

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: AION

Number of Outstanding Listed Securities: 411,549,269

Date: January 8, 2024

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 a forward-thinking business within the health and wellness sector with a diverse portfolio of intellectual property. With a commitment to innovation and transformative solutions, the Issuer is poised to drive positive change to redefine the boundaries of health and wellness. Following the acquisition of Toppen Health Inc. (“**Toppen**”) on December 15, 2023, the Issuer has also been focused on the development of its business, as described under item 7 below.

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

None other than with respect to the acquisition of Toppen, as described under item 7. below.

- 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.**

See item 7. below.

- 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.**

See item 7. below.

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.**

On December 15, 2023, the Issuer announced that, further to its press release dated October 23, 2023, it completed the acquisition of all of the outstanding shares of Toppen Health Inc., a US-based innovative health and wellness company, dedicated to delivering state-of-the-art water filtration solutions (the "**Acquisition**").

The Acquisition was completed pursuant to a definitive share purchase agreement dated October 10, 2023 (the "**Purchase Agreement**") with Toppen and shareholders holding a majority of the issued and outstanding shares of Toppen (the "**Toppen Shares**") and a separate share purchase agreement with the remaining Toppen shareholders, entered into on the closing of the Acquisition (the "**Closing Purchase Agreement**").

Information Concerning Toppen

Co-founded in 2019 by Owen Boyd, Bill Roche, and Al Dubé, Sanford, Florida-based Toppen is a pioneering force in the field of water filtration, actively driving innovation within the industry with a commitment to delivering healthier water solutions. At the core of Toppen's mission lies the belief that every individual and community should have access to clean, safe, and healthier water and are dedicated to transforming this vision into reality.

Toppen's team has engineered a water filtration system that incorporates mechanical filtration, membrane filtration, adsorption, silver infection control, ion exchange, and chemical additions into a three-stage water purification solution designed to meet the needs of consumers, business, and industries worldwide. Toppen's flagship product, the UltraSafe series water filtration system with its

proprietary MicronGuard™, is a three-stage water filtration system that employs proprietary filters that deliver comprehensive and dependable water solutions for homes, offices, medical clinics, and industrial/agricultural facilities. The system is designed to eliminate an extensive range of contaminants, including bacteria, viruses, cysts, spores, pharmaceuticals, pesticides, heavy metals, and PFAS/PFOS/PFOA that has been independently certified verifying its capacity to remove 99.99% of PFAS from drinking water.

Toppen's 7,500 sq-ft manufacturing facility is based in Sanford, Florida, and Toppen currently has eight employees.

Toppen is the assignee of a registered patent application (Pub. No. US 20190151045A1) with the United States Patent and Trademark Office ("USPTO") for its device and system combination method for disinfecting and decontaminating water lines, for example, dental water lines in the absence of a primary chemical component. Furthermore, Toppen has submitted a provisional application with the USPTO for a patent relating to dental chair water bottle micro filters.

For further information regarding Toppen, please see the Issuer's news release dated December 15, 2023.

The Issuer intends to file a business acquisition report (the "**BAR**") with respect to the Acquisition in accordance with applicable securities laws. The Issuer will also concurrently file a modified Form 2A – *Listing Statement* in accordance with the policies of the CSE, which shall include audited financial statements of Toppen for the year ended November 30, 2023 (the "**Listing Statement**").

The Acquisition

The purchase price for the Acquisition was CAD \$10,000,000 (the "**Purchase Consideration**"), satisfied through the issuance of 200,000,000 common shares in the capital of the Issuer, issued at a deemed price of \$0.05 per share (the "**Consideration Shares**"). The Vendor's have agreed to allocate 45,000,000 Consideration Shares to an advisor of Toppen in connection with certain M&A services relating to the Acquisition. The Issuer may also be required to pay contingent consideration of US \$2,000,000 (the "**Earn-Out Payment**") if Toppen achieves revenue equal to or greater than US \$5,000,000 for the period from October 18, 2023 to April 30, 2025. Eligible revenue for the purposes of the earn-out calculation must exceed forty percent gross margins.

The Purchase Agreement contains customary representations and warranties, covenants and conditions for a transaction of this nature. A copy of the Purchase Agreement was filed on the Issuer's SEDAR+ profile and are available for viewing at www.sedarplus.ca. A copy of the Closing Purchase Agreement will also be filed on the Issuer's SEDAR+ profile.

The Consideration Shares are subject to a statutory resale restriction of four months and a day from the date of issuance and such further restrictions as may

be apply under foreign securities laws. In addition, the Consideration Shares are subject to an escrow period of three years pursuant to the requirements of the Canadian Securities Exchange (“CSE”), with the first release of 10% of the Consideration Shares to take place ten days following the filing of the Issuer’s BAR and Listing Statement, and the balance of the consideration shares in equal tranches of 15% every six months following the initial release date.

The Issuer determined the consideration for the Transaction through arm’s length negotiation.

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

See item 7. above.

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.

See item 7. above.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

See item 7. above.

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 7. above.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Trends and risks which may impact the Issuer are detailed in its Management's Discussion and Analysis for the three months ended October 31, 2023, and in the Issuer's Listing Statement in Section 17 – Risk Factors.

This form contains forward-looking information within the meaning of applicable Canadian securities legislation. Expressions such as "anticipates", "expects", "believes", "estimates", "could", "intends", "may", "plans", "predicts", "projects", "will", "would" and other similar expressions, or the negative of these terms, are generally indicative of forward-looking information. Forward looking statements in this form include statements regarding: Toppen's business, business goals and management's expectation on the growth and performance of its business, the Acquisition, including the benefits and terms of the Acquisition, receipt of all regulatory and other third party approvals required pursuant to the Acquisition and the filing of a Listing Statement and BAR with respect to the Acquisition; Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information, such as, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the ability of the Issuer and Toppen to implement their respective business strategies; competition; the risk that the parties will be unable to receive, in a timely manner, the necessary, regulatory and other third party approvals; the effects of weather, catastrophes and public health crises, including COVID-19; labour availability; disruptions to the Issuer's supply chains; changes to regulatory environment, armed hostilities and geopolitical conflicts; conclusions of economic evaluations; as well as those factors discussed in the sections relating to risk factors discussed in the Issuer's continuous disclosure filings on SEDAR+.

In addition, the forward-looking information contained in this form is based upon what management believes to be reasonable assumptions. Readers are cautioned not to place undue reliance on forward-looking information as it is inherently uncertain, and no assurance can be given that the expectations reflected in such information will prove to be correct. The forward-looking information in this form is made as of the date hereof and, except as required under applicable securities legislation, the Issuer assumes no obligation to update or revise such information to reflect new events or circumstances.

The securities of the Issuer have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This form is issued for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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: January 8, 2024.

Graham Simmonds
Name of Director or Senior
Officer

"Graham Simmonds" (signed)
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer AION THERAPEUTIC INC.	For Month End December 2023	Date of Report YY/MM/DD 24/01/08
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