer, the MDNA55 program is expected to offer multiple development milestones over the next 2 years:

- Treated the first patient in pre-pivotal Phase 2 trial for the treatment of adult rGB (Q2//2017)
- Commence Phase 2 proof of concept study in IL4R positive Metastatic Brain Cancer ("MBC") patients (Second half 2017)
- Complete enrollment in Phase 2b rGB trial (Q4/2017)
- Report interim top-line Phase 2 rGB results (Q1/2018)
- End of Phase 2 meeting with FDA (Q2/2018)
- Pursue Accelerated Approval for rGB (Q3/2018)
- Report interim top-line Phase 2 MBC results (Q3/2018)
- Commence IND enabling studies with MDNA57 (Q4/2018)

The milestones set out above are based on management's current expectations with respect to the development and advancement of the MDNA55 and are subject to certain underlying assumptions and general risks. Due to the nature of Medicenna's business and stage of operations, there is no assurance that these objectives will be achieved, and there can be no assurance with respect to the time or resources that may be required. See *"Risk Factors"*.

Potential Market

The incidence of primary brain cancer in the 7 major markets ("7MM") (United States, UK, Japan, Italy, Spain, France and Germany) exceeded 52,000 with over 37,000 deaths. Of the primary brain cancers, GB, is the most common, aggressive and with one of the worst prognosis of all cancers. GB accounts for 52% of all primary brain tumors and although treatment options include surgery, radiation and chemotherapy, the 5-year survival rate is less than 10%. The incidence of GB in the 7MM is expected to increase from 27,500 in 2012 to 32,000 in 2022 with therapeutic sales projected to reach $1.4 billion by 2022.

Treatment options for rGB are severely limited, and no universal standard of care exists for rGB. With the exception of Avastin®, providing no survival benefits, no universal standard of care exists for rGB. Avastin® has not been approved by EMA for newly diagnosed or rGB, although it has been granted accelerated approval by the FDA for rGB. Management believes that MDNA55 is currently well positioned for rGB indication, when used either as monotherapy or in combination with other approved therapies. Line extension for metastatic brain cancer, newly diagnosed GB and pediatric gliomas has the potential to increase MDNA55 revenues.

Competition: Emerging Therapies for Adult GB

The SOC for newly diagnosed GB, consisting of surgery, radiotherapy and concurrent TMZ followed by adjuvant TMZ has not changed for over a decade, and with the exception of bevacizumab, no universal SOC exists for rGB. The lack of effective treatment options extends to a shortage of approved targeted therapies for GB. Development of novel agents for the treatment of GB is therefore an active area of research, and multiple agents and drug classes are being assessed for GB.

Northwest Biotherapeutics' DCVax-L, an autologous dendritic cell vaccine, is one of the furthest along in development for GB. DCVax-L is being evaluated in newly diagnosed GB patients who have received a complete surgical resection and received radiotherapy and concurrent TMZ. Northwest is currently conducting a Phase 3 clinical trial in patients with newly diagnosed GB.

ImmunoCellular Therapeutics' ICT-107, another autologous dendritic cell vaccine, is in a Phase 3 registration trial for treating HLA-A2+ patients with newly diagnosed GB. The first patient in this Phase 3 trial was treated in June 2016.

Together with Bristol-Myers Squibb, Ono Pharmaceutical is developing the already approved Opdivo (nivolumab), an anti-PD-1 antibody, in newly diagnosed GB patients with either unmethylated (Phase 3, CheckMate 498) or methylated MGMT (Phase 2, CheckMate 548). The efficacy of Nivolumab compared to bevacizumab is also being evaluated in a Phase 3 trial in rGB (CheckMate 143).

In mid-stage development, Agenus is developing a heat shock protein (gp96) peptide complex (HSPPC-96), an intradermal, autologous, cancer vaccine. Designated as the Prophage G series, Prophage G-100 is applied in newly diagnosed GB patients and G-200 in rGB. Phase 2 results for the Prophage G series vaccines demonstrate that the agent may hold promise in a very select group of patients.

VBL Therapeutics' VB-111 (ofranergene obadenovec), an anti-angiogenic agent that targets angiogenic endothelial cells in the tumor vasculature, is being evaluated in rGB. VBL's pivotal Phase 3 (GLOBE) trial, which is proceeding under a Special Protocol Assessment granted by the FDA, compares VB-111 in combination with bevacizumab to bevacizumab alone in rGB.

Tocagen's Toca 511 & Toca FC is currently being investigated in the Phase 2 portion of a Phase 2/3 trial (Toca5) in rGB and recurrent anaplastic astrocytoma compared to SOC. Toca 511 is a retroviral-replicating vector that expresses and selectively delivers the cytosine deaminase gene to the tumor, while Toca FC is a novel formulation of flucytosine that gets converted into the cancer drug, 5-fluorouracil, within cancer cells infected by Toca 511.

Peregrine Pharmaceuticals is developing 131I-chTNT-1/B MAb (Cotara) an iodine-131 labeled radioimmunoconjugate of chimeric MAb tumor necrosis treatment (TNT) 1/B for the treatment of rGB. Although Peregrine has reached agreement with the FDA on a Phase 3 study design there has been no further public announcements on the program since 2012.

In summary, five late-stage agents are concurrently in clinical development for GB. Three therapeutic vaccines are being developed in combination with the current SOC for newly diagnosed GB. A checkpoint inhibitor is being evaluated in both newly diagnosed GB and rGB as a monotherapy and in combination with current SOC or other checkpoint inhibitors. The other agent being developed for rGB is an antiangiogenic gene therapy agent.

Pre-Clinical Pipeline of Superkines

IL-4 and IL-13 Superkines

Medicenna's IL-4 and IL-13 Superkines are engineered versions of wild type cytokines which possess enhanced affinity and selectivity for either the Type 1 or Type 2 IL4R. This selectivity is achieved through mutations of the IL-4 or IL-13 proteins to enhance affinity for binding to specific IL4R subunits. Additional mutations have also been engineered to modulate their bioactivity, resulting in Superkines with enhanced signaling (super-agonists) or the ability to block signaling (super-antagonists).

One promising IL-13 Superkine antagonist is MDNA413. Compared to wild type IL-13, MDNA413 has been engineered to have 2,000-fold higher selectivity for the Type 2 IL4R and which potently blocks IL-4 and IL-13 signaling. Blocking of Type 2 IL4R by MDNA413 may be relevant not only for targeting solid tumors that overexpress this receptor and immunosuppressive cells of the TME, but also for Th2-mediated diseases such as atopic dermatitis, asthma and idiopathic pulmonary fibrosis. With validation of the IL-4/IL-13 axis as an effective therapeutic target for atopic dermatitis and asthma, Medicenna believes a topical or aerosol formulation of MDNA413 may be an important differentiated product compared to blocking antibodies currently in late stage development.

Another promising IL-13 Superkine is MDNA132. Unlike MDNA413, MDNA132 is an agonist that has been engineered for increased affinity for IL13R alpha2 overexpressed on certain solid tumors while exhibiting sharply decreased affinity for IL13R alpha1. Medicenna believes MDNA132 has superior targeting compared to other IL-13 variants in development, and is an attractively differentiated targeting domain for inclusion in new and exciting field of immuno-oncology based on the Chimeric Antigen Receptor T cell (CAR-T) platform.

IL-4 and IL-13 Empowered Cytokines: Collaboration with MDACC

As part of the CPRIT funded project, Medicenna is pursuing development of MDNA57 in collaboration with Professor Michael Rosenblum at MDACC, a world-renowned expert in the development of targeted toxins for cancer therapy. The objective of the collaboration is to further develop MDNA57 (a fully human version of MDNA55) designed to specifically target solid tumors that express the Type 2 IL4R. Being fully human, Medicenna expects MDNA57 to be less or non-immunogenic allowing multi-cycle systemic administration. Use of IL-4 or IL-13 Superkines, licensed from Stanford, as targeting domains may provide a higher degree of selectivity and therefore much better safety and efficacy profile. The research collaboration with MDACC is expected to demonstrate *in vivo* proof-of-concept in appropriate animal tumor models.

IL-2 Superkines

Medicenna's lead IL-2 Superkine**,** in early stage pre-clinical development**,** is MDNA109. It is an engineered version of recombinant human IL-2 (Proleukin), an approved product for treatment of metastatic melanoma and renal cell cancer. Unlike Proleukin, MDNA109 signals independently of CD25, thereby preferentially activating effector T cells while limiting stimulation of regulatory T cells, which impede Proleukin's therapeutic response and mediate its toxicity. Consistent with these improved pharmacodynamic characteristics, MDNA109 is more effective than Proleukin in animal models of cancer. On the basis of these results, Medicenna is evaluating MDNA109 and other IL-2 Superkine agonists as next-generation cancer immunotherapies that can be used alone and in combination with existing immune checkpoint regimens, extending the early success of Proleukin therapy to the modern immuno-oncology paradigm.

Further engineering of MDNA109 has resulted in generation of the IL-2 Superkine antagonist MDNA209. This Superkine is capable of potently blocking signaling via the IL-2 and IL-15 receptors. Proof of concept studies show MDNA209 fused to the Fc4 antibody may be relevant for treatment for autoimmune diseases and organ rejection.

Trends

Medicenna currently anticipates an increase in expenditures relating to Medicenna's clinical program as the MDNA55 related clinical trials are ramped-up. Accordingly, cash burn is projected to increase over the next 12-24 months. Cash burn is also expected to be impacted by increased expenses relating to the recruitment of additional staff to support to proposed clinical trial program.

