

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	CORRECTIVE ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	Corrective Assignment to correct the Spelling of assignor and assignee names on the Notice of Recordation, and inclusion of patent shown in Request for Recordation previously recorded on Reel 019549 Frame 0288. Assignor(s) hereby confirms the Change of Name.

**CONVEYING PARTY DATA**

Name	Execution Date
Ecopia BioSciences, Inc.	03/13/2007

**RECEIVING PARTY DATA**

<b>Name:</b>	Thallion Pharmaceuticals, Inc.
<b>Street Address:</b>	7150 Alexander-Fleming
<b>City:</b>	Montreal
<b>State/Country:</b>	CANADA
<b>Postal Code:</b>	H4S 2C8

**PROPERTY NUMBERS Total: 3**

Property Type	Number
Application Number:	11053052
Application Number:	11053576
Patent Number:	6912470

**CORRESPONDENCE DATA**

Fax Number: (303)975-5337  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

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<b>ATTORNEY DOCKET NUMBER:</b>	54808.0001
<b>NAME OF SUBMITTER:</b>	James A. Sheridan


OP \$120.00 11053052

**Total Attachments: 71**

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RE	 103425367	U.S. DEPARTMENT OF COMMERCE United States Patent and Trademark Office
To the Director of the U.S. Patent and Trademark Office, at the address or the new address(es) below.		
<b>1. Name of conveying party(ies)</b> Ecopia Biosciences Inc.  Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>2. Name and address of receiving party(ies)</b> Name: <u>Thalion Pharmaceuticals Inc.</u> Internal Address: _____  Street Address: <u>7150 Alexander-Fleming</u>  City: <u>Montreal</u> State: <u>Quebec</u> Country: <u>Canada</u> Zip: <u>H4S 2C8</u>  Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>3. Nature of conveyance/Execution Date(s):</b> Execution Date(s) <u>March 13, 2007</u> <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input checked="" type="checkbox"/> Change of Name <input type="checkbox"/> Joint Research Agreement <input type="checkbox"/> Government Interest Assignment <input type="checkbox"/> Executive Order 9424, Confirmatory License <input type="checkbox"/> Other _____	<b>4. Application or patent number(s):</b> <input type="checkbox"/> This document is being filed together with a new application. A. Patent Application No.(s) <u>11/053,052</u> <u>11/053,576</u>  B. Patent No.(s) <u>6,912,470</u>  Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>5. Name and address to whom correspondence concerning document should be mailed:</b> Name: <u>Holland &amp; Hart LLP</u> Internal Address: _____  Street Address: <u>P.O. Box 8749</u>  City: <u>Denver, Colorado 80201</u> State: <u>Colorado</u> Zip: <u>8749</u> Phone Number: <u>(303) 295-8000</u> Fax Number: <u>(303) 295-8261</u> Email Address: <u>docket@hollandhart.com</u>	<b>6. Total number of applications and patents involved:</b> <u>3</u>  <b>7. Total fee (37 CFR 1.21(h) &amp; 3.41)</b> \$ <u>120</u> <input type="checkbox"/> Authorized to be charged by credit card <input checked="" type="checkbox"/> Authorized to be charged to deposit account <input type="checkbox"/> Enclosed <input type="checkbox"/> None required (government interest not affecting title)	
<b>9. Signature:</b> <u>James A. Sheridan</u> Signature _____ Date <u>7/5/07</u> Name of Person Signing _____	<b>8. Payment Information</b> a. Credit Card Last 4 Numbers <u>1460</u> Expiration Date <u>01/2011</u>  b. Deposit Account Number _____ Authorized User Name <u>James A. Sheridan</u>	
07/10/2007 DBYRNE 00000138 11053052 01 FC-3021	Total number of pages including cover sheet, attachments, and documents: <span style="border: 1px solid black; padding: 2px;">70</span>	

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

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Certificate of Arrangement

Certificat d'arrangement

Canada Business Corporations Act

Loi canadienne sur les sociétés par actions

CAPRION PHARMACEUTICALS INC. -	403457-1
PHARMACEUTIQUE CAPRION INC.	
Name of CBCA corporation(s) involved - Dénomination(s) de la (des) société(s) L C S A concernée(s)	Corporation number - Numéro de la société
I hereby certify that the arrangement set out in the attached articles of arrangement, involving the above-referenced corporation(s), has been effected under section 192 of the <i>Canada Business Corporations Act</i>	Je certifie que l'arrangement mentionné dans les clauses d'arrangement annexées, concernant la (les) société(s) susmentionnée(s), a pris effet en vertu de l'article 192 de la <i>Loi canadienne sur les sociétés par actions</i>
 Richard G. Shaw Director - Directeur	March 13, 2007 / le 13 mars 2007 Date of Arrangement - Date de l'arrangement

Canada

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1 -- Name of the applicant corporation(s) - Dénomination sociale de la(des) requérante(s)  CAPRION PHARMACEUTICALS INC PHARMAEUOTIQUE CAPRION INC.	2 -- Corporation No.(s) - N <sup>o</sup> (s) de la(des) société(s)  4034571
3 -- Name of the corporation(s) the articles of which are amended, if applicable Dénomination sociale de la(des) société(s) dont les statuts sont modifiés, le cas échéant  THALLION PHARMACEUTICALS INC THALLION PHARMACEUTIQUES INC	4 -- Corporation No.(s) - N <sup>o</sup> (s) de la(des) société(s)
5 -- Name of the corporation(s) created by amalgamation, if applicable Dénomination sociale de la(des) société(s) issue(s) de la(des) fusion(s), le cas échéant  THALLION PHARMACEUTICALS INC. THALLION PHARMACEUTIQUES INC.	6 -- Corporation No.(s) - N <sup>o</sup> (s) de la(des) société(s)  4417852
7 -- Name of the dissolved corporation(s), if applicable Dénomination sociale de la(des) société(s) dissoute(s), le cas échéant  N/A	8 -- Corporation No.(s) - N <sup>o</sup> (s) de la(des) société(s)
9 -- Name of other corporations involved, if applicable Dénomination sociale des autres sociétés en cause, le cas échéant  ECOPIA BIOSCIENCES INC.	10 -- Corporation No.(s) or Jurisdiction of Incorporation N <sup>o</sup> (s) de la(des) société(s) ou loi sous le régime de laquelle elle est constituée  3454746

11 -- In accordance with the order approving the arrangement - Conformément aux termes de l'ordonnance approuvant l'arrangement

a  The articles of the above named corporation(s) are amended in accordance with the attached plan of arrangement  
 Les statuts de la(des) société(s) susmentionnée(s) sont modifiés en conformité avec le plan d'arrangement ci-joint

The name of \_\_\_\_\_ is changed to \_\_\_\_\_  
 La dénomination sociale de \_\_\_\_\_ est modifiée pour \_\_\_\_\_

b  The following bodies corporate are amalgamated in accordance with the attached plan of arrangement \*  
 Les personnes morales suivantes sont fusionnées conformément au plan d'arrangement ci-joint

c  The above named corporation(s) is/are liquidated and dissolved in accordance with the attached plan of arrangement  
 La(des) société(s) susmentionnée(s) est(sont) liquidée(s) et dissoute(s) conformément au plan d'arrangement ci-joint

d  The plan of arrangement attached hereto, involving the above named body(ies), corporate is hereby effected  
 Le plan d'arrangement ci-joint portant sur la(des) personne(s) morale(s) susmentionnée(s) prend effet

\* Please see the attached appendix for a summary of the information relating to Thallion Pharmaceuticals Inc, being the corporation resulting from the amalgamation of Caprion Pharmaceuticals Inc. (corp. no. 4034571) and Ecopia BioSciences Inc. (corp. no. 3454746). Pursuant to the terms of the attached Plan of Arrangement, such amalgamation will take effect the day after the Effective Date.

Signature 	Printed Name - Nom en lettres majuscules Lloyd M. Segal	12 -- Capacity of - En qualité de Director	13 -- Tel. No. - N <sup>o</sup> de tél. (514) 940-3694
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MAR 19 2003

RC 3189 (2003/06)



APPENDIX

Summary charter information concerning Thallion Pharmaceuticals Inc., being the corporation resulting from the amalgamation of Caprion Pharmaceuticals Inc. and Ecopia Biosciences Inc.:

1. Name of the corporation:	Thallion Pharmaceuticals Inc. Thallion Pharmaceutiques Inc.
2. Province or territory in Canada where the registered office is situated:	Quebec
3. Classes and any maximum number of shares that the corporation is authorized to issue:	See Schedule I attached hereto.
4. Restrictions, if any, on share transfers:	None
5. Number (or minimum and maximum number) of directors:	Minimum: 3 - Maximum: 10
6. Restrictions, if any, on the business the corporation may carry on:	None
7. Other provisions, if any:	The directors shall have the right to appoint one or more additional directors, who shall hold office for a term expiring no later than the close of the next annual meeting of shareholders, but the total number of directors so appointed shall not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of shareholders.

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Schedule 1

The Corporation is authorized to issue:

- an unlimited number of Common Shares, and
- an unlimited number of Special Preferred Shares

Capitalized terms used but not otherwise defined have the meanings set forth in Article IV of this Schedule A

**I. COMMON SHARES**

The Common Shares shall be subject to the following rights, privileges, restrictions and conditions:

**1. Voting.**

The holders of Common Shares shall be entitled to one vote for each share held by them at all shareholders' meetings (other than meetings at which only the holders of another specified series or class of shares are entitled to vote, pursuant to the provisions hereof or pursuant to the provisions of the Act) and they shall be entitled to notice of all meetings of shareholders of the Corporation.

**2. Dividends.**

The holders of Common Shares shall be entitled to receive, as and when declared by the Board of Directors, dividends payable in money, property or by the issue of fully paid shares of the capital of the Corporation

**3. Liquidation.**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, subject to the rights, privileges, restrictions and conditions attaching to any class of shares ranking prior to the Common Shares, the holders of the Common Shares shall be entitled to receive the remaining property of the Corporation.

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4 Amendment.

Subject to the provisions of the Act, the provisions contained in this Article I shall not be deleted or amended unless effected by special resolution of the shareholders of the Corporation duly passed as then required by law, the holders of Common Shares being entitled to vote separately thereon as a class.

II. SPECIAL PREFERRED SHARES

The Special Preferred Shares shall be subject to the following rights, privileges, restrictions and conditions:

1. Non-voting.

Subject to the provisions of the Act or as otherwise expressly provided herein, the holders of the Special Preferred Shares shall not be entitled to receive notice of, nor to attend or vote at, meetings of the shareholders of the Corporation.

2. Dividends.

The holders of the Special Preferred Shares shall not be entitled to receive dividends.

3. Liquidation.

Upon any liquidation, dissolution or winding up of the Corporation prior to the occurrence of a Trigger Event, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, before any amount shall be paid to or any assets distributed among the holders of shares of any other class of the Corporation ranking subordinate to the Special Preferred Shares, the holders of the Special Preferred Shares shall be entitled to receive an amount equal to the Liquidation Amount. After payment to the holders of the Special Preferred Shares of the Liquidation Amount, they shall not be entitled to share in any further distribution of the assets of the Corporation. After the first anniversary of the Amalgamation, the Special Preferred Shares shall not be entitled to share in the distribution of the property or assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders of the Corporation for the purpose of winding up its affairs.

4. Automatic Redemption.

Subject to compliance with Section 36(2) of the Act, upon the occurrence of a Trigger Event, all of the issued and outstanding Special Preferred Shares shall be redeemed by the Corporation in the manner set forth in this Section 4.

- 4.1 Mechanics of Automatic Redemption. All holders of Special Preferred Shares shall be given written notice (a "Redemption Notice") of the occurrence of a Trigger Event and specifying the applicable Redemption Date. On the Redemption Date, the Corporation shall pay or cause to be paid the Redemption Amount to the registered holders of the Special Preferred Shares upon presentation and surrender of the certificates for the Special Preferred Shares at the registered office of the Corporation or at such other place or places as may be specified in the Redemption Notice, and the certificates for such Special Preferred Shares shall thereupon be cancelled, and the Special Preferred Shares represented thereby shall thereupon be redeemed. From and after the Redemption Date, the holders of the Special Preferred Shares shall cease to be entitled to exercise any of the rights of the holders thereof, except the right to receive the Redemption Amount, unless payment of the Redemption Amount is not made by the Corporation in accordance with the foregoing provisions, in which case the rights of the holders of such shares shall remain unaffected. On or before the Redemption Date, the Corporation shall have the right to deposit the Redemption Amount in a special account with any chartered bank or trust company in Canada named in the Redemption Notice, to be paid, without interest, to or to the order of the respective holders of such Special Preferred Shares, upon presentation and surrender of the certificates representing the same and, upon such deposit being made or upon the Redemption Date, whichever is later, the Special Preferred Shares in respect of which such deposit shall have been made, shall be deemed to be redeemed and the rights of the respective holders thereof, after such deposit or after such Redemption Date, as the case may be, shall be limited to receiving, out of the moneys so deposited, without interest, the Redemption Amount applicable to their respective Special Preferred Shares against presentation and surrender of the certificates representing such Special Preferred Shares.

