

CANNASAT THERAPEUTICS INC.
(the "Corporation")

AUDIT COMMITTEE CHARTER

ARTICLE 1 - ROLE AND OBJECTIVES

1.1 Role

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of the Corporation established for the purpose of overseeing the accounting and financial reporting process of the Corporation and external audits of the financial statement of the Corporation.

1.2 Objectives

The Committee will assist the Board in fulfilling its oversight responsibilities for:

- (a) the financial reporting process;
- (b) the system of internal control over financial reporting;
- (c) the audit process;
- (d) compliance with legal and regulatory requirements; and
- (e) the processes for identifying, evaluating and managing the Corporation's principal risks impacting financial reporting.

ARTICLE 2 - DUTIES, POWERS AND RESPONSIBILITIES

2.1 Duties, Powers, and Responsibilities

The Audit Committee is hereby delegated the duties and powers specified in section 158 of the *Business Corporations Act* (Ontario) and, without limiting these duties and powers, the Audit Committee shall:

- (a) Financial Reporting
 - (i) Review and recommend for approval to the Board the annual financial statements, accounting policies that affect the statements, annual MD&A and associated press release.

- (ii) Review the annual report (if applicable) for consistency with the financial disclosure referenced in the annual financial statements.
- (iii) Be satisfied as to the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from annual or quarterly financial statements and periodically assess the adequacy of such procedures.
- (iv) Review and approve quarterly financial statements, accounting policies that affect the statements, the quarterly MD&A, and the associated press release.
- (v) Review significant issues affecting financial reports.
- (vi) Review emerging GAAP developments that could affect the Corporation.
- (vii) Understand how management develops interim financial information and the nature and extent of external audit involvement.
- (viii) In review of the annual and quarterly financial statements, discuss the quality of the Corporation's accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.
- (ix) Review and approve any earnings guidance to be provided by the Corporation.

(b) Internal and Disclosure Controls

- (i) Consider the effectiveness of the Corporation's internal controls over financial reporting and related information technology security and control.
- (ii) Review and approve corporate signing authorities and modifications thereto.
- (iii) Review with the auditors any issues or concerns related to any internal control systems in the process of the audit.
- (iv) Review the plan and scope of the annual audit with respect to planned reliance and testing of controls and major points contained

in the auditor's management letter resulting from control evaluation and testing.

- (v) Establish and maintain complaint procedures regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Such procedures are appended hereto as Appendix A.
- (vi) Review with management, external auditors and legal counsel any material litigation claims or other contingencies, including tax assessments, and adequacy of financial provisions, that could materially affect financial reporting.
- (vii) Review with the Chief Executive Officer and the Chief Financial Officer the Corporation's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.
- (viii) Discuss with the Chief Executive Officer and the Chief Financial Officer all elements of certification required pursuant to National Policy 52-109.
- (ix) Approve all material related party transactions in advance.

(c) External Audit

- (i) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (ii) Review and approve the audit plans, scope and proposed audit fees.
- (iii) Annually review the independence of the external auditors by receiving a report from the independent auditor detailing all relationships between them and the Corporation.
- (iv) Discuss with the auditors the results of the audit, any changes in accounting policies or practices and their impact on the financials, as well as any items that might significantly impact financial results.

- (v) Receive a report from the auditors on critical accounting policies and practices to be used, all alternative treatments of financial information within GAAP that have been discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the auditor.
 - (vi) Receive an annual report from the auditors describing the audit firm's internal quality-control procedures, and material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out by the firm, and any steps taken to deal with any such issues.
 - (vii) Ensure regular rotation of the lead partner and reviewing partner.
 - (viii) Evaluate the performance of the external auditor and the lead partner annually.
 - (ix) Recommend to the Board (A) 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 Corporation, and (B) the compensation of the external auditor.
 - (x) Separately meet with the auditors, apart from management, at least once a year.
- (d) Non-Audit Services
- (i) Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor. Pre-approval may be granted by any one member of the Audit Committee.
- (e) Risk Management
- (i) Review and monitor the processes in place to identify and manage the principal risks that could impact the financial reporting of the Corporation.
 - (ii) Ensure that Directors and Officers insurance is in place.
 - (iii) Review and approve corporate investment policies.