Intellectual Property and Partnerships

Medicenna regards its patent and other proprietary technology rights as one of the foundation blocks upon which it continues to build a successful biopharmaceutical development company and, therefore, it files and prosecutes patent applications to protect its proprietary discoveries. To date patent or patent applications covering 12 patent families have been issued or filed.

In March 2013, MTI acquired all clinical, regulatory and material assets for MDNA55 and assigned patent rights related to targeting cancer stem cells with MDNA55 under a purchase agreement. The purchase has no other outstanding obligations now or in the future and the seller does not retain any residual rights to MDNA55. Subsequent to the purchase agreement, MTI and the NIH, entered into the NIH License Agreements covering composition, methods of use, combination therapy and delivery of MDNA55. MTI licensed from HUJ a proprietary fully human Payload technology developed in the laboratory of Dr. Haya Lorberboum-Galski. In addition, MTI has entered into the Stanford License Agreements pursuant to which MTI was granted an exclusive license for all compositions and uses related to IL-2, IL-4 and IL-13 Superkines™. Each of the Stanford License Agreements consists of low single digit royalty rates, modest back-ended development milestone payments, and sub-licensing royalties. In addition, pursuant to one of the NIH License Agreements covering MDNA55, NIH will receive a milestone payment (approximately $636,000 paid in four equal annual installments) following a liquidity event, and Stanford has been granted a small equity interest associated with the licenses. Pursuant to Stanford License Agreements, Stanford also has the option of investing in Medicenna via their venture arm.

Patents and patent applications covering MDNA55 licensed or owned by Medicenna are covered by issued patents and patent applications under the following patent families:

1. Method for Convection Enhanced Delivery of Therapeutic Agents (United States patent issued);

2. Targeted Cargo Protein Combination Therapy (United States patent issued); and

3. Treating Cancer Stem Cells Using Targeted Cargo Proteins

Expiry dates for material patents under the families above range from approximately 2023 to 2029.

In addition to the above patents, MDNA55 will have market exclusivity post-approval through regulatory means via Orphan Drug Designation in the United States (7 years) and Europe (10 years) for the treatment of GB as well as Biologics Data Exclusivity in the United States (12 years), Europe (10 years), Canada (8 years) and other markets where similar means of exclusivity is available. The Superkine and Empowered Superkine platforms owned or licensed by MTI are covered by issued patents and patent applications under the following patent families:

1. Chimeric Proteins with Cell-Targeting Specificity and Apoptosis Inducing Activities (United States patent issued)

2. Superkines and Synthekines: Repurposed Cytokines with New and Enhanced Signaling Activities (United States patent issued)

3. Superagonists and Antagonists of Interleukin-2 (United States patent issued)

4. Superagonists, Partial Agonists and Antagonists of Interleukin-2

5. Therapeutic IL-13 Polypeptides (United States patent issued)

6. Interleukin-4 Receptor-Binding Fusion Proteins and Uses Thereof (Pro-apoptotic Fusions)

7. Interleukin-4 Receptor Binding Fusion Proteins and Uses Thereof (Anti-apoptotic Fusions)

8. Interleukin-2 Receptor Binding Fusion Proteins and Uses Thereof; and

9. IL-13 Superkine: Immune Cell Targeting Constructs and Methods of Use Thereof

To date, a total of six patents have been issued or allowed in the United States with several other patent applications pending. Many of the patents have been filed recently or have issued recently, providing Medicenna with an extended term of patent protection. Expiry dates for the patents above are between 2018 and 2033.

Business Strategy

Medicenna's strategy to reduce risk is to diversify the assets in Medicenna's pipeline based on their stage of development, mechanism of action and target product profile. To achieve this goal, MTI in-licensed the Superkine platform from Stanford as well as technology related to human pro-apoptotic Payloads from HUJ. These technologies are expected to enable the company to develop next generation fully human Empowered Cytokines. The resulting early stage pre-clinical product candidates derived from the Superkine and Empowered Cytokine platforms have a different mechanism of action and target product profile compared to MDNA55, Medicenna's late stage candidate. By adopting a balanced approach, Medicenna is less reliant on a single product in Medicenna's pipeline, with greater upside potential through opportunities to partner or develop on its own, multiple products. Medicenna believes that establishing a pipeline of drug candidates with distinct mechanisms of actions targeting multiple disease indications mitigates development risk. Medicenna intends to achieve Medicenna's business strategy by focusing on the following key areas:

1. Maximize the potential clinical and commercial success of Medicenna's drug candidates by pursuing development programs based on sound scientific rationale for multiple disease indications where there are significant unmet clinical needs. In the near-term, Medicenna's focus will be to advance MDNA55 through to completion of a pre-pivotal Phase 2b clinical trial for the treatment of rGB as well as other types of brain cancer;

2. Optimize the therapeutic potential of Medicenna's drug candidates by selecting sub-populations of patients who stand an improved chance of responding to treatment and employing the latest technologies and strategies for optimizing drug delivery;

3. Establish collaborations and relationships with leading scientific and clinical centres to effectively maximize the success of Medicenna's drug development programs; and

4. Assess strategic alliances with select pharmaceutical and/or biotechnology companies where such alliances may enable successful development and commercialization of Medicenna's drug candidates while maximizing its return on investment. Medicenna may conduct transactions with established strategic partners on a regional or worldwide basis to accelerate product development, improve Medicenna's marketing strength and enhance its capability of bringing products to the markets worldwide.

Although MTI has secured a US$14.1 million non-dilutive grant from CPRIT and raised approximately $14 million through private placement financings, to advance the development of MDNA55, Medicenna will continue to seek additional sources of non-dilutive funding as well as seek to raise additional funds through equity financings and/or through collaborative arrangements with pharmaceutical and/or biotechnology companies for any of Medicenna's products and technologies under development. Cash resources are expected to be carefully managed and focused on priority programs and initiatives. Accordingly, some initiatives may not be pursued or advanced in the near term as a prudent measure to preserve cash.

Regulatory Process

Government authorities in the United States, including federal, state, and local authorities, and in other countries, extensively regulate, among other things, the manufacturing, research and clinical development, marketing, labeling and packaging, storage, distribution, post-approval monitoring and reporting, advertising and promotion, and export and import of biological products, such as those Medicenna is developing. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources.

Securing final regulatory approval for the manufacture and sale of biological products in the United States, Europe, Canada and other commercial territories, is a long and costly process that is controlled by that particular territory's regulatory agency. The regulatory agency in the United States is the FDA, in Canada it is Health Canada ("HC"), and in Europe it is the EMA. Other regulatory agencies have similar regulatory approval processes, but each regulatory agency has its own approval processes. Approval in the United States, Canada or Europe does not assure approval by other regulatory agencies, although often test results from one country may be used in applications for regulatory approval in another country.

None of Medicenna's products have been completely developed or tested and, therefore, Medicenna is not yet in a position to seek final regulatory approval to market any of Medicenna's products. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials and will require significant additional capital. See "*Risk Factors*" below.

United States Government Regulation

In the United States, the FDA regulates drugs under the *Federal Food, Drug, and Cosmetic Act* ("FDCA"), and its implementing regulations, and biologics under the FDCA and the *Public Health Service Act* ("PHSA"), 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. Drugs and biologics are also subject to other federal, state, and local statutes and regulations. If Medicenna 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, Medicenna 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 Medicenna.

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

- completion of extensive preclinical laboratory tests and preclinical animal studies, all performed in accordance with the Good Laboratory Practices regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin and must be updated annually;
- approval by an independent institutional 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 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;
- potential review of the product application by an FDA advisory committee, where appropriate and if applicable;
- a determination by the FDA within 60 days of its receipt of an NDA or BLA to file the application for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities where the proposed product is produced to assess compliance with current Good Manufacturing Practices ("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 and clinical testing and approval process require substantial time, effort, and financial resources, and Medicenna cannot be certain that any approvals for Medicenna'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. 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.

Clinical Trials

Clinical trials involve the administration of the investigational new drug to human subjects under the supervision of qualified investigators in accordance with Good Clinical Practices ("GCPs"), 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. 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 patients with the target disease or condition. These studies are designed to evaluate the safety, dosage tolerance, metabolism and pharmacologic actions of the investigational new drug in humans, the side effects associated with increasing doses, and if possible, to gain early evidence on effectiveness.
- Phase II. The drug is administered to a limited patient population to evaluate dosage tolerance and optimal dosage, 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 enough data to statistically evaluate dosage, 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 condition approval of an NDA or BLA for a product candidate on 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, serious and unexpected adverse reactions, any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator's brochure, or any findings from other studies or animal testing that suggest a significant risk in humans exposed to the product candidate. The FDA, the IRB or 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 licensure of the product. Results from one trial are not necessarily predictive of results from later trials. Medicenna 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. For fiscal year 2016, the application user fee exceeds $2.3 million, and the sponsor of an approved NDA or BLA is also subject to annual product and establishment user fees, set at $114,450 per product and $585,200 per establishment. These fees are typically increased annually. Applications for orphan drug

products are exempted from the NDA and BLA application user fee, unless the application includes an indication for other than a rare disease or condition, and may be exempted from product and establishment user fees under certain conditions.

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 a number of alternative sources, including 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.

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 under what conditions. 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. In order 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 product candidate. 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, plan to mitigate risks, 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 also may condition approval on, 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, or the FDA's policies may change, which could delay or prevent regulatory approval of Medicenna's products under development.