- 4.2 Redemption Amount. Subject to adjustment pursuant to Section 4.3 below, the Redemption Amount per Special Preferred Share shall be equal to:

- (a) if the Trigger Event is pursuant to Section IV.1 13(b) of Article IV, an aggregate of \$1.00 divided by the total number of issued and outstanding Special Preferred Shares; or
- (b) if the Trigger Event is pursuant to Section IV.1 13(a) of Article IV, an aggregate of \$35,000,000 divided by the total number of issued and outstanding Special Preferred Shares;

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in each case net of any applicable withholding or other similar taxes

- 4.3 Adjustment of Redemption Amount. The Redemption Amount shall be subject to adjustment as follows: if the Distributable Proceeds are greater or less than \$35,000,000, then the Redemption Amount per Special Preferred Share shall be equal to the Distributable Proceeds divided by the total number of issued and outstanding Special Preferred Shares (in the case of holders of Special Preferred Shares who are non-residents within the meaning of the *Income Tax Act* (Canada), net of any applicable withholding or other similar taxes); provided however that if the Distributable Proceeds are equal to zero, then the aggregate Redemption Amount shall be equal to \$1.00.
- 4.4 Sale of CellCarta Platform. The Corporation shall use commercially reasonable efforts to support the sale process with respect to the CellCarta Platform and to execute a definitive agreement for the sale of the CellCarta Platform prior to the first anniversary of the Amalgamation, with a view to bringing about a Trigger Event, while maximizing the value of the CellCarta Platform and the amount, if any, by which Net After-Tax Proceeds will exceed \$25,000,000.
5. Amendment.

Subject to the provisions of the Act, the provisions contained in this Article II shall not be deleted or amended unless effected by special resolution of the shareholders of the Corporation duly passed as then required by law, the holders of Special Preferred Shares being entitled to vote separately thereon as a class

### III NOTICES.

All notices, requests, consents, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given, made and received (a) when delivered against receipt; (b) upon transmitter's confirmation of the receipt of a facsimile transmission, which shall be followed by an original sent otherwise in accordance with this Article III; (c) upon confirmed delivery by a standard overnight carrier; or (d) upon expiration of five Business Days after the date when deposited in the mail, first class postage prepaid. Any such notice, request, consent, demand or other communication (i) given to the Corporation shall be addressed to the Corporation at its registered office or at such other address of which the Corporation may notify the holders of Common Shares and Special Preferred Shares from time to time, or (ii) given to a holder of Special Preferred Shares or Common Shares shall be addressed to such holder's address as shown by the records of the Corporation.

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#### IV. DEFINED TERMS

In this Schedule:

- 1.1 "Act" means the *Canada Business Corporations Act*;
- 1.2 "Amalgamation" means the amalgamation of Caprion Pharmaceuticals Inc. with Ecopia Biosciences Inc. as of the date hereof;
- 1.3 "Articles" means the articles of arrangement of the Corporation, as amended from time to time;
- 1.4 "Business Day" means any day other than a Saturday, Sunday or statutory holiday in Montreal, Quebec;
- 1.5 "CellCarta Platform" means all or substantially all of the property and assets (including, without limitation, contracts, licenses, equipment, intellectual property and goodwill) relating exclusively to or used exclusively in connection with the proprietary proteomics technology platform known as CellCarta, whether such property and assets are held directly by the Corporation or indirectly through a wholly-owned subsidiary corporation, partnership or other entity;
- 1.6 "Corporation" means Thallion Pharmaceuticals Inc. or any successor by amalgamation;
- 1.7 "Distributable Proceeds" means 75% of the amount, if any, by which the Net After-Tax Proceeds exceed \$25,000,000, reduced on a dollar for dollar basis by an amount equal to the excess of the tax that will become payable by the Corporation under Part VI.1 of the *Income Tax Act (Canada)* as a result of the redemption over the present value of the tax benefit of the deduction under paragraph 110(1)(k) of the *Income Tax Act (Canada)* related to such tax payable. This reduction amount shall be determined by the management, acting reasonably, on the Redemption Date and shall not be subject to any further adjustment;
- 1.8 "Liquidation Amount" means, for each Special Preferred Share, the greater of (i) an aggregate of \$1.00 divided by the total number of issued and outstanding Special Preferred Shares and (ii) an amount equal to the Redemption Amount per share as calculated in accordance with Section II.4 above, mutatis mutandis in respect of any Trigger Event that occurs in connection with the liquidation of the Corporation;

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1.9 "Net After-Tax Proceeds" means the proceeds received or to be received by the Corporation, directly or indirectly, from the disposition of the CellCarta Platform pursuant to a Trigger Event described in Section 1.13(a) below, net of all income taxes that would be payable by the Corporation (or by its wholly-owned subsidiary, if applicable) relating to such disposition (including for greater certainty any such taxes payable by the Corporation on amounts allocated to it as a result of the disposition of the CellCarta Platform by any partnership of whom the Corporation is a member) after using all tax losses, credits and deductions available to the Corporation and generated by Caprion Pharmaceuticals Inc in a taxation year ended prior to the Amalgamation;

1.10 "Redemption Amount" has the meaning set out in Section 4.2;

1.11 "Redemption Date" means:

- (a) in the case of a Trigger Event referred to in Section 1.13(a) below, the closing date of the sale of the CellCarta Platform; or
- (b) in the case of a Trigger Event referred to in Section 1.13(b) below, the 5<sup>th</sup> Business Day following the occurrence of such Trigger Event.

1.12 "Redemption Notice" has the meaning set out in Section 4.1;

1.13 "Trigger Event" shall mean the earlier of:

- (a) the execution of a definitive agreement, upon terms and conditions that are reasonable in the circumstances, as determined by the Board of Directors of the Corporation, providing for the sale by the Corporation, directly or indirectly, for a purchase price payable in cash, of the CellCarta Platform to a third party dealing at arms' length with the Corporation (within the meaning of the *Income Tax Act* (Canada)); and
- (b) the first anniversary of the date of the Amalgamation

This Schedule, as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number permitted by the context

PLAN OF ARRANGEMENT  
UNDER SECTION 192  
OF THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1  
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"Amalco" means the corporation resulting from the Amalgamation pursuant to the Certificate of Arrangement;

"Amalco Consolidated Shares" means the Amalco Shares after giving effect to the Amalco Consolidation;

"Amalco Consolidation" means the consolidation of the Amalco Shares as part of the Arrangement on the basis of one Amalco Consolidated Share for every ten Amalco Shares;

"Amalco Shares" means the common shares in the capital of Amalco (before implementation of the Amalco Consolidation) having the rights, privileges, conditions and restrictions respectively set out in Appendix A hereto;

"Amalco Special Preferred Shares" means the special preferred shares in the capital of Amalco having the rights, privileges, conditions and restrictions respectively set out in Appendix A hereto;

"Amalco Unit" means a unit of Amalco, each unit being comprised of one Amalco Share and one-half Amalco Warrant;

"Amalco Warrant" means a whole warrant entitling its holder to purchase one Amalco Share at a price of \$0.375 for a period of 36 months following the Effective Date;

"Amalgamation" has the meaning ascribed thereto in Section 3.1(d);

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"Amalgamation Resolution" means the special resolution of the Ecopia Shareholders approving the Amalgamation and the Amalco Consolidation to be considered at the Ecopia Meeting;

"Arrangement" means the arrangement made under Section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.3 of the Combination Agreement or Section 6.1 hereof or made at the direction of the Court in the Final Order;

"Arrangement Resolution" means the special resolution of the Caprion Shareholders approving the Plan of Arrangement to be considered at the Caprion Meeting;

"Articles of Arrangement" means the articles of arrangement to be filed with the Director after the Final Order is made, subject to the terms of the Combination Agreement;

"Business Day" means any day, other than a Saturday, a Sunday and a statutory holiday in Montreal, Québec;

"Caprion" means Caprion Pharmaceuticals Inc., a corporation existing under the federal laws of Canada;

"Caprion Investors Agreement" means the first amendment to the investors rights agreement of Caprion dated as of December 20, 2002 among Caprion, Orion Securities Inc., and certain Caprion Shareholders, as amended;

"Caprion Meeting" means the special meeting of Caprion Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement;

"Caprion Options" means options to purchase Caprion Shares granted under the Caprion Stock Option Plan;

"Caprion Preferred Shares" means the Class A preferred shares in the capital of Caprion;

"Caprion Registration Rights Agreements" means, collectively, the registration rights agreement dated as of December 20, 2002 between Caprion and Biogen IDEC MA Inc., as

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amended, and the first amendment to the registration rights agreement dated as of December 20, 2002 among Caprion, Orion Securities Inc., Waters Technologies Holding Limited and the persons listed in such agreement on Schedule A thereto, as amended;

"Caprion Shareholders" means, collectively, the holders of Caprion Shares and the holders of Caprion Preferred Shares;

"Caprion Shareholders Agreement" means the shareholders' agreement of Caprion dated as of December 6, 1999, among Caprion and certain Caprion Shareholders, as amended;

"Caprion Shares" means the common shares in the capital of Caprion;

"Caprion Stock Option Plan" means the 1998 Stock Option Plan of Caprion adopted by Caprion on November 4, 1998 and subsequently amended by the Board of Directors of Caprion on July 21, 1999; September 24, 2001; September 24, 2002; November 11, 2004 and December 30, 2005;

"Caprion Voting Trust Agreement" means the voting trust agreement entered into among certain Caprion Shareholders as of November 26, 1999;

"CBCA" means the *Canada Business Corporations Act* and the regulations made thereunder, as amended from time to time prior to the Effective Date;

"CellCarta G.P." means the new general partnership to be formed by Caprion under the laws of the Province of Québec in connection with the CellCarta Reorganization and to be indirectly wholly-owned, following the Amalgamation, by Amalco;

"CellCarta Reorganization" means the transfer of all properties of the Caprion proprietary platform called CellCarta to CellCarta GP in consideration for units of CellCarta G.P., such transfer to become effective as at the Effective Date, substantially as described in Schedule E of the Combination Agreement;

"Certificate of Arrangement" means the certificate giving effect to the Arrangement issued by the Director pursuant to subsection 192(7) of the CBCA after the Articles of Arrangement have been filed with the Director;

"Combination Agreement" means the combination agreement made as of January 3, 2007 between Ecopia and Caprion, as amended, supplemented and/or restated in

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accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement;

"Common Amalgamation Conversion Formula" means  $(A+B) \times C$  where A is equal to the number of Caprion Shares held by a holder of Caprion Shares, B is equal to the total number of Caprion Shares issued and outstanding immediately prior to the Effective Date and C is equal to (i) with respect to the number of Amalco Shares to be issued to such holder of Caprion Shares, 10% of the number of Ecopia Shares issued and outstanding immediately prior to the Amalgamation or (ii) with respect to the number of Amalco Special Preferred Shares to be issued to such holder of Caprion Shares, 2,000,000;

"Court" means the Superior Court of Québec;

"Depository" means Computershare Investor Services Inc.;

"Director" means the Director appointed under Section 260 of the CBCA;

"Dissent Rights" has the meaning ascribed thereto in Section 5.1;

"Dissenting Shareholders" means a Caprion Shareholder or an Ecopia Shareholder, as the case may be, who dissents in respect of the Arrangement or the Amalgamation, as the case may be, in strict compliance with the Dissent Rights;

"Ecopia" means Ecopia BioSciences Inc., a corporation existing under the federal laws of Canada;

"Ecopia Meeting" means the special meeting of Ecopia Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider, among other things, the Amalgamation and the Amalco Consolidation;

"Ecopia Options" means options to purchase Ecopia Shares granted under the Ecopia Stock Option Plan;

"Ecopia Replacement Option" shall have the meaning ascribed thereto in Section 3.1(e)(vii);

"Ecopia Replacement Warrant" shall have the meaning ascribed thereto in Section 3 1(e)(vi);

"Ecopia Share Purchase Plan" means the 2001 share purchase plan of Ecopia;

"Ecopia Shareholders" means the holders of Ecopia Shares;

"Ecopia Shares" means the common shares in the capital of Ecopia;

"Ecopia Stock Option Plan" means the stock option plan of Ecopia adopted by Ecopia in November 2000 and subsequently amended by the Board of Directors of Ecopia on May 8, 2001 and April 12, 2005;

"Ecopia Unexercised Options" shall have the meaning ascribed thereto in Section 3 1(e)(vii);

"Ecopia Warrants" means warrants to purchase Ecopia Shares;

"Effective Date" means the date shown on the Certificate of Arrangement to be issued by the Director pursuant to section 262 of the CBCA giving effect to the Arrangement, provided that such date occurs on or prior to the Outside Date;

"Equity Financing" means a private placement of Amalco Units of not less than \$30 million at a price of \$0.25 per Amalco Unit, the whole as set out in the Financial Advisor Engagement Letter (as defined in the Combination Agreement) and to be further detailed in an agency agreement to be entered into between Ecopia and Caprion, on their behalf and on behalf of Amalco, and the agents thereunder;

"Expergen" means Expergen Drug Development GmbH;

"Expergen Warrants" means warrants to purchase 75,000 Caprion Shares issued to Expergen in connection with the acquisition by Caprion of the CAP-232 program and related License Agreement dated March 6, 2006 as amended on November 2, 2006;

"Final Order" means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

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"Former Holder" shall have the meaning ascribed thereto in Section 4.1(c);

"Governmental Entity" means (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) any subdivision, agent or authority of any of the foregoing or (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Interim Order" means the interim order of the Court concerning the Arrangement, under Section 192 of the CBCA, containing declarations and directions with respect to the Arrangement and the holding of the Caprion Meeting and Ecopia Meeting, as such order may be amended by the Court as contemplated by Section 2.7 of the Combination Agreement;

"IQ" means Investissement Québec;

"IQ Loans" means all amounts (capital and interests) owed to IQ by Caprion under the terms of the offer made by IQ on January 23, 2002 and accepted by Caprion on January 25, 2002 (the "2002 Loan") and the offer made by IQ on June 9, 2005 and accepted by Caprion on July 25, 2005 (the "2005 Loan");

