

FORM 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)¹

Name of Listed Issuer: Algernon Pharmaceuticals Inc. (the "Issuer").

Trading Symbol: AGN

Issued and Outstanding Securities of the Issuer Prior to Transaction: 21,640,762

Date of News Release Fully Disclosing the Transaction: November 22, 2023 and March 27, 2024

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

On November 22, 2023, the Issuer signed a Letter of Intent with Seyltx Inc. ("Seyltx"), a privately owned U.S. based drug development company to sell Algernon's Ifenprodil research program for USD \$2.0 million and a 20% common share equity position in Seyltx, with the combined aggregate deemed value being USD\$2.0 million. The Issuer's equity position has anti-dilution rights in certain circumstances. The Issuer closed the transaction on March 27, 2024.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars: Approximately \$2.7 million.

(b) Cash: Approximately CAD\$2.7 million (USD\$2.0 million).

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

- (c) Other: 20% common share equity position in Seyltx with a nominal deemed value.
 - (d) Work commitments: The Issuer will provide support, oversight and assistance in management of a Phase 2b chronic cough clinical trial. All third-party costs pertaining to the trial will be borne by Seyltx. The Issuer's management team will provide assistance to Seyltx in promotion during financing transaction.
3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

The sale price was determined through arm's length negotiations between the Issuer and Seyltx.

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:

None.

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

Not applicable.

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

Maxim Group LLC. ("Maxim"), 300 Park Avenue, Floor 16, New York New York 10022, received compensation in connection with the transaction under an Advisory Agreement signed with the Issuer and previously announced on June 27, 2023.

- (b) Cash

The Issuer paid Maxim a cash fee in connection with the transaction.

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(c) Other

The Issuer will issue 200,000 Class A Common Shares of the Issuer to Maxim in connection with the transaction at a deemed price of \$0.085 per share.

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship.

No, not a Related Person.

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.

Not applicable.

2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

Not applicable

3. 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. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. 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).

5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated March 27, 2024.

James Kinley

Name of Director or Senior
Officer

/s/ James Kinley

Signature

Chief Financial Officer

Official Capacity