Patent Term Restoration

Depending upon the timing, duration, and specifics of the FDA approval of the use of Medicenna's product candidates, some of Medicenna's United States patents may be eligible for limited patent term extension under the *Drug Price Competition and Patent Term Restoration Act* of 1984, commonly referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA or BLA, plus the time between the submission date and the approval of that application. Only one patent applicable to an approved product is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent and within 60 days of the product's approval. The United States Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, Medicenna may apply for restoration of patent term for one of Medicenna's currently owned or licensed patents to add patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant NDA or BLA.

Companion Diagnostics

In its August 6, 2014 guidance document entitled "In Vitro Companion Diagnostic Devices," the FDA defines an IVD companion diagnostic device to be an in vitro diagnostic device that provides information that is essential for the safe and effective use of a corresponding therapeutic product. Use of an IVD companion diagnostic device is considered essential when its use is required in the labeling of a therapeutic product, for example, to select appropriate patients for a product or those who should not use the product, or to monitor patients to achieve safety or effectiveness. In most circumstances, the IVD companion diagnostic device should be approved or cleared by FDA under the device authorities of the FDCA contemporaneously with the therapeutic product's approval under section 505 of the FDCA for a drug or section 351 of the PHSA for a biological product. FDA expects the therapeutic product sponsor to address the need for an approved or cleared IVD companion diagnostic device in its therapeutic product development plan. The therapeutic product sponsor may develop its own IVD companion diagnostic device, partner with a diagnostic device sponsor to develop an IVD companion diagnostic device, or explore modifying an existing IVD diagnostic device to develop a new intended use. The FDA explains if a diagnostic device and a therapeutic device are studied together to support their respective approvals, both products can be studied in the same investigational study that meets both the requirements of the Investigational Device Exemption ("IDE"), regulations and the IND regulations. Depending on the study plan and participants, a sponsor may seek to submit an IND alone, or both an IND and IDE.

Specialized Skill and Knowledge

Medicenna's business requires personnel with specialized skills and knowledge in the fields of basic and applied immunology, the treatment of glioblastoma, as well as drug delivery to the brain. Medicenna has subcontracted out several key functions to highly specialized individuals and companies to conduct the clinical program for the Phase 2b clinical trial which are overseen by Medicenna's Head of Clinical Development and Chief Development Officer, to ensure proper and timely completion of the required activities. Medicenna works with world renowned brain cancer treatment centres for Medicenna's Phase

2b clinical trial and with some the leading experts in North America with respect to drug delivery to the brain are contributing towards Medicenna's clinical program.

Employees

As at March 31, 2017, Medicenna had 9 full-time employees and two part-time consultants, including two holding PhD degrees, one holding an M.D. and a number of other employees holding M.Sc. and MBA degrees or CPA designations. Four of Medicenna's employees reside in the United States.

Medicenna's employees are not governed by a collective bargaining agreement. Medicenna depends on certain key members of its management and scientific staff and the loss of services of one or more of these persons could adversely affect the Company.

Medicenna also uses consultants and outside contractors to carry on many of Medicenna's activities, including preclinical testing and validation, formulation, assay development, manufacturing, clinical and regulatory affairs, toxicology and clinical trials.

Legal Proceedings

To Medicenna's knowledge, there have not been any legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, those involving any third party, and governmental proceedings pending or known to be contemplated, which may have, or have had in the recent past, significant effect Medicenna's financial position or profitability.

Also, to Medicenna's knowledge, there have been no material proceedings in which any director, any member of senior management, or any of Medicenna's affiliates is either a party adverse to Medicenna or any of Medicenna's subsidiaries or has a material interest adverse to Medicenna or any of Medicenna's subsidiaries.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered speculative. An investment in the Common Shares should only be undertaken by those persons who can afford the total loss of their investment. Investors should carefully consider the risks and uncertainties set forth below, as well as other information described elsewhere in this AIF. The risks and uncertainties below are not the only ones the Company faces. Additional risks and uncertainties not presently known to Medicenna or that Medicenna believes to be immaterial may also adversely affect Medicenna's business. If any of the following risks occur, Medicenna's business, financial condition and results of operations could be seriously harmed and you could lose all or part of your investment. Further, if Medicenna fails to meet the expectations of the public market in any given period, the market price of Medicenna's common shares could decline. Medicenna operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of Medicenna's control.

Risks Related to the Company's Business and the Company's Industry

The Company has no sources of product revenue and will not be able to maintain operations and research and development without sufficient funding.

The Company has no sources of product revenue and cannot predict when or if it will generate product revenue. The Company's ability to generate product revenue and ultimately become profitable depends upon its ability, alone or with partners, to successfully develop the product candidates, obtain regulatory approval, and commercialize products, including any of the current product candidates, or other product candidates that may be developed, in-licensed or acquired in the future. The Company does not anticipate

generating revenue from the sale of products for the foreseeable future. The Company expects research and development expenses to increase in connection with ongoing activities, particularly as MDNA55 is advanced through clinical trials.

MDNA55 is in the early and mid stages of clinical development and, as a result, the Resulting Issuer will be unable to predict whether it will be able to profitably commercialize its product.

The Company has not received regulatory approval for the sale of MDNA55 in any market. Accordingly, the Company has not generated any revenues from product sales. A substantial commitment of resources to conduct clinical trials and for additional product development will be required to commercialize most of the products. There can be no assurance that MDNA55 will meet applicable regulatory standards, be capable of being produced in commercial quantities at reasonable cost or be successfully marketed, or that the investment made by the Company in the commercialization of the products will be recovered through sales, license fees or related royalties.

The Company is subject to the restrictions and conditions of the CPRIT agreement. Failure to comply with the CPRIT agreement may adversely affect the Resulting Issuer's financial condition and results of operations.

The Company has obtained a grant from CPRIT to fund a portion of its operations to date. The CPRIT grant is subject to the Company's compliance with the scope of work outlined in the CPRIT agreement and demonstration of its progress towards achievement of the milestones set forth in the CPRIT agreement. If the Company fails to comply with the terms of the CPRIT agreement, it may not receive the remaining tranches of the CPRIT grant or it may be required to reimburse some or the entire CPRIT grant. Further, the CPRIT grant may only be applied to a limited number of allowable expenses. Failure to obtain the remaining tranches of the CPRIT grant or being required to reimburse all or a portion of the CPRIT grant may cause a halt or delay in ongoing operations, which may adversely affect the Company's financial condition and operating results.

The Company's future success is dependent primarily on the regulatory approval of a single product.

The Company does not have any products that have gained regulatory approval. Currently, its only clinical product candidate is MDNA55. As a result, the Company's near-term prospects, including its ability to finance its operations and generate revenue, are substantially dependent on its ability to obtain regulatory approval for, and, if approved, to successfully commercialize MDNA55 in a timely manner. The Company cannot commercialize MDNA55 or other future product candidates in the United States without first obtaining regulatory approval for the product from the FDA; similarly, it cannot commercialize MDNA55 or other future product candidates outside of the United States without obtaining regulatory approval from comparable foreign regulatory authorities. Although MDNA55 has received Orphan Drug (FDA, EMA) and Fast Track (FDA) designations, there can be no assurance regulatory approval will be granted. Before obtaining regulatory approvals for the commercial sale of MDNA55 or other future product candidates for a target indication, the Company must demonstrate with substantial evidence gathered in pre-clinical and clinical studies to the satisfaction of the relevant regulatory authorities, that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate. Many of these factors are beyond the Company's control. If the Company, or its potential commercialization collaborators, are unable to successfully commercialize MDNA55, the Company may not be able to earn sufficient revenues to continue its business.

If the Company breaches any of the agreements under which it licenses rights to product candidates or technology from third parties, it can lose license rights that are important to itss business. The Company's current license agreements may not provide an adequate remedy for breach by the licensor.

The Company is developing MDNA55 and other earlier stage pre-clinical and discovery drug candidates pursuant to license agreements with NIH, Stanford and HUJ (collectively, the "Licensors"). The Company is subject to a number of risks associated with its collaboration with the Licensors, including the risk that the Licensors may terminate the license agreement upon the occurrence of certain specified events. The license agreement requires, among other things, that the Company makes certain payments and use reasonable commercial efforts to meet certain clinical and regulatory milestones. If the Company fails to comply with any of these obligations or otherwise breach this or similar agreements, the Licensors or any future licensors may have the right to terminate the license in whole. The Company can also suffer the consequences of non-compliance or breaches by Licensors in connection with the license agreements. Such non-compliance or breaches by such third parties can in turn result in breaches or defaults under the Company's agreements with other collaboration partners, and the Company can be found liable for damages or lose certain rights, including rights to develop and/or commercialize a product or product candidate. Loss of the Company's rights to the licensed intellectual property or any similar license granted to it in the future, or the exclusivity rights provided therein, can harm the Company's financial condition and operating results.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results and the Company's product candidates may not have favourable results in later trials or in the commercial setting.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of pre-clinical studies and early clinical trials may not be predictive of the results of later-stage clinical trials. Success in pre-clinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful nor does it predict final results. Favourable results in early trials may not be repeated in later trials. There is no assurance the FDA, EMA or other similar government bodies will view the results as the Company does or that any future trials of its proposed products for other indications will achieve positive results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through pre-clinical studies and initial clinical trials.

The Company will be required to demonstrate through larger-scale clinical trials that any potential future product is safe and effective for use in a diverse population before it can seek regulatory approvals for commercial sale of its product. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through clinical and post-approval trials. If MDNA55 fails to demonstrate sufficient safety and efficacy in ongoing or future clinical trials, the Company's operations and financial condition will be adversely impacted.

