

**CANNASAT THERAPEUTICS INC.**  
**(the "Corporation")**

**SECURITIES TRADING AND REPORTING GUIDELINES**

**ARTICLE 1 - OBJECTIVES**

1.1 The purpose of this Policy is to ensure (a) compliance with applicable Canadian securities laws governing trading in securities of the Corporation while in possession of material non-public information concerning the Corporation; (b) tipping or disclosing material non-public information to outsiders; (c) reporting the trades of insiders in the securities of the Corporation and any change in their status; and (d) avoiding the appearance of improper trading or tipping.

1.2 In conjunction with regulatory requirements, it is the policy of the Corporation that, once a person becomes an insider (as described below), his or her security holdings in the Corporation, and any change therein, must be reported to the appropriate securities commissions. The responsibility for compliance with insider reporting obligations rests with the insiders and not with the Corporation. However, the Corporation has an interest in monitoring the holdings of its insiders and ensuring that their holdings are accurately reported, as the identity of insiders and the size of their holdings may be relevant in determining whether the Corporation is permitted, under applicable securities laws and stock exchange rules, to undertake certain types of transactions.

**ARTICLE 2 - SCOPE**

2.1 This Policy covers all officers and directors of the Corporation and all employees and consultants of the Corporation and its subsidiaries. Directors, officers, employees and consultants are responsible for ensuring compliance by their families and other members of their households.

2.2 This Policy applies to any transactions in any securities of the Corporation, including common shares, debentures, options or other securities exchangeable or exercisable into common shares, as well as exchange-traded options or other derivative securities that are not issued by the Corporation but are based on securities of the Corporation.

2.3 This Policy applies not only to the securities of the Corporation which a director, officer, employee or consultant owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to the securities of the Corporation that are indirectly owned (for example by a corporation controlled by a director, officer, employee or consultant or by an immediate family member of a director, officer, employee or consultant).

2.4 This Policy applies not only during the course of a director's, officer's, employee's or consultant's service to the Corporation, but also after the completion of such service to the extent the relevant person possesses material non-public information at the time such service is completed.

### **ARTICLE 3 - INSIDERS**

3.1 The directors and senior officers of the Corporation and its subsidiaries and others who are considered to be insiders of the Corporation pursuant to applicable securities laws and as such are subject to a higher standard of scrutiny and disclosure requirements than other people who may trade in securities of the Corporation. *Insiders should contact the Chief Executive Officer or the Chief Financial Officer of the Corporation when considering a transaction in securities of the Corporation to ensure that there is no material non-public information which has not been widely disseminated.*

### **ARTICLE 4 - REPORTING BY INSIDERS**

#### **4.1 Initial Reports**

An initial report must be filed within ten days of the date on which a person or corporation becomes an insider. An initial report is not required, however, when a person becomes an insider if he or she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation.

#### **4.2 Changes in Beneficial Ownership**

A person or corporation who is an insider must report any changes in his or her direct or indirect beneficial ownership of, or control over, securities of the Corporation within ten days of the date such change takes place.

#### **4.3 Stock Options**

A person or corporation who is an insider is reminded that the grant of an option, or the exercise of an option, gives rise to reporting obligations and an insider report must be filed with respect to these matters within ten days of the date such transaction takes place.

#### **4.4 Filing**

A person or corporation who is an insider is required to use the System for Electronic Disclosure by Insiders ("SEDI") for reporting insider trades. Reporting through SEDI can be completed by insiders themselves through the internet or through an agent. Insiders are referred to the internet

website for SEDI at [www.sedi.ca](http://www.sedi.ca). As well insiders are encouraged to contact the Chief Executive Officer or the Chief Financial Officer with respect to any questions about filing through the SEDI system.

## **ARTICLE 5 - DEFINITION OF MATERIAL NON-PUBLIC INFORMATION AND NON-PUBLIC INFORMATION**

### **5.1 Material Information**

Securities legislation and this Policy make frequent reference to material information. In this Policy, material information is any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to affect the investment decisions of a reasonable holder of securities of the Corporation or an investor or if the information would reasonably be expected to affect the market price or value of any of the securities of the Corporation.

### **5.2 Non-Public Information**

Material information is ‘non-public’ if it has not been generally disclosed. Information is considered to have been generally disclosed if: (i) the information has been disseminated in a manner calculated to effectively reach the marketplace, and (ii) public investors have been given a reasonable amount of time to analyze the information. For the purposes of this Policy, *information will be considered public, i.e. no longer non-public, after information has been generally disclosed by means of a broadly disseminated press release and the trading has closed on the first full trading day following such press release.*

If you are unsure whether the information that you possess is material or non-public, the Chief Executive Officer or the Chief Financial Officer of the Corporation should be consulted before trading in any securities of the Corporation.

