

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: AION THERAPEUTIC INC. (the “Issuer”)

Trading Symbol: AION

Number of Outstanding Listed Securities: 147,299,269

Date: August 8 2022

#### **Report on Business**

- 1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

The Issuer is focused on utilizing science, research, treatment, data mining and artificial intelligence to develop combinatorial pharmaceuticals, nutraceuticals and cosmeceuticals using compounds from cannabis (cannabinoids), psychedelic mushrooms (psilocybin), fungi, and other psychedelic formulations and their related medicinal global intellectual property protection.

On June 30, 2022, the Issuer announced that it has sold four patent applications and all associated supporting data to Apollon Formularies PLC (“**Apollon**”), a UK based international pharmaceutical company listed for trading on the Aquis Stock Exchange (AQSE: APOL).

Under the terms of an asset purchase agreement (the “**APA**”), the Issuer sold four patent applications, and all associated supporting data to Apollon (collectively, the “**Intellectual Property**”) as detailed below:

- Compositions and Methods for Treatment of Cancers;
- Compositions and Methods for Treatment of Inflammation;
- Methods for Treatment of Human Cancers Using Mushroom Compositions; and
- Methods for Treatment of Human Cancers Using Cannabis Compositions.

In consideration for the Intellectual Property, Apollon issued, to the Issuer, an aggregate of 4,348,679 common shares of Apollon at a deemed price of £0.066 per share; and agreed to pay to the Issuer an indefinite royalty fee of 4% of the global net revenue generated by the Intellectual Property (the “**Royalty**”). The Royalty is payable quarterly in arrears, commencing upon the first commercial product sales utilizing the Intellectual Property.

The Issuer retained the following patent applications:

- Compositions and Methods for Treatment of Psychoses and Psychotic Disorders;
- Compositions and Methods for Promoting Weight Loss and for Treatment of Obesity;
- Antiviral Compositions and Methods for Their Use;
- Compositions For Treatment of Interstitial Cystitis and Other Bladder Disease;
- Cannabis Compositions and Emulsions; and
- Cannabis Compositions and Nanoemulsions.

The APA was unanimously approved by all disinterested directors of the Issuer. Dr. Barnhill is the Chairman and Chief Executive Officer of Apollon and abstained from voting to approve the APA.

Further, Dr. Stephen D. Barnhill resigned as a Director of the Issuer and all subsidiary-level appointments and Dr. Herbert Fritsche resigned as Chief Science Officer of the Issuer.

In connection with Dr. Barnhill's resignation, the Issuer issued an aggregate of 5,500,000 common shares of the Issuer at a deemed price of \$0.05 per share to settle all amounts owing by Issuer and its subsidiaries to Dr. Barnhill (the "**Settlement Transaction**"). The common shares issued to Dr. Barnhill are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation, and such further restrictions as apply under foreign securities laws.

The Settlement Transaction constituted a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"), as Dr. Barnhill was a director of the Issuer at the time of the Settlement Transaction and acquired an aggregate of 5,500,000 common shares of the Issuer. The Issuer is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101, as the fair market value of the common shares issued to Dr. Barnhill does not exceed 25% of the market capitalization of the Issuer, as determined in accordance with MI 61-101. The Issuer did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Settlement Transaction, which the Issuer deems reasonable in order to complete the Settlement Transaction in an expeditious manner. The Settlement Transaction was unanimously approved by all disinterested directors of the Issuer.

**2. Provide a general overview and discussion of the activities of management.**

None.

3. **Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.**

None.

4. **Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.**

None.

5. **Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

None.

6. **Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

None.

7. **Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from, or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

None.

8. **Describe the acquisition of new customers or loss of customers.**

None.

9. **Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.**  
None.
10. **Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.**  
None.
11. **Report on any labour disputes and resolutions of those disputes if applicable.**  
None.
12. **Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**  
None.
13. **Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**  
None.
14. **Provide details of any securities issued and options or warrants granted.**  
  
See Item 1.
15. **Provide details of any loans to or by Related Persons.**  
None.
16. **Provide details of any changes in directors, officers or committee members.**  
See Item 1.
17. **Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.**

In March 2020, the World Health Organization declared a global pandemic related to the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”. This has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing have caused material disruption to businesses resulting in a global economic disruption. Global equity markets have experienced historic volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize domestic economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

The Issuer had operated primarily on a virtual basis prior to the COVID-19 pandemic. Therefore, the implementation of travel bans, self-imposed quarantine periods, social distancing and general closure of non-essential businesses in response to COVID-19 has not materially impacted the Issuer with its day-to-day operations. Furthermore, the Issuer does not expect the COVID-19 pandemic to have a material adverse effect on the Issuer’s results of operations.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 8, 2022.

Graham Simmonds  
Name of Director or Senior  
Officer

"Graham Simmonds" (signed)  
Signature

Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer AION THERAPEUTIC INC.	For Month End July 2022	Date of Report YY/MM/DD 22/08/08
Issuer Address 45 Sheppard Avenue East, Suite 703		
City/Province/Postal Code Toronto, Ontario, M2N 5W9	Issuer Fax No. N/A	Issuer Telephone No. (416) 843-2881
Contact Name Graham Simmonds	Contact Position CEO	Contact Telephone No. (416) 843-2881
Contact Email Address <a href="mailto:graham.simmonds@aiontherapeutic.com">graham.simmonds@aiontherapeutic.com</a>	Web Site Address <a href="http://www.aiontherapeutic.com">www.aiontherapeutic.com</a>	