If the Company is unable to enroll subjects in clinical trials, it will be unable to complete these trials on a timely basis.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population, the proximity of subjects to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, ability to obtain and maintain patient consents, risk that enrolled subjects will drop out before completion, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications the Company is investigating. Furthermore, the Company relies on Contract Research Organizations ("CROs") and

clinical trial sites to ensure the proper and timely conduct of its clinical trials, and while it has agreements governing their committed activities, the Company has limited influence over their actual performance.

If the Company experiences delays in the completion or termination of any clinical trial of its proposed products or any future product candidates, the commercial prospects of its product candidates will be harmed and its ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing clinical trials will increase costs, slow down product candidate development and approval process and can shorten any periods during which the Company may have the exclusive right to commercialize its product candidates or allow its competitors to bring products to market before it does. Delays can further jeopardize the Company's ability to commence product sales, which will impair its ability to generate revenues and may harm the business, results of operations, financial condition and cash flows and future prospects. In addition, many of the factors that can cause a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of its proposed products or its future product candidates.

The Company relies and will continue to rely on third parties to plan, conduct and monitor preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to the Company's business.

The Company relies and will continue to rely on third parties to conduct a significant portion of clinical development and planned preclinical activities. Preclinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies, and assay development. Clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in the Company's relationship with third parties, or if the Company is unable to provide quality services in a timely manner and at a feasible cost, any active development programs could face delays. Further, if any of these third parties fails to perform as expected or if their work fails to meet regulatory requirements, testing could be delayed, cancelled or rendered ineffective.

The Company relies on contract manufacturers over whom the Company has limited control. If the Company is subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, business operations could suffer significant harm.

The Company has limited manufacturing experience and relies on contract development and manufacturing organizations ("CDMOs"), to manufacture MDNA55 for clinical trials. The Company relies on CDMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with cGMP, regulations applicable to its products. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. The Company currently has sufficient quantity of MDNA55 to complete the planned clinical studies. The Company plans to utilize CDMO's which are licensed by both the FDA and EMA.

There can be no assurances that the CDMOs selected will be able to meet future timetables and requirements. If the Company is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, it may delay the development of the product candidates. Further, contract manufacturers must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. The Company's dependence upon third parties for the manufacture of its products may adversely affect profit margins and ability to develop and deliver products on a timely and competitive basis.

The Company is highly dependent upon certain key personnel and their loss could adversely affect the its ability to achieve its business objective.

The loss of Dr. Fahar Merchant, the President and Chief Executive Officer, Rosemina Merchant, the Chief Development Officer or other key members of the scientific and operating staff could harm the Company. Employment agreements exist with Dr. Merchant and Ms. Merchant, although such employment agreements do not guarantee their retention. The Company also depends on scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability. In addition, the Company believes that future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, clinical and regulatory personnel. Agreements have been entered into with scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of business as well as with physicians and institutions who will recruit patients into the MDNA55 clinical trial. Notwithstanding these arrangements, there is significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The loss of the services of any of the executive officers or other key personnel could potentially harm the Company's business, operating results or financial condition.

If the Company's competitors develop and market products that are more effective than its existing product candidates or any products that it may develop, or obtain marketing approval before the it does, its products may be rendered obsolete or uncompetitive.

Technological competition from pharmaceutical companies, biotechnology companies and universities is intense and is expected to increase. Many of its competitors and potential competitors have substantially greater product development capabilities and financial, scientific, marketing and human resources than it does. Its future success depends in part on its ability to maintain a competitive position, including its ability to further progress MDNA55 through the necessary pre-clinical and clinical trials towards regulatory approval for sale and commercialization. Other companies may succeed in commercializing products earlier than the Company is able to commercialize its products or they may succeed in developing products that are more effective than its products. While the Company will seek to expand its technological capabilities in order to remain competitive, there can be no assurance that developments by others will not render its products non-competitive or that the Company or its licensors will be able to keep pace with technological developments. Competitors have developed technologies that could be the basis for competitive products. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than the Company's products and may be more effective or less costly than its products. In addition, other forms of medical treatment may offer competition to the products. The success of the Company's competitors and their products and technologies relative to its technological capabilities and competitiveness could have a material adverse effect on the future pre-clinical and clinical trials of its products, including its ability to obtain the necessary regulatory approvals for the conduct of such trials.

The Company will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates.

Securing final regulatory approval for the manufacture and sale of human therapeutic products in the United States , Canada and other markets is a long and costly process that is controlled by that particular country's national regulatory agency. Approval in the United States, Canada, or Europe does not assure approval by other national regulatory agencies, although often test results from one country may be used in applications for regulatory approval in another country. Other national regulatory agencies have similar regulatory approval processes, but each is different.

Prior to obtaining final regulatory approval to market a drug product, every national regulatory agency has a variety of statutes and regulations which govern the principal development activities. These laws require controlled research and testing of products, government review and approval of a submission containing pre-clinical and clinical data establishing the safety and efficacy of the product for each use sought, approval of manufacturing facilities including adherence to Good Manufacturing Practice during production and storage and control of marketing activities, including advertising and labelling. There can be no assurance that MDNA55 will be successfully commercialized in any given country. There can be no assurance that the Company's licensed products will prove to be safe and effective in clinical trials under the standards of the regulations in the various jurisdictions or receive applicable regulatory approvals from applicable regulatory bodies.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products may have an adverse impact on future commercialization efforts.

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to the Company's product candidates, or the therapeutic areas in which the Company's product candidates compete, could adversely affect the share price and ability to finance future development of the Company's product candidates, and the business and financial results could be materially and adversely affected.

The Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete cash resources.

The Company is exposed to the risk of product liability claims alleging that use of its product candidate MDNA55 caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of product candidates and may be made directly by patients involved in clinical trials of product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling the products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization. Currently the Company maintains clinical trial liability insurance coverage of $5 million. However, there can be no assurance that such insurance coverage is or will continue to be adequate or available at a cost acceptable to the Company or at all. The Company may choose or find it necessary under its collaborative agreements to increase the insurance coverage in the future but may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of the coverage, require payment of a substantial monetary award from the Company's cash resources and have a material adverse effect on the business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about the products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

The Company may not achieve its publicly announced milestones according to schedule, or at all.

From time to time, the Company may announce the timing of certain events expected to occur, such as the anticipated timing of results from clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such

as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the ability to recruit patients in a clinical trial in a timely manner, the nature of results obtained during a clinical trial or during a research phase, problems with a CDMO or a CRO, or any other event having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on the business plan, financial condition or operating results and the trading price of the Common Shares.

Changes in government regulations, although beyond the Company's control, could have an adverse effect on the Company's business.

The Company depends upon the validity of its licenses and access to the data for the timely completion of clinical research. Any changes in the drug development regulatory environment or shifts in political attitudes of a government are beyond the Company's control and may adversely affect its business. The Company's business may also be affected in varying degrees by such factors as government regulations with respect to intellectual property, regulation or export controls. Such changes remain beyond the Company's control and the effect of any such changes cannot be predicted. These factors could have a material adverse effect on the Company's ability to further develop its licensed products.

The Company's significant shareholders may have material influence over its governance and operations.

Dr. Fahar Merchant and Ms. Rosemina Merchant (collectively, the "Merchants"), hold a controlling interest in the Company's outstanding common shares on a fully diluted basis. For as long as the Merchants maintain a significant interest in the Company, they may be in a position to affect the Company's governance and operations. In addition, the Merchants may have significant influence over the passage of any resolution of the Company's shareholders (such as those that would be required to amend the constating documents or take certain other corporate actions) and may, for all practical purposes, be able to ensure the passage of any such resolution by voting for it or prevent the passage of any such resolution by voting against it. The effect of this influence may be to limit the price that investors are willing to pay for the Common Shares. In addition, the potential that The Merchants may sell their Common Shares in the public market (commonly referred to as "market overhang"), as well as any actual sales of such common shares in the public market, could adversely affect the market price of the Common Shares.

The Company's discovery and development processes involve use of hazardous and radioactive materials which may result in potential environmental exposure.

The Company's discovery and development processes involve the controlled use of hazardous and radioactive materials. The Company is subject to federal, provincial, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of such materials and certain waste products. Although the Company believes that the current safety procedures for handling and disposing of such materials comply with the standards prescribed by such laws and regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, the Company could be held liable for any damages that result and any such liability could exceed the Company's resources. The Company is not specifically insured with respect to this liability. Although the Company believes that the Company is in compliance in all material respects with applicable environmental laws and regulations and currently does not expect to make material capital expenditures for environmental control facilities in the near-term, there can be no assurance that the

Company will not be required to incur significant costs to comply with environmental laws and regulations in the future, or that the operations, business or assets will not be materially adversely affected by current or future environmental laws or regulations.

If the Company is unable to successfully develop companion diagnostics for its therapeutic product candidates, or experience significant delays in doing so, the Company may not achieve marketing approval or realize the full commercial potential of its therapeutic product candidates.

The Company plans to develop companion diagnostics for its therapeutic product candidates. It is expected that, at least in some cases, regulatory authorities may require the development and regulatory approval of a companion diagnostic as a condition to approving a therapeutic product candidate. The Company has limited experience and capabilities in developing or commercializing diagnostics and plans to rely in large part on third parties to perform these functions. The Company does not currently have any agreement in place with any third party to develop or commercialize companion diagnostics for any of its therapeutic product candidates.