"IQ 2002 Replacement Warrants" shall have the meaning ascribed thereto in Section 3.1(e)(viii);

"IQ 2005 Replacement Warrants" shall have the meaning ascribed thereto in Section 3.1(e)(ix);

"IQ Warrants" means all warrants and other rights to subscribe for Caprion Shares granted by Caprion to IQ pursuant to the IQ Loans, as amended, or otherwise;

"Letter of Transmittal" means the letter of transmittal to be delivered by Caprion and Ecopia to the Caprion Shareholders and Ecopia Shareholders, respectively, providing for the delivery of the Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, to the Depositary;

"Liens" means any hypothecs, mortgages, liens, charges, security interests, pledges, claims, encumbrances and adverse rights or claims;

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"Outside Date" means April 30, 2007, subject to the right of either Caprion or Ecopia to postpone the Outside Date for up to an additional 90 days (in 30-day increments) if the Regulatory Approvals have not been obtained and have not been denied by a non-appealable decision of a Governmental Entity, by giving written notice to the other party to such effect no later than 5:00 p.m. (Eastern time) on the date that is 15 days prior to the original Outside Date (and any subsequent Outside Date), or such later date as may be agreed to in writing by Caprion and Ecopia;

"Person" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"Plan of Arrangement" means this plan of arrangement involving Caprion, Ecopia, Amalco, the Caprion Shareholders, the Ecopia Shareholders, the holders of Caprion Options, the holders of Ecopia Options, the holders of Ecopia Warrants, the subscribers to securities of Amalco pursuant to the Equity Financing, Expergen, as the holder of the Expergen Warrants and IQ, as the holder of the IQ Warrants and any amendment or variation made in accordance with Section 6.1;

"Preferred Amalgamation Conversion Formula" means  $(A+B) \times C$  where A is equal to the number of Caprion Preferred Shares held by a holder of Caprion Preferred Shares, B is equal to the total number of Caprion Preferred Shares issued and outstanding immediately prior to the Effective Date and C is equal to (i) with respect to the number of Amalco Shares to be issued to such holder of Caprion Preferred Shares, 90% of the number of Ecopia Shares issued and outstanding immediately prior to the Amalgamation or (ii) with respect to the number of Amalco Special Preferred Shares to be issued to such holder of Caprion Preferred Shares, 8,000,000;

"Regulatory Approvals" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities required to consummate the Arrangement; and

"TSX" means the Toronto Stock Exchange

## 12 Sections and Headings

The division of this Arrangement into sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Arrangement. Unless otherwise indicated, any reference in this Arrangement to a section or an exhibit refers to the specified section of or exhibit to this Arrangement

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1.3 Number, Gender and Persons

In this Arrangement, unless the context otherwise requires, words importing the singular number include the plural and vice versa and words importing any gender include all genders.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder

1.6 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force, from time to time, or any statute or regulations that supplement or supersede such statute or regulations.

ARTICLE 2  
BINDING EFFECT

2.1 Binding Effect

This Plan of Arrangement will become effective at, and the steps contemplated thereby will be binding at, the dates and times set out in Section 3.1 on (i) Caprion, (ii) Ecopia, (iii) all Caprion Shareholders, (iv) all holders of Caprion Options, (v) all Ecopia Shareholders, (vi) all holders of Ecopia Options, (vii) all holders of Ecopia Warrants, (viii) all subscribers to securities of Amalco pursuant to the Equity Financing, (ix) IQ, as the holder of the IQ Warrants, and (x) Expergen, as the holder of the Expergen Warrants.

ARTICLE 3  
ARRANGEMENT

3.1 Arrangement

The following shall occur and be deemed to occur in the following order without any further act or formality:

- (a) at 11:55 p.m. on the Effective Date, the CellCm<sup>tu</sup> Reorganization shall take effect;
- (b) at 12:05 a.m. on the day after the Effective Date, the Caprion Investors Agreement, the Caprion Shareholders Agreement, the Caprion Registration Rights Agreements and the Caprion Voting Trust Agreement shall be terminated;
- (c) at 12:05 a.m. on the day after the Effective Date, the Expergen Warrants shall be terminated, to the extent not already exercised or expired;
- (d) at 6:00 p.m. on the day after the Effective Date, Ecopia and Caprion shall be amalgamated (the "Amalgamation") with the same effect as provided in Section 181 of the CBCA and, as such, shall continue in existence as one and the same company, being Amalco, under the CBCA on the following terms and conditions:
  - (i) the name of Amalco shall be "Thallion Pharmaceuticals Inc." in the English language form and "Thallion Pharmaceutiques Inc." in the French language form;
  - (ii) the registered office of Amalco shall be situated in the Province of Québec;
  - (iii) Amalco shall be authorized to issue (i) an unlimited number of Amalco Shares, without par value; and (ii) an unlimited number of Amalco Special Preferred Shares;
  - (iv) there shall be no restrictions on the activities that Amalco is authorized to carry on, nor any restrictions on the transfer of Amalco Shares;

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- (v) the board of directors of Amalco will consist of not less than three and not more than ten directors, the exact number of which shall be determined by the directors from time to time;
- (vi) the directors of Amalco shall have the right to appoint one or more additional directors, who shall hold office for a term expiring no later than the close of the next annual meeting of shareholders, but the total number of directors so appointed shall not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of shareholders;
- (vii) the first directors of Amalco who shall hold office until the next annual meeting of shareholders of Amalco or until their successors are elected or appointed, shall be the persons whose names, addresses and occupation appear below:

<u>Name</u>	<u>Address</u>	<u>Occupation</u>
François Legault	33, Glencoe Avenue Outremont (Qc) H3T 1R1	President and Chief Operating Officer, Virochem Pharma Inc
Gervais Dionne	2702, Pl. Guy Sanche Saint-Laurent (Qc) H4R 2J5	Chief Executive Officer and Chief Scientific Officer, Virochem Pharma Inc
Lloyd M. Segal	38, Windsor Street Westmount (Qc) H3Y 2L8	President and Chief Executive Officer, Caprion Pharmaceuticals Inc.
Michael Tarnow	191 Commonwealth Ave. Boston, MA 02116	Business Consultant
Sylvie Grégoire	11 Channing St. Cambridge, MA 02138	Biotech Industry Consultant
Roberto Bellini	4175 St-Catherine Street West, Apt. 1406 Westmount (Qc) H3Z 3C9	Executive Vice- President, Picchio Pharma Inc.

Franklin Berger      470 Park Avenue South      Independent  
Floor 9 North      Biotechnology  
New York, NY 10016      Research Analyst

- (viii) the by-laws of Amalco shall be the by-laws of Ecopia in effect prior to the Effective Date;
  - (ix) all of the rights and properties of Ecopia and Caprion immediately before the Amalgamation become the rights and properties of Amalco by virtue of the Amalgamation;
  - (x) all of the liabilities of Ecopia and Caprion immediately before the Amalgamation become the liabilities of Amalco by virtue of the Amalgamation;
- (e) On the Amalgamation referred to in Section 3.1(d) above:
- (i) all of the issued and outstanding Caprion Shares held by a holder of Caprion Shares shall be converted into (i) such number of Amalco Shares as shall be determined in accordance with the Common Amalgamation Conversion Formula and (ii) such number of Amalco Special Preferred Shares as shall be determined in accordance with the Common Amalgamation Conversion Formula, provided that the holders of Caprion Shares shall receive such number of Amalco Shares and Amalco Special Preferred Shares as set out in Appendix B hereto;
  - (ii) all of the issued and outstanding Caprion Preferred Shares held by a holder of Caprion Preferred Shares shall be converted into (i) such number of Amalco Shares as shall be determined in accordance with the Preferred Amalgamation Conversion Formula and (ii) such number of Amalco Special Preferred Shares as shall be determined in accordance with the Preferred Amalgamation Conversion Formula, provided that the holders of Caprion Preferred Shares shall receive such number of Amalco Shares and Amalco Special Preferred Shares as set out in Appendix B hereto;
  - (iii) all of the Caprion Options outstanding immediately prior to the Amalgamation shall be cancelled;
  - (iv) each of the issued and outstanding Ecopia Shares shall be converted into one Amalco Share;



- (v) the aggregate stated capital of all of the issued and outstanding Amalco Shares and Amalco Special Preferred Shares shall be equal to the stated capital of all the Caprion Shares, Caprion Preferred Shares and Ecopia Shares immediately before the Amalgamation and the amount allocated to the Amalco Special Preferred Shares shall be equal to the redemption amount of the Amalco Special Preferred Shares, as provided in Section II 4.2(b) of Appendix A hereto;
- (vi) each of the Ecopia Warrants outstanding immediately prior to the Amalgamation shall become a warrant to purchase one Amalco Share, subject to adjustments pursuant to the Amalco Consolidation (an "Ecopia Replacement Warrant"). All terms and conditions of such Ecopia Replacement Warrants will be the same as the terms and conditions of such Ecopia Warrants. Warrant certificates previously evidencing such Ecopia Warrants shall thereafter evidence and be deemed to evidence such Ecopia Replacement Warrants issued in replacement thereof;
- (vii) each outstanding Ecopia Option that is not exercised prior to the Amalgamation ("Ecopia Unexercised Option") shall be cancelled and replaced by one option (an "Ecopia Replacement Option") to purchase one Amalco Share, subject to adjustments pursuant to the Amalco Consolidation. All terms and conditions of such Ecopia Replacement Options (including the terms and conditions set forth in the Ecopia Stock Option Plan) will be the same as the terms and conditions of such Ecopia Unexercised Options. Any document or agreement previously evidencing such Ecopia Unexercised Options shall thereafter evidence and be deemed to evidence such Ecopia Replacement Options;
- (viii) all IQ Warrants outstanding in respect of the 2002 Loan immediately prior to the Amalgamation shall become warrants to purchase 2,180,000 Amalco Shares at an exercise price of \$0.375 per Amalco Share, subject to adjustments pursuant to the Amalco Consolidation ("IQ 2002 Replacement Warrants"). All other terms and conditions of such IQ Replacement Warrants will be the same as the terms and conditions of such IQ Warrants, except that such warrants will expire, in the event of prepayment, on the second anniversary of the repayment in full of the 2002 Loan;
- (ix) all IQ Warrants outstanding in respect of the 2005 Loan immediately prior to the Amalgamation shall become warrants to purchase 3,120,000 Amalco Shares at an exercise price of \$0.375 per Amalco Share, subject to adjustments pursuant to the Amalco Consolidation ("IQ 2005 Replacement Warrants"). All other terms and conditions of such IQ Replacement Warrants will be the same as the terms and conditions of

such IQ Warrants, except that such warrants will expire, in the event of prepayment, on the second anniversary of the repayment in full of the 2005 Loan;

- (x) the Ecopia Stock Option Plan shall remain in force and govern the terms of the Ecopia Replacement Options and the Ecopia Share Purchase Plan shall remain in force;
- (xi) the Caprion Stock Option Plan shall be terminated;
- (f) at 6:15 p.m. on the day after the Effective Date, the Amalco Units to be issued by Amalco pursuant to the terms of the Equity Financing shall be issued; and
- (g) at 6:20 p.m. on the day after the Effective Date, the Amalco Consolidation shall take effect.

3.2 Conditions precedent to the Implementation of the Plan of Arrangement

The implementation of this Plan of Arrangement is subject to all conditions contained in the Combination Agreement being satisfied or waived at or prior to the Effective Date.

ARTICLE 4  
CERTIFICATES AND FRACTIONAL SHARES

4.1 Issuance of Certificates Representing Amalco Consolidated Shares and Amalco Special Preferred Shares

- (a) After the completion of the Arrangement, certificates formerly representing Caprion Shares and Caprion Preferred Shares, as the case may be, shall represent only the right to receive certificates representing such number of Amalco Consolidated Shares and/or Amalco Special Preferred Shares, as the case may be, which the former holders of such Caprion Shares or Caprion Preferred Shares, as the case may be, are, subject to Section 4.3, entitled to receive pursuant to Section 3.1, and any cash resulting from the sale, on their behalf, by the Depository of a fractional interest in a share pursuant to Section 4.5 (less any amounts withheld pursuant to Section 4.6), subject to compliance with the requirements set forth in this Section 4.1.
- (b) After the completion of the Arrangement, certificates formerly representing Ecopia Shares shall represent only the right to receive certificates representing

such number of Amalco Consolidated Shares which the former holders of such Ecopia Shares are, subject to Section 4.3, entitled to receive pursuant to Section 3.1, and any cash resulting from the sale, on their behalf, by the Depository of a fractional interest in a share pursuant to Section 4.5 (less any amounts withheld pursuant to Section 4.6), subject to compliance with the requirements set forth in this Section 4.1.