## **ARTICLE 6 - STATEMENT OF POLICY AND PROCEDURES**

### **6.1 Prohibited Activities**

(a) No insider, employee or consultant may trade in securities of the Corporation while in possession of material non-public information concerning the Corporation.

(b) No insider, employee or consultant may trade in securities of the Corporation outside of the ‘trading windows’ described below, or during any designated special trading blackout periods.

(c) No insider, employee or consultant may trade in securities of the Corporation during any trading blackout period imposed on employees and consultants of the Corporation generally.

(d) No insider, employee or consultant may disclose material non-public information concerning the Corporation to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless such disclosure is necessary in the course of business and in accordance with the Corporation's Communications Policy. In any instance where such information is disclosed to outsiders, the outsider must be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in securities of the Corporation until the information has been generally disclosed.

(e) No insider, employee or consultant may give trading advice of any kind relating to securities of the Corporation to anyone while possessing material non-public information about the Corporation, except that insiders, employees and consultants should advise others not to trade securities of the Corporation if such trade might violate the law or this Policy.

(f) No insider, employee or consultant may (i) trade in securities of any other public company, trust, partnership or other entity (a "company") while possessing material non-public information concerning that company; (ii) 'tip' or disclose material non-public information concerning any company to anyone; or (iii) give trading advice of any kind to anyone concerning any other company while possessing material non-public information about that accompany that such insider, employee or consultant learned in the course of service to the Corporation.

(g) In order to avoid possible inadvertent conflict with this Policy, it is recommended that, outside of any stock option plans, no insider leave with a broker any outstanding sell or purchase orders.

## 6.2 **Trading Windows and Blackout Periods**

### (a) Definition of Blackout Period and Trading Window

A "blackout period" for the purposes of the Corporation shall consist of the period commencing on the 10<sup>th</sup> day prior to the end of the last month of any financial quarter to and including the end of business on the second full business day following disclosure of the Corporation's financial results of the quarter. For greater certainty, a "blackout period" also includes any time where an insider, employee or consultant is restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation. Alternatively, a "trading window" is the period of time between blackout periods where an insider, employee or consultant is not restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation.

(b) Designation of Blackout Periods

The Corporation will use reasonable efforts to notify insiders, employees and consultants by email when a general blackout period is in effect. However, it is the obligation of every insider, employee and consultant to ensure, prior to effecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in securities of the Corporation. In the event that an insider, employee or consultant is unsure whether they may trade in securities of the Corporation, they should contact the Chief Executive Officer or the Chief Financial Officer of the Corporation to determine if a general blackout period is in effect or if the insider, employee or consultant is in possession of material undisclosed information.

(c) Trading Windows for Insiders

Insiders may trade in securities of the Corporation only during the period beginning after the close of business one day following widespread public release of quarterly or year-end operating results, and ending at the close of trading on the earlier to occur of the fifth day preceding a meeting of the Board of Directors of the Corporation or the Audit Committee to approve any distribution or earnings press release or any financial statements reflecting the Corporation's operating results. However, such trading windows may be modified at any time.

(d) Trading Windows for Employees and Consultants

All other employees and consultants who are not insiders may trade in securities of the Corporation at any time, provided they are not in possession of material non-public information and no blackout period applicable to such employee or consultant is in place.

(e) Trading Prohibitions

No insider, employee or consultant possessing material non-public information concerning the Corporation may trade in securities of the Corporation even during applicable trading windows. Persons possessing such information may trade during a trading window only after the close of trading on the next full trading day following the widespread public release of the information.

No insider, employee or consultant may trade in securities of the Corporation outside of applicable trading windows or during any designated blackout periods. No insider, employee or consultant may disclose to any outside third party that a special blackout period has been designated.

### 6.3 **Priority of Statutory or Regulatory Trading Restrictions**

The trading prohibitions and restrictions set forth in this Policy will be superseded by any greater prohibition or restrictions prescribed by applicable securities laws and regulations.

## **ARTICLE 7 - ENFORCEMENT**

The consequences of prohibited insider trading or tipping can be severe. Below are the penalties under Canadian securities legislation for insider trading.

### 7.1 **Penalties Under Canadian Securities Laws**

Under securities laws, persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay fines up to the greater of \$1,000,000 and three times the profit made or loss avoided, pay administrative penalties of up to \$500,000 and serve a jail term of up to five years less a day. The Corporation may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under the Corporation's control.

### 7.2 **Discipline of Insider, Employee or Consultant by the Corporation**

Violation of this Policy or applicable securities laws and regulations by any insider, employee or consultant may subject such person to disciplinary action up to and including termination for cause in the case of an insider or employee or termination of the consulting contract in the case of a consultant.

If it is discovered that anyone subject to these policies has violated applicable securities laws, the matter may be referred to the appropriate regulatory authorities.