Companion diagnostics are subject to regulation by the FDA, Health Canada and comparable foreign regulatory authorities as medical devices and may require separate regulatory approval or clearance prior to commercialization. If the Company, or any third parties that the Company engages to assist, are unable to successfully develop companion diagnostics for the Company's therapeutic product candidates, or experience delays in doing so, the Company's business may be substantially harmed.

Significant disruption in availability of key components for ongoing clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates.

The Company relies on third parties to supply ingredients and excipients for the manufacture and formulation of its drugs, catheters required to deliver the drug to the brain as well as imaging software to accurately place catheters in the tumour (each, a "Component" and collectively the "Components"). Each of the suppliers of these Components in turn need to comply with regulatory requirements. Any significant disruption in supplier relationships could harm the Company's business. Any significant delay in the supply of a Component, for a potential ongoing clinical study could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates. If the Company or its suppliers are unable to purchase these Components after regulatory approval has been obtained for the product candidates, or the suppliers decide not to manufacture these Components or provide support for any of the Components, the commercial launch of that product candidates would be delayed or there would be a shortage in supply, which would impair the ability to generate revenues from the sale of the product candidates. It may take several years to establish an alternative source of supply for such Components and to have any such new source approved by the FDA and other regulatory agencies.

Risks Related To Intellectual Property And Litigation

The Company's success depends upon its ability to protect its intellectual property and its proprietary technology.

The Company's success depends, in part, on its ability and its licensors' ability to obtain patents, maintain trade secrets protection and operate without infringing on the proprietary rights of third parties or having third parties circumvent its rights. Certain licensors and the institutions that they represent, and in certain cases, have filed and are actively pursuing certain applications for Canadian and foreign patents. The patent position of pharmaceutical and biotechnology firms is uncertain and involves complex legal and financial questions for which, in some cases, certain important legal principles remain unresolved. There can be no assurance that the patent applications made in respect of the owned or licensed products will

result in the issuance of patents, that the term of a patent will be extendable after it expires in due course, that the licensors or the institutions that they represent will develop additional proprietary products that are patentable, that any patent issued to the licensors or the Company will provide it with any competitive advantages, that the patents of others will not impede its ability to do business or that third parties will not be able to circumvent or successfully challenge the patents obtained in respect of the licensed products. The cost of obtaining and maintaining patents is high. Furthermore, there can be no assurance that others will not independently develop similar products which duplicate any of the licensed products or, if patents are issued, design around the patent for the product. There can be no assurance that the Company's processes or products or those of its licensors do not or will not infringe upon the patents of third parties or that the scope of its patents or those of its licensors will successfully prevent third parties from developing similar and competitive products.

Much of the Company's know-how and technology may not be patentable, though it may constitute trade secrets. There can be no assurance, however, that the Company will be able to meaningfully protect its trade secrets. To help protect its intellectual property rights and proprietary technology, the Company requires employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance that these agreements will provide meaningful protection for its trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

The Company's potential involvement in intellectual property litigation could negatively affect its business.

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

The Company's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them.

Because the Company relies on third parties to develop its products, it must share trade secrets with them. The Company seeks to protect its proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of the Company's collaborators, advisors, employees and consultants to publish data potentially relating to the Company's trade secrets. The Company's academic collaborators typically have rights to publish data, provided that the Company is notified in advance and may delay publication for a specified time in order to secure its intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by the Company, although in some cases it may share these rights with other parties. The Company also conducts joint research and development programs which may require it to share trade secrets under the terms of research and development collaboration or similar agreements.

Despite the Company's efforts to protect its trade secrets, its competitors may discover its trade secrets, either through breach of these agreements, independent development or publication of information including its trade secrets in cases where the Company does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Company's trade secrets may impair its competitive position and could have a material adverse effect on its business and financial condition.

Product liability claims are an inherent risk of the Company's business, and if the Company's clinical trial and product liability insurance prove inadequate, product liability claims may harm its business.

Human therapeutic products involve an inherent risk of product liability claims and associated adverse publicity. There can be no assurance that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive, difficult to obtain and may not be available in the future on acceptable terms, or at all. An inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could have a material adverse effect on the Company's business by preventing or inhibiting the commercialization of its products, licensed and owned, if a product is withdrawn or a product liability claim is brought against the Company.

Other Risks

The Company will have significant additional future capital needs and there are uncertainties as to its ability to raise additional funding.

The Company will require significant additional capital resources to expand its business, in particular the further development of its proposed products. Advancing its product candidates or acquisition and development of any new products or product candidates will require considerable resources and additional access to capital markets. In addition, the Company's future cash requirements may vary materially from those now expected.

The Company can potentially seek additional funding through corporate collaborations and licensing arrangements, through public or private equity or debt financing, or through other transactions. However, if clinical trial results are neutral or unfavourable, or if capital market conditions in general, or with respect to life sciences companies such as Medicenna, are unfavourable, the Company's ability to obtain significant additional funding on acceptable terms, if at all, will be negatively affected. Additional financing that it may pursue may involve the sale of the Common Shares or financial instruments that are exchangeable for, or convertible into, the Common Shares, which could result in significant dilution to its shareholders. If sufficient capital is not available, the Company may be required to delay the implementation of its business strategy, which could have a material adverse effect on its business, financial condition, prospects or results of operations.

A prolonged decline in the price of the Common Shares could result in a reduction in the liquidity of the Common Shares and a reduction in the Company's ability to raise capital. As a significant portion of the Company's operations will probably be financed through the sale of equity securities a decline in the price of the Common Shares could be especially detrimental to liquidity.

Future sales or issuances of equity securities or the conversion of securities to common shares could decrease the value of the common shares, dilute investors' voting power, and reduce earnings per share.

The Company may sell additional equity securities in future offerings, including through the sale of securities convertible into equity securities, to finance operations, acquisitions or projects, and issue additional common shares if outstanding securities are converted to common shares, which may result in dilution.

The Company's board of directors will have the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that the Company will issue additional securities to provide such capital.

Sales of substantial amounts of securities, or the availability of such securities for sale, as well as the issuance of substantial amounts of common shares upon conversion of outstanding convertible equity securities, could adversely affect the prevailing market prices for securities and dilute investors' earnings per share. A decline in the future market prices of the Company's securities could impair its ability to raise additional capital through the sale of securities should it desire to do so.

The Company is subject to foreign exchange risk relating to the relative value of the United States dollar.

A material portion of the Company's expenses are denominated in United States dollars. As a result, the Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the United States dollar. A decline in the Canadian dollar would result in an increase in the actual amount of its expenses and adversely impact financial performance.

Any failure to maintain an effective system of internal controls may result in material misstatements of the Company's consolidated financial statements or cause the Company to fail to meet the reporting obligations or fail to prevent fraud; and in that case, shareholders could lose confidence in the Company's financial reporting, which would harm the business and could negatively impact the price of the common shares.

Effective internal controls are necessary to provide reliable financial reports and prevent fraud. If there is a failure to maintain an effective system of internal controls, the Company might not be able to report financial results accurately or prevent fraud; and in that case, shareholders could lose confidence in the Company's financial reporting, which would harm the business and could negatively impact the price of the common shares. While the Company believes that it will have sufficient personnel and review procedures to maintain an effective system of internal controls, no assurance can be provided that potential material weaknesses in internal control could arise. Even if it is concluded that the internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm results of operations or cause a failure to meet future reporting obligations.

Any future profits will likely be used for the continued growth of the business and products and will not be used to pay dividends on the issued and outstanding shares.

The Company will not pay dividends on the issued and outstanding Common Shares in the foreseeable future. If the Company generates any future earnings, such cash resources will be retained to finance further growth and current operations. The board of directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position and other factors relevant at the particular time. Until the Company pays dividends, which it may never do, a shareholder will not be able to receive a return on his or her investment in the Common Shares unless such Common Shares are sold. In such event, a shareholder may only be able to sell his, her or its Common Shares at a price less than the price such shareholder originally paid for them, which could result in a significant loss of such shareholder's investment.

The market for shares in Canada is not stable or predictable and shareholder profits are not in the foreseeable future.

The market price for the Common Shares cannot be assured. Securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

The trading price of the Common Shares has been, and may continue to be, subject to large fluctuations. For the same reason, the value of any of the Company's securities convertible into, or exchangeable for, the Common Shares may also fluctuate significantly, which may result in losses to investors. The trading price of the Common Shares and, if applicable, any securities exercisable for, convertible into, or exchangeable for, the Common Shares may increase or decrease in response to a number of events and factors, both known and unknown. In addition, the market price of the Common Shares will be affected by many variables not directly related to the Company's success and will therefore not be within its control, including other developments that affect the market for all drug development securities, the breadth of the public market for the common shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares has historically made the Common Share price volatile and suggests that the Common Share price will continue to be volatile in the future.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

The market price for the Common Shares may also be affected by the Company's ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of the Common Shares.

The Company may pursue other business opportunities in order to develop its business and/or products.

From time to time, the Company may pursue opportunities for further research and development of other products. The Company's success in these activities will depend on its ability to identify suitable technical experts, market needs, and effectively execute any such research and development opportunities. Any research and development would be accompanied by risks as a result of the use of business efforts and funds. In the event that the Company chooses to raise debt capital to finance any such research or development opportunities, its leverage will be increased. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with any research or development opportunities.

Generally, a litigation risk exists for any company that may compromise its ability to conduct the Company's business.

All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company's success depends on its ability to effectively manage its growth.