- (c) Amalco shall, as soon as practicable following the later of (i) the Effective Date and (ii) the date of deposit by a former holder of Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be (a "Former Holder"), with the Depository of a duly completed Letter of Transmittal and such other required documents and instruments and the certificates representing such Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, forward or cause to be forwarded by first class mail (postage prepaid) to such Former Holder a certificate or certificates representing such number of Amalco Consolidated Shares and/or Amalco Special Preferred Shares which such Former Holder is entitled to receive pursuant to Section 3.1, and a cheque representing any cash resulting from the sale, on behalf of the holder, by the Depository of a fractional interest in a share pursuant to Section 4.5 (less any amounts withheld pursuant to Section 4.6), at the address set forth in the Letter of Transmittal.
- (d) In the event of a transfer of ownership of Caprion Shares or Caprion Preferred Shares, as the case may be, that was not registered in the securities register of Caprion prior to the Arrangement, certificates representing the proper number of Amalco Consolidated Shares and/or Amalco Special Preferred Shares, as the case may be, may be issued to the transferee if the certificate or certificates representing such Caprion Shares or Caprion Preferred Shares, as the case may be, is presented to the Depository as provided above, accompanied by all documents required to evidence and effect such transfer. Until surrendered as contemplated by this Section 4.1, each certificate which immediately prior to or upon the Effective Date represented one or more Caprion Shares or Caprion Preferred Shares shall be deemed at all times at and after the completion of the Arrangement to represent only the right to receive upon such surrender a certificate or certificates representing that number of Amalco Consolidated Shares and/or Amalco Special Preferred Shares, as the case may be, and any cash resulting from the sale, on behalf of the holder, by the Depository of a fractional interest in a share pursuant to Section 4.5 (less any amounts withheld pursuant to Section 4.6), which such holder has the right to receive as contemplated by this Section 4.1.
- (e) In the event of a transfer of ownership of Ecopia Shares that was not registered in the securities register of Ecopia prior to the Amalgamation, a certificate representing the proper number of Amalco Consolidated Shares may be issued to the transferee if the certificate or certificates representing such Ecopia Shares is presented to the Depository as provided above, accompanied by all documents

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required to evidence and effect such transfer. Until surrendered as contemplated by this Section 4.1, each certificate which immediately prior to or upon the Effective Date represented one or more Ecopia Shares shall be deemed at all times at and after the completion of the Arrangement to represent only the right to receive upon such surrender a certificate representing that number of Amalco Consolidated Shares and any cash resulting from the sale, on behalf of the holder, by the Depositary of a fractional interest in a share pursuant to Section 4.5 (less any amounts withheld pursuant to Section 4.6), which such holder has the right to receive as contemplated by this Section 4.1.

#### 4.2 Distribution with Respect to Unsurrendered Certificates

- (a) The former holders of Caprion Shares, Caprion Preferred Shares, Expergen Warrants, IQ Warrants and Caprion Options shall not be entitled to any interest, dividend, premium or other payment on or with respect to the Caprion Shares, Caprion Preferred Shares, Expergen Warrants, IQ Warrants or Caprion Options, as the case may be, other than, in the case of Caprion Shares and Caprion Preferred Shares, the certificates representing Amalco Consolidated Shares and Amalco Special Preferred Shares, as the case may be, and any cash resulting from the sale, on their behalf, by the Depositary of a fractional interest in a share pursuant to Section 4.5 (less any amounts withheld pursuant to Section 4.6), which they are entitled to receive pursuant to this Plan of Arrangement.
- (b) The former holders of Ecopia Shares, Ecopia Warrants and Ecopia Options shall not be entitled to any interest, dividend, premium or other payment on or with respect to the Ecopia Shares, Ecopia Warrants or Ecopia Options other than the certificates representing Amalco Consolidated Shares in the case of Ecopia Shares, Ecopia Replacement Options in the case of Ecopia Options or Ecopia Replacement Warrants in the case of Ecopia Warrants, and any cash resulting from the sale, on their behalf, by the Depositary of a fractional interest in a share pursuant to Section 4.5 (less any amounts withheld pursuant to Section 4.6), which they are entitled to receive pursuant to this Plan of Arrangement.

#### 4.3 Lost Certificates

In the event any certificate which immediately prior to the Effective Date represented one or more outstanding Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, that were exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more Amalco Consolidated Shares or Amalco Special Preferred Shares, as the case may be, pursuant to Section 4.1 and such holder's Letter of Transmittal, in each case deliverable in accordance with Section 4.1(c). When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to

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whom the payment is made shall, as a condition precedent to the delivery thereof, give a bond satisfactory to Amalco and the Depositary in such sum as Amalco may direct or otherwise indemnify Amalco in a manner satisfactory to Amalco against any claim that may be made against Amalco with respect to the certificate alleged to have been lost, stolen or destroyed.

#### 4.4 Extinction of Rights

Any certificate which immediately prior to the Effective Date represented outstanding Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, that was exchanged or was deemed to have been exchanged pursuant to Section 3.1 that has not been deposited with all other instruments required by Section 4.1, on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature to Amalco Consolidated Shares or Amalco Special Preferred Shares (or cash in respect of fractional interests therein as provided in Section 4.5), as the case may be. On such date, Amalco Consolidated Shares and Amalco Special Preferred Shares, as the case may be, (and any dividends or distributions with respect thereto) (and any cash in respect of fractional interests therein as provided in Section 4.5) to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Amalco, together with all entitlements to dividends, distributions, cash and interest in respect thereof held for such former holder. None of Amalco, Caprion, Ecopia or the Depositary shall be liable to any Person in respect of any Amalco Consolidated Shares or Amalco Special Preferred Shares, as the case may be (or distributions) delivered to a public official pursuant to and in compliance with any applicable abandoned property or similar law.

#### 4.5 Fractional Shares Arising from the Amalco Consolidation

No certificates representing fractional Amalco Consolidated Shares arising from the Amalco Consolidation shall be issued upon the surrender for exchange of certificates pursuant to Section 4.1 and no dividend, stock split or other change in the capital structure of Amalco shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Amalco. Amalco shall deposit with the Depositary the fractional Amalco Consolidated Shares for the benefit of the holders of such fractional Amalco Consolidated Shares. Each Person otherwise entitled to a fractional interest in an Amalco Consolidated Share will be entitled to receive a cash payment equal to such Person's pro rata portion of the net proceeds after expenses received by the Depositary upon the sale, on behalf of all such Persons, of whole Amalco Consolidated Shares representing an accumulation of all fractional interests in Amalco Consolidated Shares. The Depositary will sell such Amalco Consolidated Shares on the TSX as soon as reasonably practicable following the Effective Date. The aggregate net proceeds after expenses of such sale will be distributed by the Depositary, pro rata in relation to their respective fractions, among Persons otherwise entitled to receive fractional interests in Amalco Consolidated Shares.

All fractional Amalco Consolidated Shares which the Depositary is required to sell will be pooled and sold as soon as practicable in transactions effected on the TSX. In effecting the sale of any Amalco Consolidated Shares, the Depositary will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither

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Amalco nor the Depositary will be liable for any loss arising out of any sale of such Amalco Consolidated Shares relating to the manner or timing of such sales, the prices at which Amalco Consolidated Shares are sold or otherwise.

#### 4.6 Withholding

Amalco and the Depositary shall be entitled to deduct and withhold from any dividend, any cash payment under Section 45 or any other consideration payable to any security holder of Ecopia, Caprion or Amalco such amounts as Amalco or the Depositary is (i) required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), the United States Internal Revenue Code of 1986 or any provision of provincial, state, local or foreign tax law, in each case, as amended or replaced, or (ii) entitled to deduct and withhold under Section 116 of the *Income Tax Act* (Canada) or any corresponding provisions of provincial law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required or entitled to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Amalco and the Depositary are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Amalco or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement or entitlement and Amalco or the Depositary shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

### ARTICLE 5 RIGHTS OF DISSENT

#### 5.1 Dissent Rights

- (a) Caprion Shareholders and Ecopia Shareholders may exercise rights of dissent with respect to their Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, pursuant to and in the manner set forth in Section 190 of the CBCA as modified by this Section 5.1 in connection with the Arrangement, as the same may be modified by the Interim Order or the Final Order (the "Dissent Rights"), provided that, (i) notwithstanding Subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution or the Amalgamation Resolution, as the case may be, referred to in Subsection 190(5) of the CBCA must be received by Caprion or Ecopia, as the case may be, not later than 5:00 p.m. (Montreal time) on the second Business Day preceding the Caprion Meeting or the Ecopia Meeting, as the case may be; and (ii) notwithstanding Section 190 of the CBCA, Amalco and not Caprion or Ecopia, as the case may be, shall be required to offer to pay fair value for Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, held by Dissenting Shareholders, and to pay the amount to which such Dissenting Shareholders may be ultimately

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entitled. Dissenting Shareholders who are ultimately entitled to be paid fair value for their shares shall be deemed to have converted their Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, contemporaneously with and in the same manner provided for in Sections 3.1(e)(i), 3.1(e)(ii) and 3.1(e)(iv) without any further authorization, act or formality and free and clear of all Liens, and shall be deemed to have received Amalco Shares and/or Amalco Special Preferred Shares, as the case may be, on the basis set forth in Section 3.1 and, immediately after the last step of the Plan of Arrangement set forth under Section 3.1 shall have occurred, the Amalco Consolidated Shares and/or Amalco Special Shares held by such Dissenting Shareholders shall be purchased for cancellation by Amalco in consideration for a payment from Amalco equal to such fair value.

- (b) Shareholders who exercise, or purport to exercise, Dissent Rights, and who withdraw their dissent to the Arrangement or the Amalgamation, as the case may be, or who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Caprion Shares, Caprion Preferred Shares or Ecopia Shares, as the case may be, shall be deemed to have participated in the Arrangement or the Amalgamation, as the case may be, on the same basis as any non-dissenting shareholder as at and from the Effective Date.

#### ARTICLE 6 AMENDMENTS

##### Amendments

##### 6.1.1 Amendments by Caprion

- (a) Caprion reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by Ecopia, (iii) filed with the Court and, if made following the Caprion Meeting, approved by the Court and Ecopia and (iv) communicated to Caprion Shareholders if and as required by the Court
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Caprion in accordance with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Caprion Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court after the Caprion Meeting shall be effective only if (i) it is consented to by each of Caprion and Ecopia and (ii) if required by the Court, consented to by Caprion Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Amalco, provided that it concerns a matter which, in the reasonable opinion of Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Caprion Shareholders or Ecopia Shareholders.

Amendments by Ecopia

- (a) Ecopia reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by Caprion, (iii) filed with the Court and, if made following the Ecopia Meeting, approved by the Court and Caprion and (iv) communicated to Ecopia Shareholders if and as required by the Court
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Ecopia in accordance with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Ecopia Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court after the Ecopia Meeting shall be effective only if (i) it is consented to by each of Ecopia and Caprion and (ii) if required by the Court, consented to by Ecopia Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Arrangement may be made following the Effective Date unilaterally by Amalco, provided that it concerns a matter which, in the reasonable opinion of Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Ecopia Shareholders or Caprion Shareholders

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ARTICLE 7  
GENERAL

7.1 Coming into force

This Plan of Arrangement will come into force and effect on the Effective Date

7.2 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act of formality, each of the parties to the Combination Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

7.3 Severability of Plan of Arrangement Provisions

If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any parties, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.4 Governing Laws

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court

## APPENDIX A

The Corporation is authorized to issue:

- an unlimited number of Common Shares, and
- an unlimited number of Special Preferred Shares.

Capitalized terms used but not otherwise defined have the meanings set forth in Article IV of this Schedule A

### COMMON SHARES

The Common Shares shall be subject to the following rights, privileges, restrictions and conditions:

#### Voting.

The holders of Common Shares shall be entitled to one vote for each share held by them at all shareholders' meetings (other than meetings at which only the holders of another specified series or class of shares are entitled to vote, pursuant to the provisions hereof or pursuant to the provisions of the Act) and they shall be entitled to notice of all meetings of shareholders of the Corporation.

#### Dividends.

The holders of Common Shares shall be entitled to receive, as and when declared by the Board of Directors, dividends payable in money, property or by the issue of fully paid shares of the capital of the Corporation.

#### Liquidation.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, subject to the rights, privileges, restrictions and conditions attaching to any class of shares ranking prior to the Common Shares, the holders of the Common Shares shall be entitled to receive the remaining property of the Corporation

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4 Amendment.

Subject to the provisions of the Act, the provisions contained in this Article I shall not be deleted or amended unless effected by special resolution of the shareholders of the Corporation duly passed as then required by law, the holders of Common Shares being entitled to vote separately thereon as a class.

11. SPECIAL PREFERRED SHARES

The Special Preferred Shares shall be subject to the following rights, privileges, restrictions and conditions:

1. Non-voting.

Subject to the provisions of the Act or as otherwise expressly provided herein, the holders of the Special Preferred Shares shall not be entitled to receive notice of, nor to attend or vote at, meetings of the shareholders of the Corporation

2. Dividends.

The holders of the Special Preferred Shares shall not be entitled to receive dividends.

3. Liquidation.

Upon any liquidation, dissolution or winding up of the Corporation prior to the occurrence of a Trigger Event, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, before any amount shall be paid to or any assets distributed among the holders of shares of any other class of the Corporation ranking subordinate to the Special Preferred Shares, the holders of the Special Preferred Shares shall be entitled to receive an amount equal to the Liquidation Amount. After payment to the holders of the Special Preferred Shares of the Liquidation Amount, they shall not be entitled to share in any further distribution of the assets of the Corporation. After the first anniversary of the Amalgamation, the Special Preferred Shares shall not be entitled to share in the distribution of the property or assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders of the Corporation for the purpose of winding up its affairs

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Automatic Redemption.

Subject to compliance with Section 36(2) of the Act, upon the occurrence of a Trigger Event, all of the issued and outstanding Special Preferred Shares shall be redeemed by the Corporation in the manner set forth in this Section 4.