- (iv) Assess, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.
- (f) Other Responsibilities and Matters
 - (i) Report through its Chair to the Board following meetings of the Audit Committee.
 - (ii) Review annually the adequacy of the Charter and confirm that all responsibilities have been carried out.
 - (iii) Evaluate the Audit Committee's and individual member's performance on a regular basis and report annually to the Board the result of its annual self-assessment.
 - (iv) Prepare annually a report for inclusion in the proxy statement.
 - (v) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
 - (vi) Discuss the Corporation's compliance with tax and financial reporting laws and regulation, if and when issues arise.

2.2 Authority

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Audit Committee at the cost of the Corporation without obtaining Board approval, based on its sole judgement and discretion. The Audit Committee has the authority to communicate directly with the internal and external auditors of the Corporation.

ARTICLE 3 - COMPOSITION

3.1 Composition

The Committee shall comprise at least three directors, none of whom shall be an officer or employee of the Corporation or any of its subsidiaries or any affiliate thereof. Each Committee member shall satisfy the independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular, each member of the Committee shall have no direct or indirect material relationship with the Corporation or any

affiliate thereof, which could reasonably interfere with the exercise of the member's independent judgment. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

3.2 Appointment

Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than two directors.

3.3 Chair

The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Committee Chair shall satisfy the independence, financial literacy and experience requirements (as described above).

3.4 Access

The Committee shall have access to such officers and employees of the Corporation and all subsidiaries and to such information respecting the Corporation and the subsidiaries, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

ARTICLE 4 - MEETINGS

4.1 Time and Location

The Committee shall meet at least quarterly at such times and at such locations as the Chair of the Committee shall determine. Any member of the Committee may also request a meeting of the Committee.

4.2 Quorum

The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.

4.3 Agenda

The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared agenda materials are circulated to the Committee with sufficient time for study prior to the meeting.

4.4 Majority Vote

At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.

4.5 Management

The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meetings by the Committee Chair. The Chair of the Committee shall hold in camera sessions of the Committee, without management present, at every meeting.

4.6 Minutes

A member of the Committee or the Secretary of the Corporation shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

4.7 Summary of Meetings

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request of the Chair.

4.8 External Auditor

The Committee shall meet periodically with the Corporation's external auditor (in connection with the preparation of the annual financial statements and otherwise as the Committee may determine), part or all of each such meeting to be in the absence of management.

Appendix A
to Cannasat Therapeutics Inc.
Audit Committee Charter

Procedures for the Submission of Complaints or Concerns
Regarding Accounting, Internal Accounting Controls or Auditing Matters

1. The Corporation shall forward to the Committee of the Board any complaints that it has received regarding accounting, internal accounting controls, or auditing matters.
2. Any employee of the Corporation may submit, on a confidential, anonymous basis if the employee so desires, any concerns by sending such concerns in writing and forwarding them in a sealed envelope to:

Chair of the Audit Committee
c/o Andrew Williams, Corporate Secretary
Cannasat Therapeutics Inc.
828 Richmond Street West
Toronto, Ontario M6J 1C9

The envelope is to be clearly marked, "To be opened by the Audit Committee only".

Any such envelopes received by the Corporate Secretary shall be forwarded promptly to the Chair of the Committee and appropriate confidentiality will be maintained.

3. Contact information including a phone number and e-mail address shall be published for the Chair of the Committee on the Corporation's website for those people wishing to contact the Chair directly.
4. At each of its meetings following the receipt of any information pursuant to this Appendix, the Committee shall review and consider any such complaints or concerns and take any action that it deems appropriate in the circumstances.
5. The Committee shall retain any such complaints or concerns along with the material gathered to support its actions for a period of no less than seven years. Such records will be held on behalf of the Committee by the Committee Secretary.
6. Appendix A shall appear on the Corporation's website as part of this Charter.