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require the Company to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Inability to deal with this growth could have a material adverse impact on its business, operations and prospects. The Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for its personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support its operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

The Company is likely a "passive foreign investment company," which may have adverse United States federal income tax consequences for United States shareholders.

United States investors should be aware that the Company believes it was classified as a passive foreign investment company ("PFIC"), during the tax years ended March 31, 2017 and 2016, and based on current business plans and financial expectations, the Company expects that it will be a PFIC for the current tax year and may be a PFIC in future tax years. If the Company is a PFIC for any year during a United States shareholder's holding period of the Common Shares, then such United States shareholder generally will be required to treat any gain realized upon a disposition of the Common Shares, or any so-called "excess distribution" received on the Common Shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election ("QEF Election"), or a "mark-to-market" election with respect to the Common Shares. A United States shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distribute any amounts to its shareholders. A United States shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the Common Shares over the shareholder's adjusted tax basis therein. Each United States shareholder should consult its own tax advisors regarding the PFIC rules and the United States federal income tax consequences of the acquisition, ownership and disposition of the Common Shares.

It may be difficult for non-Canadian investors to obtain and enforce judgments against the Company because of the Company's Canadian incorporation and presence.

The Company is a corporation existing under the laws of the Province of Alberta, Canada. Several of the Company's directors and officers, and several of the experts are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of the Company's assets, are located outside the United States. Consequently, although the Company has appointed an agent for service of process in the United States, it may be difficult for holders of the Company's securities who reside in the United States to effect service within the United States upon those directors and officers, and the experts who are not residents of the United States. It may also be difficult for holders of the Company's securities who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon the Company's civil liability and the civil liability of the Company's directors, officers and experts under the United States federal securities laws. Investors should not assume that Canadian courts (i) would enforce judgments of United States courts obtained in actions against the Company or

such directors, officers or experts predicated upon the civil liability provisions of the United States federal securities laws or the securities or "blue sky" laws of any state or jurisdiction of the United States or (ii) would enforce, in original actions, liabilities against the Company or such directors, officers or experts predicated upon the United States federal securities laws or any securities or "blue sky" laws of any state or jurisdiction of the United States. In addition, the protections afforded by Canadian securities laws may not be available to investors in the United States.

DIVIDENDS

There are no restrictions in the Company's articles preventing the Company from paying dividends. The Company has not declared or paid any dividends since incorporation. The directors of the Company anticipate that the Company will retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the directors after taking into account many factors including the Company's operating results, financial condition and current and anticipated cash assets.

SHARE CAPITAL

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares of which 24,313,334 Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.

Each Common Share carries one vote at all meetings of shareholders, is entitled to receive dividends as and when declared by the directors, and is entitled to a pro-rata share of the remaining property and assets of the Company distributable to the holders of the Common Shares upon any liquidation, dissolution or winding up of the Company.

Convertible Securities

In addition, as at the date hereof, there are issued and outstanding the following convertible securities of the Company, details of which are outlined in the table below:

Security	Number	Exercise or Conversion Price	Expiry Date (dd/mm/yyyy)
Stock options	1,291,657	$1.40 to $3.00	13/07/2017 to 13/02/2027
Broker warrants	429,022	$2.00	04/03/2018 to 28/02/2019
Warrants	198,000	$2.00	05/04/2021
Incentive warrants	2,667,083	$2.00	01/01/2021 to 04/03/2021

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSXV under the symbol "MDNA". The following table shows the price ranges and volumes traded on the TSXV for the periods noted:

Month	TSXV		
	High ($)	Low ($)	Volume (#)
January 2016	$0.98	$0.98	714
February 2016	$0,98	$0.98	2,143
March 2016	$1.26	$0.70	8,643
April 2016	$1.26	$1.26	3,857
May 2016	$1.26	$1.26	1,785
June 2016	–	–	–
July 2016	$0.77	$0.70	3,428
August 2016	–	–	–
September 2016	$1.05	$1.05	2,285
October 2016	$1.12	$1.05	1,142
November 1-8, 2016[1]	$1.40	$1.40	2,500
March 8 –31, 2017	$ 3.30	$ 2.00	771,071

[1] Trading of the Common Shares was halted by the TSXV from November 9, 2016 through March 8, 2017 in contemplation of the Transaction.

Prior Sales

The following securities of the Company (other than Common Shares) were issued during the fiscal year ended March 31, 2017:

Date of Issue	Security	Number	Exercise Price
March 28, 2017	Stock options	50,000	$3.00
March 1, 2017	Stock options	1,100,000	$2.00
March 1, 2017	Broker warrants	433,812	$2.00
March 1, 2017	Warrants	198,000	$2.00
March 1, 2017	Incentive warrants	2,667,083	$2.00

ESCROWED SECURITIES

Pursuant to the policies of the TSXV, certain Common Shares were placed under escrow and remain under escrow as at the date hereof as set out in the table below.

The escrow agent is TSX Trust Company (the "Escrow Agent").

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	14,682,858	60.39%

In connection with the CPC IPO, pursuant to an escrow agreement dated June 8, 2015 (the "CPC Seed Escrow Agreement") among A2, the Escrow Agent and certain shareholders of A2, an aggregate of 714,285 (pre-Consolidation 10,000,000) Common Shares were placed in escrow.

In connection with the Transaction, and pursuant to an escrow agreement dated March 1, 2017 (the "QT Escrow Agreement") between the Company, the Escrow Agent and certain shareholders of the Company, an aggregate of 15,600,000 Common Shares were placed in escrow.

Ten percent (10%) of all such escrowed shares were released on March 3, 2017 upon receipt of the final TSXV approval in connection with the Transaction and a further fifteen percent (15%) will be releasable on each of the six month, twelve month, eighteen month, twenty-four month, thirty month and thirty-six month anniversaries of such approval in accordance with the policies of TSXV.

BOARD OF DIRECTORS AND MANAGEMENT

The following are the names and municipalities of residence of each of the directors and officers of the Company, the positions and offices held with the Company, their respective principal occupations within the five preceding years and the number and percentage of Common Shares beneficially held by each of them as of the date hereof. Each director will hold office until the next annual meeting of the Company, unless his or her office is earlier vacated in accordance with the ABCA or the by-laws of the Company.

Name, State/ Province and Country of Residence	Positions with the Company and, if Director, Date First Elected	Principal Occupation(s) for Past 5 Years	Number and Percentage of Common Shares Owned
Fahar Merchant Toronto, Ontario, Canada	President, Chief Executive Officer and Director[1] October 30, 2011[5]	President and Chief Executive Officer of Medicenna	5,050,000[4] (20.77%)
Albert Beraldo Toronto, Ontario, Canada	Director[1][3] November 22, 2016[5]	President of Idoman Ltd. (July 2008 – Present) President and Chief Executive Officer of Alveda Pharmaceuticals Inc. (2006- November 2015) Director of Helix Biopharma Corp. (January 2016 – Present) Director of Telesta Therapeutics Inc. (November 2008 - November 2013)	Nil
Chandrakant Panchal Dollard Des Ormeaux, Quebec, Canada	Director[1][2] November 22, 2016[5]	Chairman, CEO and CSO of Axcelon Biopolymers Corp. (2001 to present) Director, Canadian Oil Recovery and Remediation Inc. (2008 to present) Director, Avivagen (2005 to 2016).	Nil

Name, State/ Province and Country of Residence	Positions with the Company and, if Director, Date First Elected	Principal Occupation(s) for Past 5 Years	Number and Percentage of Common Shares Owned
		Director, Panacea Global Inc. (2016 – present)	
Andrew Strong Houston, Texas, United States	Director[(2)(3)] November 22, 2016[(5)]	Partner, Pillsbury Winthorp Shaw Pittman LLP (March 2015 to present) President and CEO of Kalon Biotherapeutics LLC (June 2011 to March 2015) Director of Ashford Hospitality Prime (NYSE) (November 2013 – present)	Nil
Rosemina Merchant Toronto, Ontario, Canada	Chief Development Officer and Director April 25, 2016[(5)]	Chief Development Officer of Medicenna (October 30, 2011 – Present)	5,050,000[(4)] (20.77%)
Elizabeth Williams Georgetown, Ontario, Canada	Chief Financial Officer, Corporate Secretary	Vice President Finance and Administration, Aptose Biosciences (previously Director of Finance, Acting CFO) (June 2004 to December 2016).	5,300 (0.02%)
Patrick Ward Houston, Texas	Chief Operating Officer	COO and Co-Founder, Avaria Pharmaceuticals (March 2014 – December 2016) President and COO Ocusoft, Inc. (February 2011 to March 2014)	Nil

Notes:

(1) Member of the Company's Audit Committee.
(2) Member of the Company's Corporate Governance and Nominating Committee.
(3) Member of the Company's Compensation Committee.
(4) In addition, an aggregate of 5,500,000 Common Shares (representing 22.62% of the outstanding Common Shares) are held by Aries Biologics Inc. Fahar Merchant and Rosemina Merchant each owns 50% of the voting shares, and is a director and officer, of Aries Biologics Inc.
(5) Represents the date the individual was first appointed as director of MTI. Each such director was appointed as director of the Company effective March 1, 2017 in connection with the completion of the Transaction.