1. Mechanics of Automatic Redemption. All holders of Special Preferred Shares shall be given written notice (a "Redemption Notice") of the occurrence of a Trigger Event and specifying the applicable Redemption Date. On the Redemption Date, the Corporation shall pay or cause to be paid the Redemption Amount to the registered holders of the Special Preferred Shares upon presentation and surrender of the certificates for the Special Preferred Shares at the registered office of the Corporation or at such other place or places as may be specified in the Redemption Notice, and the certificates for such Special Preferred Shares shall thereupon be cancelled, and the Special Preferred Shares represented thereby shall thereupon be redeemed. From and after the Redemption Date, the holders of the Special Preferred Shares shall cease to be entitled to exercise any of the rights of the holders thereof, except the right to receive the Redemption Amount, unless payment of the Redemption Amount is not made by the Corporation in accordance with the foregoing provisions, in which case the rights of the holders of such shares shall remain unaffected. On or before the Redemption Date, the Corporation shall have the right to deposit the Redemption Amount in a special account with any chartered bank or trust company in Canada named in the Redemption Notice, to be paid, without interest, to or to the order of the respective holders of such Special Preferred Shares, upon presentation and surrender of the certificates representing the same and, upon such deposit being made or upon the Redemption Date, whichever is later, the Special Preferred Shares in respect of which such deposit shall have been made, shall be deemed to be redeemed and the rights of the respective holders thereof, after such deposit or after such Redemption Date, as the case may be, shall be limited to receiving, out of the moneys so deposited, without interest, the Redemption Amount applicable to their respective Special Preferred Shares against presentation and surrender of the certificates representing such Special Preferred Shares.

2. Redemption Amount. Subject to adjustment pursuant to Section 43 below, the Redemption Amount per Special Preferred Share shall be equal to:

- (a) if the Trigger Event is pursuant to Section IV.1.13(b) of Article IV, an aggregate of \$1.00 divided by the total number of issued and outstanding Special Preferred Shares; or
- (b) if the Trigger Event is pursuant to Section IV.1.13(a) of Article IV, an aggregate of \$35,000,000 divided by the total number of issued and outstanding Special Preferred Shares;

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in each case net of any applicable withholding or other similar taxes.

- 4.3 Adjustment of Redemption Amount. The Redemption Amount shall be subject to adjustment as follows: if the Distributable Proceeds are greater or less than \$35,000,000, then the Redemption Amount per Special Preferred Share shall be equal to the Distributable Proceeds divided by the total number of issued and outstanding Special Preferred Shares (in the case of holders of Special Preferred Shares who are non-residents within the meaning of the *Income Tax Act* (Canada), net of any applicable withholding or other similar taxes); provided however that if the Distributable Proceeds

- 4.4 Sale of CellCarta Platform. The Corporation shall use commercially reasonable efforts to support the sale process with respect to the CellCarta Platform and to execute a definitive agreement for the sale of the CellCarta Platform prior to the first anniversary of the Amalgamation, with a view to bringing about a Trigger Event, while maximizing the value of the CellCarta Platform and the amount, if any, by which Net After-Tax Proceeds will exceed \$25,000,000

5. Amendment.

Subject to the provisions of the Act, the provisions contained in this Article II shall not be deleted or amended unless effected by special resolution of the shareholders of the Corporation duly passed as then required by law, the holders of Special Preferred Shares being entitled to vote separately thereon as a class.

III. NOTICES.

All notices, requests, consents, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given, made and received (a) when delivered against receipt; (b) upon transmitter's confirmation of the receipt of a facsimile transmission, which shall be followed by an original sent otherwise in accordance with this Article III; (c) upon confirmed delivery by a standard overnight carrier; or (d) upon expiration of five Business Days after the date when deposited in the mail, first class postage prepaid. Any such notice, request, consent, demand or other communication (i) given to the Corporation shall be addressed to the Corporation at its registered office or at such other address of which the Corporation may notify the holders of Common Shares and Special Preferred Shares from time to time, or (ii) given to a holder of Special Preferred Shares or Common Shares shall be addressed to such holder's address as shown by the records of the Corporation.

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IV. DEFINED TERMS

In this Schedule:

- 11 "Act" means the *Canada Business Corporations Act*;
- 12 "Amalgamation" means the amalgamation of Caprion Pharmaceuticals Inc. with Ecopia Biosciences Inc. as of the date hereof;
- 13 "Articles" means the articles of arrangement of the Corporation, as amended from time to time;
- 14 "Business Day" means any day other than a Saturday, Sunday or statutory holiday in Montreal, Quebec;
- 15 "CellCarta Platform" means all or substantially all of the property and assets (including, without limitation, contracts, licenses, equipment, intellectual property and goodwill) relating exclusively to or used exclusively in connection with the proprietary proteomics technology platform known as CellCarta, whether such property and assets are held directly by the Corporation or indirectly through a wholly-owned subsidiary corporation, partnership or other entity;
- 16 "Corporation" means Thallion Pharmaceuticals Inc. or any successor by amalgamation;
- 17 "Distributable Proceeds" means 75% of the amount, if any, by which the Net After-Tax Proceeds exceed \$25,000,000, reduced on a dollar for dollar basis by an amount equal to the excess of the tax that will become payable by the Corporation under Part VI.1 of the *Income Tax Act* (Canada) as a result of the redemption over the present value of the tax benefit of the deduction under paragraph 110(1)(k) of the *Income Tax Act* (Canada) related to such tax payable. This reduction amount shall be determined by the management, acting reasonably, on the Redemption Date and shall not be subject to any further adjustment;
- 18 "Liquidation Amount" means, for each Special Preferred Share, the greater of (i) an aggregate of \$1.00 divided by the total number of issued and outstanding Special Preferred Shares and (ii) an amount equal to the Redemption Amount per share as calculated in accordance with Section II.4 above, mutatis mutandis in respect of any Trigger Event that occurs in connection with the liquidation of the Corporation;

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- 1.9 "Net After-Tax Proceeds" means the proceeds received or to be received by the Corporation, directly or indirectly, from the disposition of the CellCarta Platform pursuant to a Trigger Event described in Section 1.13(a) below, net of all income taxes that would be payable by the Corporation (or by its wholly-owned subsidiary, if applicable) relating to such disposition (including for greater certainty any such taxes payable by the Corporation on amounts allocated to it as a result of the disposition of the CellCarta Platform by any partnership of whom the Corporation is a member) after using all tax losses, credits and deductions available to the Corporation and generated by Caprion Pharmaceuticals Inc. in a taxation year ended prior to the Amalgamation;
- 1.10 "Redemption Amount" has the meaning set out in Section 4.2;
- 1.11 "Redemption Date" means:
- (a) in the case of a Trigger Event referred to in Section 1.13(a) below, the closing date of the sale of the CellCarta Platform; or
  - (b) in the case of a Trigger Event referred to in Section 1.13(b) below, the 5<sup>th</sup> Business Day following the occurrence of such Trigger Event
- 1.12 "Redemption Notice" has the meaning set out in Section 4.1;
- 1.13 "Trigger Event" shall mean the earlier of:
- (a) the execution of a definitive agreement, upon terms and conditions that are reasonable in the circumstances, as determined by the Board of Directors of the Corporation, providing for the sale by the Corporation, directly or indirectly, for a purchase price payable in cash, of the CellCarta Platform to a third party dealing at arms' length with the Corporation (within the meaning of the *Income Tax Act* (Canada)); and
  - (b) the first anniversary of the date of the Amalgamation

This Schedule, as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number permitted by the context.

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APPENDIX B

Amalco Shares and Amalco Special Preferred Shares to be received by Caprion Shareholders  
in connection with the Arrangement

	Caprion Shares	Caprion Preferred Shares Series 1	Caprion Preferred Shares Series 2	Caprion Preferred Shares Series 3	Common Preferred Shares Series 4	Total	%	Amalco Shares	Amalco Special Preferred Shares	Amalco Special Preferred Shares
I. Segal, C Desjardins, M LeBlanc (directly and indirectly)	1,003,908	-	-	-	-	1,003,908.0	10.0%	2,100,262	601,178	-
Voting Trust (see attached list)	989,251	-	-	-	-	989,251.0	9.9%	2,069,599	592,401	-
ExperGen Drug Development GmbH	550,400	-	-	-	-	550,400.0	5.5%	1,151,484	329,600	-
IDEXX Laboratories, Inc	317,394	-	-	-	-	317,394.0	3.2%	664,016	190,067	-
Dr. Ronald Cape (directly and indirectly)	137,685	-	-	21,759	-	159,444.0	1.6%	493,158	82,451	26,093
Dr. Neil Cushman	98,481	-	-	-	-	98,481.0	1.0%	206,031	58,974	-
Fidelity Mgmt & Research Ltd	1,567,434	-	-	-	-	1,567,434.0	15.7%	14,775,265	-	1,879,672
Ventures West Capital VI & LP	365,723	-	-	543,999	-	909,721.5	9.1%	8,575,402	-	1,090,941
Bank of Montreal Capital Corp	365,723	-	-	543,999	-	909,721.5	9.1%	8,575,402	-	1,090,941
Waters Technologies Holdings Ltd	825,052	-	-	-	-	825,051.8	8.2%	7,777,271	-	989,405
Hyvee & Co (Investors Group)	726,000	-	-	-	-	726,000.0	7.3%	6,843,569	-	870,622
Royal Trust Corp of Canada (TRS)	144,848	-	-	-	-	144,847.9	1.4%	1,365,395	-	173,702
Roytor & Co (Pembroke Mgmt Ltd. for GBC Funds)	119,790	-	-	-	-	119,790.0	1.2%	1,129,189	-	143,653
NB Capital Partners Nominee Inc. (Edgestone Capital Partners)	104,544	-	-	-	-	104,544.0	1.0%	985,474	-	125,370
Hoover Associates	54,450	-	-	-	-	54,450.0	0.5%	513,268	-	63,297
Biogen Idoc MA Inc	-	-	336,786	-	-	336,786.5	3.4%	3,174,685	-	403,876
Sunol Molecular Corporation	-	-	-	-	350,000	350,000.0	3.5%	3,299,241	-	419,721
Other Investors (see attached list)	342,665	468,259.1	-	132,729.0	-	843,673.1	8.4%	6,172,874	145,329	720,707
	3,339,804	4,741,822	336,786	1,242,486	350,000	10,010,896	100.0%	69,871,584	2,000,000	8,000,000

Shareholder (Voting Trust)	Representative	Total Caprion Shares	Amalco Shares	Amalco Special Preferred Shares
126736 Canada Inc	Mark Bercovitz	18,603	38,919	11,140 17
2883627 Canada Inc	Stanley Blicher	136,344	285,243	81,647 91
ABA Bioresearch Inc	Colin Bier	23,025	48,170	13,788 23
Darwin Molecular Corporation	Darwin Molecular Corporation	3,330	6,967	1,994 13
Gastion J.M.D. Inc	Jean-Marc Dumas	36,138	75,604	21,640 79
M.B.V.H. Investments Inc.	Michael Cape	137,685	288,049	82,450 95
Vinestave Investments Inc	Stephen A. Vineberg	31,209	65,292	18,689 72

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Shareholder (Voting Trust)	Representative	Total Caprion Shares	Amalco Shares	Amalco Special Preferred Shares
Colin Bier	Colin Bier	25,065	52,438	15,009.86
Sandra Blicher	Sandra Blicher	5,730	11,988	3,431.34
Robert Chalifour	Robert Chalifour	7,092	14,837	4,246.96
Alexandra Costa	Alexandra Costa	10,434	21,829	6,248.27
Leandre Desjardins	Leandre Desjardins	8,514	17,812	5,098.50
Marie-Pierre Faure	Marie-Pierre Faure	122,184	255,619	73,168.37
Ronald D Guttman	Ronald D Guttman	24,471	51,195	14,654.15
Wayne Heuff	Wayne Heuff	9,219	19,287	5,520.68
Andrew Kabbash	Andrew Kabbash	20,250	42,365	12,126.46
Barbara Kay	Barbara Kay	29,001	60,673	17,366.89
Ronald Kay	Ronald Kay	113,076	236,565	67,714.15
Marie-Jose LeBlanc	Marie-Jose LeBlanc	24,777	51,836	14,837.40
Alain Letourneau	Alain Letourneau	14,892	31,155	8,917.89
Rhona Luger	Rhona Luger	27,729	58,011	16,605.17
Eustache Paramithiotis	Eustache Paramithiotis	29,235	61,162	17,507.02
Helaine Pervin	Helaine Pervin	11,703	24,484	7,008.20
Herbert Z. Pinchuk	Herbert Z. Pinchuk	11,349	23,743	6,796.21
Robert Tardif	Robert Tardif	12,768	26,712	7,645.96
Mackenzie J. Watson	Mackenzie J. Watson	7,188	15,038	4,304.44
Ashkan Haghighat	Ashkan Haghighat	10,461	21,885	6,264.44
Harry Ledebur	Harry Ledebur	28,941	60,547	17,330.96
Maria Papadopoulos	Maria Papadopoulos	3,486	7,293	2,087.55
Irene Mazzoni	Irene Mazzoni	3,000	6,276	1,796.51
Ronnie Kay	Ronnie Kay	12,912	27,013	7,732.19
Stanley Blicher	Stanley Blicher	12,912	27,013	7,732.19
Cape 1998 Trust, Ronald and Lillian Cape Trustees	Ronald Cape	12,912	27,013	7,732.19
Chris Jenkins	Chris Jenkins	3,033	6,345	1,816.27
Charles Grubsztajn	Charles Grubsztajn	583	1,220	349.12
		989,251	2,069,599	592,401