Biographies of Executive Officers and Directors

Fahar Merchant – Chairman, President and CEO - Dr. Merchant is a 25-year biotech veteran, a serial entrepreneur and co-founder of Medicenna. Previously he was President and CEO of Protox Therapeutics Inc. (TSX.V and TSX; now Sophiris Bio, Nasdaq) where he established a late clinical stage urology company. At Protox Therapeutics Inc. he raised over $70M through multiple PIPEs, including a $35M investment by Warburg Pincus. In 1992, he co-founded IntelliGene Expressions, Inc., a biologics CDMO, and built it to one of the fastest growing companies in Canada. In 2000, by strategic in-licensing, he co-founded Avicenna Medica, Inc., a clinical stage oncology company that was sold a year later to KS Biomedix (LSE) for $90M. Fahar was CTO and Director of KS Biomedix until its acquisition by Xenova (Nasdaq and LSE; now Celtic Pharma). Fahar has closed several transactions valued at over $300M. He has a PhD in Biochemical Engineering from Western University.

Albert Beraldo – Director - Mr. Beraldo, CPA, CA, has over 30 years' experience in varying roles within the pharmaceutical/biotechnology industry. He was the founder and President and Chief Executive Officer of Alveda Pharmaceuticals Inc., a leading supplier of pharmaceuticals to the Canadian health care market, from 2006 until November 2015. Alveda was acquired by Teligent, Inc. (formerly IGI Laboratories, Inc.) (NASDAQ: TLGT), a New Jersey-based specialty generic pharmaceutical company. Mr. Beraldo formerly served as President and CEO of Bioniche Pharma Group Limited until 2006. Mr. Beraldo has served as an Independent Director of Helix Biopharma Corp. since January 28, 2016 and was an Independent Director of Telesta Therapeutics Inc. from November 2008 to November 2013. Mr. Beraldo worked in public accounting with Ernst and Whinney until he joined Vetrepharm Canada Inc. as Financial Controller in 1983. Mr. Beraldo obtained a Bachelor of Commerce degree from the University of Windsor and a Chartered Accountant designation from the Canadian Institute of Chartered Accountants.

Chandrakant Panchal – Lead Independent Director - Dr. Panchal is the Founder of Axcelon Biopolymers Corp., a biotechnology company where he is Chairman, CEO and CSO. From 1989 to 1999 he was Co-Founder, President, and CEO of Procyon Biopharma Inc., which he took public on the TSXV in 1998 and later on TSX in 2000. Thereafter, Dr. Panchal was CSO at Procyon until its merger with Cellpep, Inc (2006). He was then Senior Executive VP of Business Development at the merged entity, Ambrilia Biopharma Inc. During his term at Procyon and Ambrilia, he led several licensing and M&A transactions with pharmaceutical and biotechnology companies relating to cancer and HIV drugs developed by the company. Dr. Panchal sits on multiple public company boards and was until recently, a board member of MaRS Innovation and Avivagen (TSXV:VIV). Dr. Panchal obtained a PhD in biochemical engineering from Western University.

Andrew Strong – Director - Mr. Strong has been a partner at Pillsbury Winthrop Shaw Pittman since 2015 and leads the Life Sciences Team (Houston, TX). Mr. Strong has represented numerous Fortune 500 clients as well as public universities, and state and local government entities in federal and state court litigation and regulatory proceedings. From 2009 to 2011 Mr. Strong served as the General Counsel and Compliance Officer for the Texas A&M University System where he led efforts to secure a multi-billion dollar federal contract to serve as a first line of defense for influenza pandemics and biological threats. As part of that effort, he led the formation of a state-owned biomanufacturing company (Kalon Biotherapeutics) and was subsequently appointed CEO of Kalon that would develop and manufacture biologics for clinical and commercial supply for pharmaceutical and biotech companies. In addition to raising capital, Mr. Strong oversaw the successful sale, in 2014, of Kalon to a subsidiary of FUJIFILM Corporation and Mitsubishi Corporation. Mr. Strong has a J.D., Law from South Texas College of Law. Mr. Strong is a Director and Chair of the Compensation Committee for Ashford Hospitality Prime which is listed on the NYSE.

Rosemina Merchant – Director and Chief Development Officer - Ms. Merchant has 30 years of experience in the development of biopharmaceuticals. Most recently, Ms. Merchant was Senior VP of Development and Regulatory Affairs at Sophiris (formerly, Protox Therapeutics Inc.) and responsible for development of PRX302 for prostate cancer and BPH. She transitioned PRX302, a discovery project to a late stage clinical program in less than 6 years. During that time, she executed multiple clinical trials, managed Canadian and United States regulatory filings and led all CMC related outsourcing activities in the United States and Europe. In 1992, Nina co-founded, IntelliGene Expressions, Inc., a biologics CDMO, where she was VP of Manufacturing and Chief Operating Officer. Nina also held a variety of senior level positions at KS Biomedix, Bioniche, GE LifeSciences, Sanofi Pasteur and Alberta Innovates. Her education includes a MESc. in Biochemical Engineering from Western University.

Elizabeth Williams – Chief Financial Officer - Ms. Williams, CPA, CA has more than 12 years of experience in biotech, working with publicly listed entities in both Canada and the United States. Ms. Williams has extensive financing experience playing an integral role in raising more than $100 million in financing by way of public offerings, private placements, rights offerings, at-the-market facilities, warrant exercises, corporate reorganizations and debt (issuance and redemption). Prior to joining Medicenna, Ms. Williams was the Vice President of Finance and Administration at Aptose Biosciences Inc. (previously Lorus Therapeutics Inc.) a biotechnology company listed on both the Exchange and Nasdaq Capital Markets. While at Aptose, Ms. Williams held several positions including acting as the Chief Financial Officer during a lengthy transition period and was responsible for a broad range of activities including financings, financial reporting and regulatory compliance. Prior to joining Aptose, Ms. Williams was an Audit Manager at Ernst and Young LLP with a focus on publicly listed multinational companies. Ms. Williams is a Chartered Professional Accountant and Chartered Accountant and received a Bachelor of Business Administration from Wilfrid Laurier University.

Patrick Ward – Chief Operating Officer - Mr. Ward, R.Ph., MBA has over 20 years of operational experience in the pharmaceutical industry, most recently as the COO and co-Founder of Aviara Pharmaceuticals, a clinical stage pharmaceutical company developing a portfolio of small molecule assets acquired from Pfizer. Prior to Aviara, he was President and COO of Ocusoft, Inc., a specialty ophthalmic pharmaceutical company of over 120 employees, where he was also responsible for product development, manufacturing and regulatory affairs for a variety of pharmaceutical products. Prior to joining Ocusoft, Mr. Ward was Executive Director of Business Development at Encysive Pharmaceuticals (acquired by Pfizer) where he spent 13 years in business development, finance and marketing, with responsibility for strategic financial planning, new business deal activities, licensing transactions and alliance management. At Encysive, he was also involved in the partnering and commercialization of Argatroban™ in the United States and Canada with GSK and in Europe with Mitsubishi Pharmaceuticals, as well as the partnering and commercialization of Thelin™ in Europe. Prior to joining Encysive, Mr. Ward was with Owen Healthcare (now Cardinal Health) where he served in multiple roles in hospital pharmacy management. He received a B.S. in Pharmacy from The University of Houston and an M.B.A. in Finance from the University of St. Thomas.

Shareholdings of Directors and Executive Officers

As at the date hereof, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over 15,605,300 or approximately 64% of the number of issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Cease Trade Orders

To the knowledge of the Company, no director or executive officer of the Company is, or within the ten years prior to the date hereof has been, a director, chief executive officer, or chief financial officer, of any company (including the Company) that was subject to (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities laws, that was in effect for a period of more than thirty consecutive days, issued while that person was acting in such capacity or issued thereafter but resulted from an event that occurred while that person was acting in such capacity.

Bankruptcies

To the knowledge of the Company, no director or executive officer or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in such capacity or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Company, no director or executive officer or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold that person's assets.

Penalties and Sanctions

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of Medicenna to affect materially the control of the Company has been subject to (a) any penalties or sanctions imposed by a court relating to securities laws or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

All of the above disclosure also applies to any personal holding companies of any of the persons referred to above.

CONFLICTS OF INTEREST

Certain of the Company's officers and directors are also officers and/or directors of other, or otherwise be involved with or consulted by, companies engaged in the biotechnology industry and research business generally and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's-length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Company which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Company. Any such conflicts is governed by applicable corporate laws, which require that directors act

honestly, in good faith and with a view to the best interests of the Company. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Company, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

In addition, the ABCA requires the officers and directors to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with the Company and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction, unless otherwise permitted under the ABCA.

PROMOTER

Gino L. DeMichele may have been considered to be the promoter of A2 in that he took the initiative in founding and organizing A2. Mr. DeMichele (through a holding company) held 621,428 Common Shares (2.56% of the outstanding Common Shares) and 53,571 stock options upon completion of the Transaction.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no existing or contemplated material legal proceedings to which Medicenna or a subsidiary of Medicenna is a party or of which any of their respective property is the subject matter and no such proceedings known to Medicenna is contemplated. Medicenna has not had any material penalties or sanctions imposed against it by any legal or regulatory authorities.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise set out herein, there are no material interests, direct or indirect, of any director, executive officer, person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction within the last three completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT

The Company's registrar and transfer agent is TSX Trust Company of Canada, located at 300 - 200 University Avenue, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

The Company is not party to any material contract that was entered into either (1) in the last completed fiscal year, or (2) before the most recently completed fiscal year but that is still in effect as of the date hereof, except for contracts entered into in the ordinary course of business and as set out below:

1. the agency agreement between MTI and Bloom Burton dated March 4, 2016 entered into in connection with the private placement of Special Warrants;

2. the agency agreement between MTI and RGMP dated February 28, 2017 entered into in connection with the private placement of Subscription Receipts;

3. the Amalgamation Agreement;

4. the Stanford License Agreements;

5. the CPRIT grant agreement made effective as of March 1, 2015;

6. the NIH License Agreements;

7. the CPC Seed Escrow Agreement; and

8. the QT Escrow Agreement.

INTEREST OF EXPERTS

The Company's registered public accounting firm is Davidson and Company LLP. Davidson and Company LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of the Institute of Chartered Accountants of Ontario) and the rules and standards of the Public Company Accounting Oversight Board (United States) and the securities laws and regulations administered by the United States Securities and Exchange Commission.

Prior to the Transaction, KPMG LLP were the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant bodies in Canada and any applicable legislation and regulations.

Except as disclosed herein, no person or company whose profession or business gives authority to a report, valuation, statement or opinion made by the person or company and who is named as having prepared or certified the report, valuation, statement or opinion described in or included in this AIF or a filing made under National Instrument 51-102 by the Company, during, or relating to, the Company's most recently completed financial year holds more than 1% beneficial interest, direct or indirect, in any securities or other property of the Company or of an associate or affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found under the Company's profile on SEDAR at www.sedar.com.

Additional information including the former directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of security holders that involved the election of directors.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's filing statement dated February 27, 2017.

Additional financial information is provided in the Company's financial statements and related MD&A for its most recently completed financial year ended March 31, 2017, copies of which are also available under the Company's profile on SEDAR at www.sedar.com.

Additional information regarding the Company's audit committee can be found annexed hereto as Schedule A.

SCHEDULE A
AUDIT COMMITTEE INFORMATION

1. Audit Committee Charter

See **Appendix 1** attached hereto.

2. Composition of the Audit Committee

The Audit Committee of the Company is currently comprised of Mr. Alberto Beraldo (Chairman), Dr. Chandrakant Panchal and Dr. Fahar Merchant. Mr. Beraldo and Dr. Panchal are both independent and financially literate and Dr. Merchant is financially literate within the meaning of National Instrument 52-110 – Audit Committees.

3. Relevant Education and Experience

The relevant education and experience of each member of the Audit Committee is provided above, under the heading "Directors and Officers". The majority of the Audit Committee members are independent of management of the Company as required by the TSXV and each member is financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Each individual has experience managing a publicly listed Company as the Chief Executive Officer and, in that role, reviewing financial statements and reports.

4. Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

5. Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial period has the Corporation relied on the following exemption under NI 52-110: section 2.4 (*De Minimus Non-Audit Services*), subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

The Company is relying on the exemption provided in Section 6.1 of NI 52-110 as the Company is a "venture issuer". As a result, the Company is exempt from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

6. Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as described in the Audit Committee Charter attached hereto as **Appendix 1** to this Schedule "A".

7. External Auditor Service Fees

YEAR ENDING	AUDIT FEES	AUDIT RELATED FEES	TAX FEES	ALL OTHER FEES
March 31, 2017[1]	**$62,456[2]**	**NIL**	**NIL**	**$11,400[3]**
December 31, 2015[4]	**$ 25,000**	**NIL**	**$1,250**	**$7,000**

1 The Company changed its year end from December 31st to March 31st, therefore the fees for the period ending March 31, 2017 are for the 15 months then ended.

2 Fees for the year ended March 31, 2017 include audit fees paid to Davidson and Company LLP for audit services related to MTI and the Company of $57,956 and $4,500 to the former auditors of the Company for audit services.

3 All other fees paid in the year ended March 31, 2017 consist of fees paid by the Company to KPMG of $7,400 and fees of $4,000 paid by MTI to Davidson and Company LLP related to the Transaction.

4 Audit fees in the year ended December 31, 2015 include fees paid to MTI's auditors, Davidson and Company LLP of $19,000 and $6,000 to the Company's former auditors KPMG LLP

"Audit Fees" refers to the aggregate fees billed by the Company's external auditors for audit services. "Audit Related Fees" refers to aggregate fees billed for assurance and related services by the Company's external auditors that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees, including the review of interim filings and travel related expenses for the annual audit. "Tax Fees" includes fees for professional services rendered by the Company's external auditors for tax compliance, tax advice and tax planning. "All Other Fees" includes all fees billed by the Company's external auditors for services not covered in the other three categories.

APPENDIX 1

AUDIT COMMITTEE CHARTER

1. Purpose

The primary function of the audit committee (the "Committee") is to assist the Board of Directors (the "Board") of Medicenna Therapeutics Corp (the "Company") in fulfilling its financial oversight responsibilities by reviewing the financial statements, financial reports and other financial information provided by the Company to regulatory authorities and shareholders.

The majority of the members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the external auditors.

2. Composition

(a) At Least Three Members. The Committee shall be comprised of a minimum three directors as determined by the Board. At least two members of the Committee shall be free from any material relationship with the Company. A material relationship means a relationship that could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment. In any event, a member of the Committee has a material relationship with the Company if he is deemed to have one pursuant to National Instrument 52-110 – *Audit Committees.*

All members of the Committee shall also be "financially literate", meaning the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting.

The Board shall designate a Committee member as the Chairperson of the Committee, or if the Board does not do so, the Committee members shall appoint a Compensation Committee member as Chairperson by a majority vote of the full Committee member ship.

(b) Appointment and Removal. The Board shall appoint Committee members at the first meeting of the Board following each Annual General Meeting. Members of the Committee shall serve for one year terms and until their successors are appointed. The Board may fill vacancies on the Committee by a majority vote of the authorized numbers of directors, but may remove Committee members only with the approval of a majority of the other independent directors then serving on the full Board.

3. Meetings, Reports and Resources of the Audit Committee

(a) Meetings. In discharging its responsibilities, the Committee shall meet as often as it determines necessary or advisable, but not less frequently than quarterly. The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. The meetings may be in person or telephone. The Committee shall keep written minutes of its meetings and shall deliver a copy of such minutes to the Board and to the corporate secretary of the Company for inclusion in the Company's minute books, and reports of Committee meetings will be presented at the next regularly scheduled Board meeting. The Committee may meet in separate executive sessions with other directors, the CEO and other Company employees, agents or representatives invited by the Compensation Committee

(b) Procedures. The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this charter, the articles, or applicable laws or regulations. The Chairperson or majority of the Committee members may call meetings of the Committee. A majority of the authorized number of Committee members shall constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at the meeting at which a quorum is present shall be the act of the Committee. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

(c) Resources. The Committee has been expressly authorized by the Board of the Company to (a) engage independent counsel and other advisors as it determines necessary to carry out its duties, (b) set and pay the compensation for any advisors employed by the Committee, and (c) communicate directly with the internal and external auditors.

4. Authority and Responsibilities

In furtherance of its purpose, the Committee shall have the following authority and responsibilities:

(a) recommend to the Board: (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and (ii) the compensation of the external auditor;

(b) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(c) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor in accordance with the pre-approval process noted below;

(d) review the accounting principles and practices to be applied and followed by the Company during the fiscal year and any significant changes from those applied and followed during the previous year;

(e) review the adequacy of the systems of internal accounting and audit policies, practices and controls established by the Company, and discuss with the auditor the results of its reviews and reports;

(f) review all litigation and claims involving or against the Company which could materially

adversely affect its financial position and which the auditor or any officer of the Company may refer to the Committee

(g) ensure that the auditor submits on a periodic basis to the Committee, a formal written statement delineating all relationships between the auditor and the Company, consistent with Canadian auditor independence standards, and to review such statement and to actively engage in a dialogue with the auditor with respect to any disclosed or undisclosed relationships or services that may impact on the objectivity and independence of the auditor, and to review the statement and the dialogue with the Board and recommend to the Board appropriate action to ensure the independence of the auditor;

(h) meet with the auditor at least once per quarter without management present to allow a candid discussion regarding any concerns the auditor may have and to resolve any disagreements between the auditor and management regarding the Company's financial reporting;

(i) review the annual consolidated financial statements of the Company and the notes thereto following the examination thereof by the auditor and prior to their approval by the Board and report to the Board thereon;

(j) review and approve the quarterly financial statements, notes thereto and quarterly management discussion and analysis (MD&A) and related press releases of the Company prior to their release;

(k) review the annual MD&A, and other public disclosure documents and related press releases, including any prospectus prior to their approval by the directors.

(l) be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsections (j) to (j), and must periodically assess the adequacy of those procedures;

(m) establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(n) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

(o) review the adequacy of insurance policies maintained by the Company;

(p) approve the Corporate Disclosure and Trading Policy and review and assess the adequacy of the policy on an annual basis, or more often if deemed appropriate.

5. Pre-Approval of Non-Audit Services

The Committee satisfies the pre-approval requirement of item 4.(c) of its Responsibilities if:

(a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditor during the fiscal year in which the services are provided;

(b) the Company or the subsidiary entity of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

(c) the services are promptly brought to the attention of the Committee of the Company and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement of item 4.(c) of its Responsibilities. The pre-approval of non- audit services by any member to whom authority has been delegated pursuant hereto must be presented to the Committee at its first scheduled meeting following such pre-approval.

The Committee satisfies the pre-approval requirement of item 4.(c) of its Responsibilities if it adopts specific policies and procedures for the engagement of the non-audit services, if: (i) the pre-approval policies and procedures are detailed as to the particular service; (ii) the Committee is informed of each non-audit service; and (iii) the procedures do not include delegation of the Committee's responsibilities to management.