Other Shareholders	Caprion Shares	Caprion Preferred Shares Series 1	Caprion Preferred Shares Series 3	Amalco Shares	Amalco Special Preferred Shares	Amalco Special Preferred Shares
Sean O'Donnell	14,184	-	-	29,674	8,494	-
Hy Bloom	48,201	-	54,399	613,628	28,865	65,235
Reuben Croll	36,993	-	10,878	179,933	22,153	13,045
Ricky Dubrovsky	72,297	-	21,759	356,361	43,294	26,093
Judith Bercovitz	35,505	-	-	74,280	21,262	-
Mark Bercovitz	35,505	-	-	74,280	21,262	-
Herb Pinchuk	-	-	34,815	328,180	-	41,750
Marie-Josée LeBlanc	-	-	10,878	102,540	-	13,045
Carr & Co	-	26,964	-	254,170	-	32,335
Carr & Co.	-	7,873	-	74,219	-	9,442

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Senvest International	-	20,873	-	196,753	-	25,030	
Senvest Master Fund LP	-	20,873	-	196,753	-	25,030	
Jayvee & Co	-	38,115	-	359,287	-	45,708	
Branl Investments Ltd	-	14,520	-	136,871	-	17,412	
SKN Holdings Ltd.	-	10,346	-	97,521	-	12,406	
Credinvest Capital Inc	-	10,346	-	97,521	-	12,406	
Amaranth Resources Ltd	-	10,346	-	97,521	-	12,406	
Jayvee & Co.	-	10,346	-	97,521	-	12,406	
Yorkton Securities Inc	-	21,417	-	201,685	-	25,683	
Robert S Morris	-	10,527	-	99,232	-	12,624	
NBCN Clearing Inc.	-	10,346	-	97,521	-	12,406	
Winer Ltd.	-	10,346	-	97,521	-	12,406	
3820149 Canada Inc	-	10,436	-	98,376	-	12,515	
Corporation De Capitale Caron et Caron	-	10,436	-	98,376	-	12,515	
R A. Williams Settlement Trust	-	10,436	-	98,376	-	12,515	
Jeremy Batt	-	10,436	-	98,376	-	12,515	
Paul Anthony Robinson	-	10,436	-	98,376	-	12,515	
Stefan Krolik	-	15,656	-	147,582	-	18,775	
Malcom David Owens	-	15,653	-	147,547	-	18,771	
Societe Immobiliere Auclair-Duguay	-	10,346	-	97,521	-	12,406	
Gestion Jean-Paul Auclair Inc.	-	10,346	-	97,521	-	12,406	
Lennie Ryei	-	10,346	-	97,521	-	12,406	
Shirley Goldbloom	-	10,346	-	97,521	-	12,406	
Allan Coopersmith	-	10,346	-	97,521	-	12,406	
Jack Cola	-	10,346	-	97,521	-	12,406	
Philip Cola	-	10,346	-	97,521	-	12,406	
Anthony Verelli	-	10,346	-	97,521	-	12,406	
9099-9699 Quebec Inc.	-	17,424	-	164,246	-	20,895	
Sobela JV Inc	-	34,848	-	328,491	-	41,790	
Ian Karpur Holdings Inc	-	10,527	-	99,232	-	12,624	
Louis Cola	-	10,527	-	99,232	-	12,624	
Montague Securities Int'l Ltd. # 3	-	5,445	-	51,327	-	6,590	
		<u>242,685</u>	<u>468,259</u>	<u>132,729</u>	<u>6,172,874</u>	<u>145,329</u>	<u>720,707</u>

\* These number of Amalco Shares and Amalco Special Preferred Shares to be issued to former holders of Capricorn Shares and Capricorn Preferred Shares are based on the number of issued and outstanding Ecopia Shares as of the date hereof, and will be adjusted in accordance with the Common Amalgamation Conversion Formula and the Preferred Amalgamation Conversion Formula, as the case may be, in the event that the number of Ecopia Shares issued and outstanding immediately prior to the Amalgamation is different from the number of Ecopia Shares issued and outstanding as at the date hereof.

PATENT  
REEL: 01995 FRAME: 0363

PATENT  
REEL: 01995 FRAME: 0363

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
*Commercial Division*

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No.: 500-11-029809-072

In the matter of a proposed arrangement by Caprion Pharmaceuticals Inc. under Section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "CBCA"):

**CAPRION PHARMACEUTICALS INC.**,  
a legal person duly constituted under the CBCA, having its registered and head office at 7510 Alexander-Fleming Street, Montreal, Québec, H4S 2C8

**Applicant**

and

**THE DIRECTOR IN CHARGE OF THE CBCA**, having his head office at Complexe Jean-Edmonds South, 9<sup>th</sup> Floor, 365 Laurier Avenue West, Ottawa, Ontario, K1A 0C8

and

**ECOPIA BIOSCIENCES INC.**, a legal person duly constituted under the CBCA, having its registered and head office at 7290, Frederick Banting Street, Montreal (Saint-Laurent), Québec, H4S 2A1

**Mis en cause**

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**APPLICATION FOR INTERIM AND FINAL ORDERS  
WITH RESPECT TO AN ARRANGEMENT  
(Sections 192 and 248 of the CBCA)**

TO ONE OF THE JUDGES OF THE SUPERIOR COURT OF THE PROVINCE OF QUÉBEC, DISTRICT OF MONTRÉAL, THE APPLICANT RESPECTFULLY SUBMITS AS FOLLOWS:

**I. OVERVIEW OF APPLICATION**

1. Caprion Pharmaceuticals Inc. ("Caprion") is a legal person duly constituted under the CBCA;
2. Caprion proposes to carry out a plan of arrangement (the "Plan of Arrangement") under Section 192 of the CBCA, involving Ecopia BioSciences Inc. ("Ecopia"), pursuant to which:
  - (a) Caprion would transfer to a newly-formed and wholly-owned general partnership all or substantially all of its property and assets (including, without limitation, contracts, licenses, equipment, intellectual property and goodwill) relating exclusively to the proprietary technology platform business unit known as CellCarta, which new entity would be sold within the first 12 months following closing of the arrangement (the "CellCarta Reorganization");
  - (b) Caprion would terminate its investors rights agreement dated December 1, 2000 entered into by Caprion, Orion Securities Inc. and certain Caprion shareholders, as amended (the "Caprion Investors Rights Agreement"), its shareholders' agreement dated December 6, 1999, entered into by Caprion and certain Caprion shareholders, as amended (the "Caprion Shareholders Agreement"), the registration rights agreement dated December 20, 2002 entered into by Caprion and Biogen IDEC MA Inc., as amended, and the first amendment to its registration rights agreement dated December 20, 2002 entered into by Caprion, Orion Securities Inc., Waters Technologies Holding Limited and others, as amended (collectively, the "Caprion Registration Rights Agreements") and the voting trust agreement entered into among certain Caprion shareholders on November 26, 1999 (the "Caprion Voting Trust Agreement");

- (c) following the sending, on January 30, 2007, of a notice to Expergen Drug Development GmbH ("Expergen") in accordance with the terms of the warrants to purchase 75,000 Caprion Shares held by Expergen (the "Expergen Warrants"), notifying Expergen of the Amalgamation, as is hereinafter defined, any Expergen Warrants issued and outstanding following the 20-day period allowed for in said notice for Expergen to exercise its rights, shall be terminated in accordance with their terms;
- (d) Caprion would amalgamate with Ecopia (the "Amalgamation") pursuant to a combination agreement between Caprion and Ecopia, dated January 3, 2007, (the "Combination Agreement") and, as such, Caprion and Ecopia would continue in existence as one and the same corporation, being Amalco, under the CBCA;
- (e) Caprion would terminate its 1998 stock option plan adopted on November 4, 1998 and subsequently amended by its Board of Directors on July 21, 1999, September 24, 2001, September 24, 2002, November 11, 2004 and December 30, 2005 (the "Caprion Stock Option Plan") and cancel all issued and outstanding options to purchase common shares in the capital of Caprion (the "Caprion Options");
- (f) Amalco will issue a minimum of \$30 million of units of Amalco and up to a maximum of \$45 million of units of Amalco in connection with an equity financing of Amalco that is a condition to the completion of the Arrangement (the "Equity Financing"); and
- (g) the common shares of Amalco shall be consolidated on the basis of one post-consolidation common share for every ten pre-consolidation common shares, as part of the Arrangement;
3. Caprion makes an application to this Court for:
- (a) an interim order (the "Interim Order") for advice and directions pursuant to subsections 192(3) and 192(4) of the CBCA, including the notice to be provided to the registered and beneficial holders of common shares in the capital of Caprion ("Caprion Shares") and to the registered and beneficial holders of Class A preferred shares in the capital of Caprion ("Caprion Preferred Shares") (collectively, the "Shareholders"), the entitlement and manner in which Caprion shall call, hold and conduct two special meetings of its Shareholders (respectively, the "Caprion Common Shares Meeting" and the "Caprion Preferred Shares Meeting", and collectively the "Caprion Meetings") for the purpose of considering and, if deemed advisable, passing a special resolution to approve the Plan of Arrangement (the "Arrangement Resolution"), the holding of the vote

and the entitlement and manner in which the Shareholders may dissent, and the notice to be provided to Ecopia shareholders and to holders of Ecopia options and Ecopia warrants (collectively the "Ecopia Securityholders") and to Investissement Québec ("IQ");

(b) a final order (the "Final Order") under Section 192(4) of the CBCA approving the Plan of Arrangement;

4. Caprion files the following draft documents:

(a) notices of special meetings and joint management proxy circular with its appendices (the "Circular"), a copy of which is attached herewith as Exhibit R-1, including:

- notices of the Caprion Meetings (collectively the "Notices of Meetings") and notice of the annual and special meeting of Ecopia's shareholders (the "Ecopia Meeting");
- the Arrangement Resolution (Appendix A to the Circular) and the resolution to be submitted to the Ecopia shareholders relating to the approval of the amalgamation of Ecopia and Caprion as part of the Plan of Arrangement (the "Amalgamation Resolution") (Appendix B to the Circular);
- the Plan of Arrangement (Appendix F to the Circular); and
- a draft Interim Order (the Interim Order to become Appendix G to the Circular);

(b) a form of proxy for holders of Caprion Shares and a form of proxy for holders of Caprion Preferred Shares, copies of which are attached hereto, en liasse, as Exhibit R-2 (Exhibits R-1 and R-2 are referred to hereinafter as the "Proxy Material");

(c) a form of proxy for Ecopia shareholders ("Ecopia Proxy"), copy of which is attached hereto as Exhibit R-3;

## II. CAPRION

5. Caprion is a privately-held corporation that was incorporated under the CBCA in 1998;

6. Caprion is a clinical-stage biotechnology company that develops pharmaceutical products in the areas of infectious disease and oncology;

7. Caprion has approximately 50 registered Shareholders;
8. All parties to the Caprion Investors Rights Agreements, the Caprion Shareholders Agreement, the Caprion Registration Rights Agreements, the Caprion Voting Trust Agreement and Expergen are Shareholders;

### III. THE MISE EN CAUSE: ECOPIA

9. Ecopia is a public company and its common shares are listed on the Toronto Stock Exchange under the symbol "EIA";
10. Ecopia searches for new classes of anticancer agents from soil-dwelling microorganisms;
11. Ecopia is mise en cause to this Application since it is concerned by several steps contemplated in the Plan of Arrangement and since some of the conclusions sought herein are related to the persons to whom Amalco securities will be issued pursuant to the Plan of Arrangement, including the actual Ecopia Securityholders;
12. On January 3, 2007, the board of directors of Ecopia met to review the terms of the Combination Agreement and related documentation, including the Plan of Arrangement, and approved same;
13. As appears from the Circular (Exhibit R-1), Ecopia will hold the Ecopia Meeting contemporaneously to the Caprion Meetings, i.e. on or after March 12, 2007;
14. At the Ecopia Meeting, the Ecopia shareholders will be asked to approve, among other things, (a) the Amalgamation Resolution, and (b) the consolidation of the common shares of Amalco on the basis of one post-consolidation common share for every ten pre-consolidation common shares, as part of the Arrangement. In order to become effective, the Amalgamation Resolution must be adopted by at least 66 2/3% of the votes cast by the Ecopia shareholders, present or represented by proxy and entitled to vote at the Ecopia Meeting;
15. The Circular and the Ecopia Proxy in substantially the same form as found at Exhibits R-1 *en liasse* and R-3, and such other material as Ecopia may deem advisable will be sent by mail, delivery in person, recognized courier service or facsimile transmission to the Ecopia Securityholders, the auditors of Ecopia and the directors and officers of Ecopia no later than 21 days prior to the date of the Ecopia Meeting;

#### IV. THE PLAN OF ARRANGEMENT

16. The following are the relevant extracts from the Plan of Arrangement:

" 3.1 *Arrangement*

*The following shall occur and be deemed to occur in the following order without any further act or formality:*

- (a) *at 11:55 p.m. on the Effective Date, the CellCarta Reorganization shall take effect;*
- (b) *at 12:05 a.m. on the day after the Effective Date, the Caprion Investors Agreement, the Caprion Shareholders Agreement, the Caprion Registration Rights Agreements and the Caprion Voting Trust Agreement shall be terminated;*
- (c) *at 12:05 a.m. on the day after the Effective Date, the Expergen Warrants shall be terminated, to the extent not already exercised or expired;*
- (d) *at 12:10 a.m. on the day after the Effective Date, Ecopia and Caprion shall be amalgamated (the "Amalgamation") with the same effect as provided in Section 181 of the CBCA and, as such, shall continue in existence as one and the same company, being Amalco, under the CBCA on the following terms and conditions:*
  - (...)
- (e) *On the Amalgamation referred to in Section 3.1(d) above:*
  - (i) *all of the issued and outstanding Caprion Shares held by a holder of Caprion Shares shall be converted into (i) such number of Amalco Shares as shall be determined in accordance with the Common Amalgamation Conversion Formula and (ii) such number of Amalco Special Preferred Shares as shall be determined in accordance with the Common Amalgamation Conversion Formula, provided that the holders of Caprion Shares shall receive such number of Amalco Shares and Amalco Special Preferred Shares as set out in Appendix B hereto;*
  - (ii) *all of the issued and outstanding Caprion Preferred Shares held by a holder of Caprion Preferred Shares shall be converted into*



- (i) such number of Amalco Shares as shall be determined in accordance with the Preferred Amalgamation Conversion Formula and (ii) such number of Amalco Special Preferred Shares as shall be determined in accordance with the Preferred Amalgamation Conversion Formula, provided that the holders of Caprion Preferred Shares shall receive such number of Amalco Shares and Amalco Special Preferred Shares as set out in Appendix B hereto;
- (iii) all of the Caprion Options outstanding immediately prior to the Amalgamation shall be cancelled;
- (iv) each of the issued and outstanding Ecopia Shares shall be converted into one Amalco Share;
- (v) the aggregate stated capital of all of the issued and outstanding Amalco Shares and Amalco Special Preferred Shares shall be equal to the stated capital of all the Caprion Shares, Caprion Preferred Shares and Ecopia Shares immediately before the Amalgamation and the amount allocated to the Amalco Special Preferred Shares shall be equal to the redemption amount of the Amalco Special Preferred Shares, as provided in Section II 4.2(b) of Appendix A hereto;
- (vi) each of the Ecopia Warrants outstanding immediately prior to the Amalgamation shall become a warrant to purchase one Amalco Share, subject to adjustments pursuant to the Amalco Consolidation (an "Ecopia Replacement Warrant"). All terms and conditions of such Ecopia Replacement Warrants will be the same as the terms and conditions of such Ecopia Warrants. Warrant certificates previously evidencing such Ecopia Warrants shall thereafter evidence and be deemed to evidence such Ecopia Replacement Warrants issued in replacement thereof;
- (vii) each outstanding Ecopia Option that is not exercised prior to the Amalgamation ("Ecopia Unexercised Option") shall be cancelled and replaced by one option (an "Ecopia Replacement Option") to purchase one Amalco Share, subject to adjustments pursuant to the Amalco Consolidation. All terms and conditions of such Ecopia Replacement Options (including the terms and conditions set forth in the Ecopia Stock Option Plan) will be the same as the terms and conditions of such Ecopia Unexercised Options. Any document or agreement previously evidencing such Ecopia Unexercised Options shall thereafter evidence and be deemed to evidence such Ecopia Replacement Options;

- (viii) *all IQ Warrants outstanding in respect of the 2002 Loan immediately prior to the Amalgamation shall become warrants to purchase 2,180,000 Amalco Shares at an exercise price of \$0.375 per Amalco Share, subject to adjustments pursuant to the Amalco Consolidation ("IQ 2002 Replacement Warrants"). All other terms and conditions of such IQ Replacement Warrants will be the same as the terms and conditions of such IQ Warrants, except that such warrants will expire on the second anniversary of the repayment in full of the 2002 Loan;*
- (ix) *all IQ Warrants outstanding in respect of the 2005 Loan immediately prior to the Amalgamation shall become warrants to purchase 3,120,000 Amalco Shares at an exercise price of \$0.375 per Amalco Share, subject to adjustments pursuant to the Amalco Consolidation ("IQ 2005 Replacement Warrants"). All other terms and conditions of such IQ Replacement Warrants will be the same as the terms and conditions of such IQ Warrants, except that such warrants will expire on the second anniversary of the repayment in full of the 2005 Loan;*
- (x) *the Ecopia Stock Option Plan shall remain in force and govern the terms of the Ecopia Replacement Options and the Ecopia Share Purchase Plan shall remain in force;*
- (xi) *the Caprion Stock Option Plan shall be terminated;*
- (f) *at 12:16 a.m. on the day after the Effective Date, the Amalco Units to be issued by Amalco pursuant to the terms of the Equity Financing shall be issued; and*
- (g) *at 12:20 a.m. on the day after the Effective Date, the Amalco Consolidation shall take effect. "*

17.

If approved by the Shareholders and this Court upon Final Order and provided that all the other conditions set forth in the Combination Agreement are met, the Plan of Arrangement will be implemented on or after the date on which the Mis-en-cause director named under the CBCA (the "Director") issues a certificate of arrangement giving effect to the Plan of Arrangement;

**V. DISSENT RIGHTS**

18. It is proposed that :

(a) Shareholders and Ecopia shareholders may exercise rights of dissent with respect to their Caprion Shares, Caprion Preferred Shares or Ecopia shares, as the case may be, ("**Dissenting Shareholders**") pursuant to and in the manner set forth in Section 190 of the CBCA as modified by the Interim Order and the Plan of Arrangement;

(b) a Shareholder or an Ecopia shareholder who wishes to dissent shall provide a written objection to the Arrangement Resolution or the Amalgamation Resolution, as the case may be, to, as the case may be, Caprion's Corporate Secretary at Caprion's registered office located at 7510 Alexander Fleming, Montreal, Québec, H4S 2C8 or by facsimile transmission to (514) 940-3620, or to Ecopia's Secretary at Ecopia's registered office located at 7290, Frederick Banting Street, Montreal, Québec, H4S 2A1 or by facsimile transmission to (514) 336-8827, by no later than 5 o'clock p.m. (Montreal time) on March 7, 2007 (or 5 o'clock p.m. (Montreal Time) or on the day that is two business days immediately preceding the relevant Caprion Meeting or the Ecopia Meeting, as the case may be);

(c) any Dissenting Shareholder shall be entitled, in the event that the Plan of Arrangement becomes effective, to be paid by Amalco the fair value of its shares held by such Dissenting Shareholder;

19. The rights of the Dissenting Shareholders are set out in detail in the section entitled "Dissent Rights" in the Circular, Exhibit R-1;

**VI. APPROVAL BY THE BOARD OF DIRECTORS OF CAPRION**

20. On January 2, 2007, the board of directors of Caprion met to review the terms of the Plan of Arrangement and related documentation;

21. The board of Caprion considers the Plan of Arrangement in the best interests of Caprion and the Shareholders;

22. Accordingly, the board of Caprion has unanimously approved the Plan of Arrangement and has unanimously recommended that the Shareholders vote FOR the Arrangement Resolution;

**VII. FAIRNESS**

3. The board of directors of Caprion and Caprion are of the view that the Plan of Arrangement is fair and reasonable, for the following reasons:
- a) if the Plan of Arrangement is not approved, the Equity Financing will not occur, thereby jeopardizing the continuing of Caprion's operations;
  - b) the Shareholders will hold 50% of Amalco's total outstanding common shares following the Amalgamation;
  - c) the opportunity afforded by the Arrangement for Caprion to combine its operations with those of Ecopia will create a leading oncology and infectious disease company with a portfolio of three active clinical therapeutic programs in advanced stages of development in cancer and infectious disease on a rapid path to commercialization and a sustainable pipeline of new opportunities;
  - d) Amalco will have greater financial and business resources, including human resources, than Caprion alone taking into consideration the Equity Financing;
  - e) the terms and conditions of the Combination Agreement, which provides for the Amalgamation, do not prevent an unsolicited third party from proposing or making a superior proposal or, provided Caprion complies with the terms of the Combination Agreement (including payment of a termination fee in certain circumstances), preclude the Board from considering and acting on a superior proposal;
  - f) the terms and conditions of the Combination Agreement, including Caprion's and Ecopia's representations, warranties and covenants, and the conditions to their respective obligations, are, in the judgment of Caprion and its advisors, reasonable and were the product of extensive negotiations between Caprion and its advisors and Ecopia and its advisors;
  - g) the Arrangement Resolution must be approved by a 66 2/3% majority of the holders of Caprion Shares and a 66 2/3% majority of the holders of Caprion Preferred Shares;
  - h) management of Caprion has held informal discussions with a number of Shareholders concerning the Arrangement and more than 66 2/3% of holders of Caprion Shares and more than 66 2/3% of holders of Caprion Preferred Shares, separately as classes, have indicated their approval of the arrangement;

4. The board of directors of Ecopia considers on the basis, *inter alia*, of its review of the terms of the Combination Agreement and related documentation, including the Plan of Arrangement, that the proposed Amalgamation with Caprion as part of the Plan of Arrangement is fair and reasonable to the Ecopia shareholders and in the best interests of Ecopia and its shareholders;

### III. SOLVENCY

5. Caprion is not insolvent within the meaning of Section 192(2) of the CBCA or otherwise as Caprion (a) is able to pay its liabilities as they become due, and (b) the realizable value of Caprion's assets is higher than the aggregate of its liabilities and stated capital of all classes;

### X. IMPRACTICABILITY

6. It is not practicable to effect the steps and events described in Sections 3.1 of the Plan of Arrangement other than through a plan of arrangement pursuant to Section 192 of the CBCA for the following reasons:
- ) the need to have all elements of the proposed transaction occur in the correct order;
  - ) the need to terminate the Caprion Investors Rights Agreement, the Caprion Shareholders Agreement, the Caprion Registration Rights Agreements and the Caprion Voting Trust Agreement;
  - ) the need to terminate the Caprion Stock Option Plan and cancel the issued and outstanding Caprion Options, which options are essentially worthless;
  - ) the need for the Court to approve the conversion of (i) the Caprion Shares into Amalco shares and Amalco special preferred shares and (ii) the Caprion Preferred Shares into Amalco preferred shares and Amalco special preferred shares, in order to allow the Shareholders to participate in the proceeds of the eventual sale of CellCarta, pursuant to the CellCarta Reorganization;
  - ) the need to provide for Dissent Rights as described above which cannot be contemplated in any way other than through a plan of arrangement and an order of the Court; and

Under the United States *Securities Act of 1933*, as amended (the "US Securities Act"), any securities issued in the United States must either be (i) registered under the US Securities Act prior to their issue, or, (ii) issued pursuant to an exemption from registration under the US Securities Act. One such exemption, set forth in section 3(a)(10) of the US Securities Act, reads as follows:

*Except with respect to a security exchanged in a case under title 11 of the United States Code, any security which is issued in exchange for one or more bona fide outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear, by any court, or by any official or agency of the United States, or by any State or Territorial banking or insurance commission or other governmental authority expressly authorized by law to grant such approval;*

This exemption thus applies to securities issued in exchange for other securities, where the issuance has been approved by a court or an appropriate administrative body after a hearing upon the fairness thereof at which all persons to whom it is proposed to issue such securities shall have the right to appear. If this Honourable Court approves the Plan of Arrangement, the distribution of Amalco securities to Caprion Shareholders and to Ecopia Securityholders located in the United States pursuant to the transactions contemplated by the Arrangement will not require registration under the US Securities Act, based upon this Honorable Court's approval since it will have followed a hearing on the fairness of the Plan of Arrangement, at which all persons who may receive Amalco securities may be present.

As of February 7, 2007, to the best of Caprion's knowledge, approximately 20% of the Shareholders and less than 2% of the Ecopia Securityholders will receive Amalco securities in the United States pursuant to the Amalgamation referred to in Section 3.1(d) of the Plan of Arrangement;

#### CAPRION MEETINGS

Caprion proposes to call, hold and conduct the Caprion Meetings on or after March 12, 2007 to consider and, if deemed advisable, to pass, with or

without variation, the Arrangement Resolution, being Appendix A to the Circular, Exhibit R-1;

9. For the purpose of calling and holding the Caprion Meetings, it is proposed:

) that the Proxy Material substantially in the form attached herewith as Exhibits R-1 and R-2 be sent by mail to all Shareholders at the address of each Shareholder as recorded on the books of Caprion on February 7, 2007, at least twenty-one (21) days prior to the date of the Caprion Meetings;

) that in order to become effective, the Arrangement Resolution must be adopted by at least 66 2/3% of the votes cast by the holders of Caprion Shares, present or represented by proxy and entitled to vote at the Caprion Common Shares Meeting, and by at least 66 2/3% of the votes cast by the holders of Caprion Preferred Shares, present or represented by proxy and entitled to vote at the Caprion Preferred Shares Meeting; and

) that the Caprion Meetings shall otherwise be called, held and conducted in accordance with the Notices of Meetings, the provisions of the CBCA, the articles and by-laws of Caprion, the rulings and directions of the Chair of the Caprion Meetings and the Interim Order sought herein;

#### I. FINAL ORDER

2. Should the Plan of Arrangement be adopted by the Shareholders at the Caprion Meetings and should the Amalgamation Resolution be adopted by the Ecopia shareholders at the Ecopia Meeting, Caprion intends to present the present application for the Final Order on or after March 13, 2007;

1. Notwithstanding the passing of the Arrangement Resolution or the approval of the Court, the Arrangement Resolution provides that Caprion may decide not to proceed with the Plan of Arrangement at any time before the Plan of Arrangement becomes effective, without further approval of the Shareholders;

2. The Final Order of this Honorable Court approving the Plan of Arrangement will constitute the basis for an exemption from the registration and prospectus requirements under Section 3(a)(10) of the US Securities Act with respect to the Amalco securities to be issued in the United States to Caprion Shareholders and Ecopia Securityholders pursuant to the Plan of Arrangement;

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO  
MAKE THE FOLLOWING ORDERS:

ON THE INTERIM APPLICATION

GRANT the present application for Interim Order;

DISPENSE Caprion from serving the present application for Interim Order,  
except to the Director in charge of the *Canada Business Corporations Act*, R.S.C.,  
1985, c. C-44 (the "CBCA");

ORDER provisional execution of the Interim Order notwithstanding appeal and  
without the necessity of furnishing any security;

to the Caprion Meetings

**AUTHORIZE AND DIRECT** Caprion Pharmaceuticals Inc. ("Caprion") to call, hold and conduct special shareholder meetings of (i) the holders of common shares in the capital of Caprion and (ii) the holders of Class A preferred shares in the capital of Caprion (collectively, the "Shareholders"), such meetings (respectively, the "Caprion Common Shares Meeting" and the "Caprion Preferred Shares Meeting", and collectively the "Caprion Meetings") to be called, held and conducted in accordance with the provisions of the CBCA and the articles and by-laws of Caprion for the purpose of considering and, if deemed advisable, passing a special resolution (the "Arrangement Resolution") to approve a plan of arrangement (the "Plan of Arrangement") being Appendix A to the joint management proxy circular (the "Circular") (Exhibit R-1) produced into the Court Record;

**AUTHORIZE** Caprion to make such amendments, revisions or supplements to the Circular (including to the Arrangement Resolution, the Plan of Arrangement and the other appendices) as it may determine until such time as the notices of the Caprion Meetings ("Notices of Meetings") are given, without any additional notice to the Shareholders and **DECLARE** that the Arrangement Resolution and the Plan of Arrangement, as amended, revised or supplemented, shall be the ones submitted at the Caprion Meetings;

**AUTHORIZE** Caprion to hold the Caprion Meetings on or after March 12, 2007, at 7150 Alexander-Fleming, St-Laurent, Québec H4S 2C8;

**AUTHORIZE** Caprion to adjourn or postpone the Caprion Meetings on one or more occasions, without the necessity of first convening the



Caprion Meetings or first obtaining any vote of the Shareholders in respect of the adjournment or postponement;

s to the Notices of Meetings

**ORDER** that Caprion send the Notices of Meetings in accordance with the provisions of its by-laws, by mailing the same by prepaid ordinary post to the address of each Shareholder as recorded on the books of Caprion as at February 7, 2007, provided that Caprion shall complete the mailing of such Notices of Meetings no less than twenty-one days before the relevant Caprion Meeting;

**ORDER** that Caprion send by mail to the Shareholders and to Investissement Québec ("IQ"): a copy of the documents filed herewith as Exhibits R-1 and R-2 in substantially the form filed, being the proxy forms and the Circular, the latter including, *inter alia*, a copy of the Arrangement Resolution, of the Plan of Arrangement and of the interim order (the "Interim Order") to be rendered herein, being respectively Appendices A, F and G to the Circular, all with such changes as may be deemed necessary or advisable by Caprion to, amongst others, respond to the requirements of any regulatory authority having jurisdiction over Caprion (collectively referred to as the "Proxy Material");

**DECLARE** that the Proxy Material shall be deemed, for the purposes of the Interim Order, the Caprion Meetings and/or the final order (the "Final Order") to have been received by and/or served on the Shareholders three days after delivery thereof to the post office;

s to voting at the Caprion Meetings

**DECLARE** that the Shareholders may authorize the transactions contemplated in the Plan of Arrangement by the Arrangement Resolution passed at each Caprion Meeting by at least 66 2/3% of the votes cast by the holders of Caprion Shares, present or represented by proxy and entitled to vote at the Caprion Common Shares Meeting, and by at least 66 2/3% of the votes cast by holders of Caprion Preferred Shares, present or represented by proxy and entitled to vote at the Caprion Preferred Shares Meeting, each voting separately as classes;

s to the Ecopia Meeting

**ACKNOWLEDGE** that Ecopia Biosciences Inc. ("Ecopia") will call, hold and conduct a special shareholder meeting (the "Ecopia Meeting") of the holders of the common shares in the capital of Ecopia on or after March 12, 2007 at 1:00 p.m. at the McGill Faculty Club and Conference Centre,

3450 McTavish Street, Montréal, Québec, such Ecopia Meeting to be called, held and conducted in accordance with the provisions of the CBCA and the articles and by-laws of Ecopia for the purpose of considering and, if deemed advisable, passing a special resolution (the "Amalgamation Resolution") to approve the amalgamation of Caprion and Ecopia as part of the Arrangement, being Appendix B to the Circular;

**ACKNOWLEDGE** that the notice of Ecopia Meeting, the Circular, the applicable form of proxy and letter of transmittal in substantially the same form as found at Exhibits R-1 *en liasse* and R-3, and such other material as Ecopia may deem advisable shall be sent by mail, delivery in person, recognized courier service or facsimile transmission to the Ecopia shareholders as recorded on the books of Ecopia at the close of business on February 7, 2007, the holders of Ecopia options, the holders of Ecopia warrants (the holders of Ecopia shares, options and warrants being referred to as "Ecopia Securityholders"), the auditors of Ecopia and the directors and officers of Ecopia no later than 21 days prior to the date of the Ecopia Meeting;

**ACKNOWLEDGE** that the requisite approval for the Amalgamation Resolution shall be 66 2/3% of the votes cast of the Amalgamation Resolution by the Ecopia shareholders, present in person or by proxy at the Ecopia Meeting, each Ecopia share entitling the holder thereof to one vote on the Amalgamation Resolution;

s to dissent rights

**ORDER** that:

) Shareholders and Ecopia shareholders shall be entitled to dissent with respect to their Caprion Shares, Caprion Preferred Shares or Ecopia shares, as the case may be, ("Dissenting Shareholders") pursuant to and in the manner set forth in Section 190 of the CBCA as modified by the Interim Order and the Plan of Arrangement;

) a Shareholder or an Ecopia shareholder who wishes to dissent shall provide a written objection to the Arrangement Resolution or the Amalgamation Resolution, as the case may be, to, as the case may be, Caprion's Corporate Secretary at Caprion's registered office located at 7510 Alexander Fleming, Montreal, Québec, H4S 2C8 or by facsimile transmission to (514) 940-3620, or to Ecopia's Secretary at Ecopia's registered office located at 7290, Frederick Banting Street, Montreal, Québec, H4S 2A1 or by facsimile transmission to (514) 336-8827, by no later than 5 o'clock p.m. (Montreal time) on March 7, 2007 (or 5 o'clock

p.m. (Montreal Time) or on the day that is two business days immediately preceding the relevant Caprion Meeting or the Ecopia Meeting, as the case may be);

any Dissenting Shareholder shall be entitled, in the event that the Plan of Arrangement becomes effective, to be paid by Amalco the fair value of its shares held by such Dissenting Shareholder;

s to any additional Interim Order

**AUTHORIZE** Caprion to petition this Honorable Court and, if and when necessary, to seek any additional Interim Order;

s to the Final Order

**AUTHORIZE** Caprion to present the present application for the Final Order before this Honorable Court on the first juridical day following the Caprion Meetings, or at any other date following notification by news release to the Shareholders of the date of presentation of the present application for a Final Order before this Honorable Court, at least five (5) days before such date, without further notice;

**DECLARE** that compliance with the terms of the Interim Order shall constitute good and sufficient service of this application for Final Order by Caprion to all of the Shareholders, the Ecopia Securityholders, IQ and to any other person and that no other form of service need be made and no other material need be sent or served on such persons in respect of these proceedings, whether they reside within Québec or in another jurisdiction;

**DECLARE** that Caprion and Ecopia are both entitled to make proof of service by way of an affidavit of one of their officers to the effect that the Proxy Material was sent in accordance with the Interim Order;

**ORDER** that any interested person, including the Shareholders, the Ecopia Securityholders and IQ, as the case may be, wishing to appear at the hearing on the application for Final Order shall:

- (i) file an appearance with the Clerk of the Superior Court of Québec, 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6, Commercial Division, judicial District of Montreal and serve same on Caprion's counsel, Stikeman Elliott (c/o: Me Jean Fontaine, 1155 René-Lévesque Blvd. W., 40th floor, Montreal, Québec, H3B 3V2), along with notice of this person's address for service, no later than March 6, 2007;

- (ii) if such Appearance is with the view to contest the application for Final Order or to make representations in relation thereto, file a written contestation or written representations, as the case may be, supported, as to the facts, by affidavit(s) and exhibit(s), if any, with the aforementioned Clerk of the Superior Court of Québec, 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6, Commercial Division, judicial District of Montreal, and serve same on Caprion's counsel, Stikeman Elliott (c/o: Me Jean Fontaine, 1155 René-Lévesque Blvd. W., 40th floor, Montreal, Québec, H3B 3V2), along with notice of this person's address for service, no later than the day that is four business days before the hearing on the present application for Final Order, failing which no contestation of the application for Final Order shall be permitted;

**DECLARE** that the Shareholders (and any transferee after the record date of February 7, 2007), IQ and the Ecopia Securityholders and all other persons notified in accordance with the Interim Order will be duly called parties to this application for Final Order and will be bound by the orders and findings of this Court in connection with the Final Order;

**ORDER** that Caprion shall present this application for Final Order with a certified copy of the Arrangement Resolution duly passed;

#### **ON THE FINAL APPLICATION**

**GRANT** the present application for Final Order;

**DECLARE** the Plan of Arrangement duly adopted in accordance with the directions given by this Court on the Interim Order;

**DECLARE** that the Plan of Arrangement conforms with the requirements of the CBCA;

**DECLARE** that the Plan of Arrangement is fair to all persons to whom it is proposed to issue Amalco securities pursuant to the Plan of Arrangement;

**ORDER** provisional execution of the Final Order notwithstanding appeal and without the necessity of furnishing any security;

THE WHOLE without costs unless contested.

Montreal, February 5, 2007

(s) *Stikeman Elliott LLP*

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**Stikeman Elliott LLP**  
Attorneys for Applicant

true copy

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**Stikeman Elliott LLP**  
Attorneys for Applicant

**AFFIDAVIT**

I, the undersigned, Lloyd M. Segal, President and Chief Executive Officer of Caprion Pharmaceuticals Inc., having my principal place of business at 510 Alexander-Fleming Street, in the City and district of Montreal, Province of Québec, do solemnly affirm that:

I am the President and Chief Executive Officer of Caprion Pharmaceuticals Inc.;

All the facts alleged in the present application for interim and final orders with respect to an arrangement are true.

And I have signed:

*(s) Lloyd M. Segal*

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**LLOYD M. SEGAL**

**SOLEMNLY AFFIRMED** before me at Montreal, this 5th day of February, 2007.

*(s) Michael Singer, # 158 523*

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Commissioner of Oaths  
true copy

Stikeman Elliott LLP

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Attorneys for Applicant

**SUPERIOR COURT**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
(Commercial Division)

No: 500-11-029809-072

DATE: February 6, 2007

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IN THE PRESENCE OF THE HONOURABLE DANIEL H. TINGLEY

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CAPRION PHARMACEUTICALS INC.,

Applicant

THE DIRECTOR IN CHARGE OF THE CBCA

And

COPIA BIOSCIENCES INC.

Mis en cause

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**JUDGMENT**

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- 1] **CONSIDERING** the application of Caprion Pharmaceuticals Inc. ("Caprion") under Section 192 of the CBCA at the interim level;
- 2] **CONSIDERING** the affidavit of Lloyd M. Segal dated February 5, 2007, and the exhibits produced in support of Caprion's application;
- 3] **CONSIDERING** that the requirements set forth by the Director in charge of the CBCA ("Director") in the Policy statement 15.1 of the Director concerning arrangements under Section 192 of the CBCA has been complied with and that

the Director has concluded that he did not need to appear or be heard on the application;

**THE COURT MAKES THE FOLLOWING INTERIM ORDER:**

**GRANTS** the application for interim order;

**DISPENSES** Caprion from serving the application for Interim Order, except to the Director in charge of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 (the "CBCA");

**ORDERS** provisional execution of the Interim Order notwithstanding appeal and without the necessity of furnishing any security;

As to the Caprion Meetings

**AUTHORIZES AND DIRECTS** Caprion to call, hold and conduct special shareholder meetings of (i) the holders of common shares in the capital of Caprion and (ii) the holders of Class A preferred shares in the capital of Caprion (collectively, the "Shareholders"), such meetings (respectively, the "Caprion Common Shares Meeting" and the "Caprion Preferred Shares Meeting", and collectively the "Caprion Meetings") to be called, held and conducted in accordance with the provisions of the CBCA and the articles and by-laws of Caprion for the purpose of considering and, if deemed advisable, passing a special resolution (the "Arrangement Resolution") to approve a plan of arrangement (the "Plan of Arrangement") being Appendix A to the joint management proxy circular (the "Circular") (Exhibit R-1) produced into the Court Record;

**AUTHORIZES** Caprion to make such amendments, revisions or supplements to the Circular (including to the Arrangement Resolution, the Plan of Arrangement and the other appendices) as it may determine until such time as the notices of the Caprion Meetings ("Notices of Meetings") are given, without any additional notice to the Shareholders and **DECLARES** that the Arrangement Resolution and the Plan of Arrangement, as amended, revised or supplemented, shall be the ones submitted at the Caprion Meetings;

**AUTHORIZES** Caprion to hold the Caprion Meetings on or after March 12, 2007, at 7150 Alexander-Fleming, St-Laurent, Québec H4S 2C8;

**AUTHORIZES** Caprion to adjourn or postpone the Caprion Meetings on one or more occasions, without the necessity of first convening the Caprion Meetings or first obtaining any vote of the Shareholders in respect of the adjournment or postponement;



As to the Notices of Meetings

**ORDERS** that Caprion send the Notices of Meetings in accordance with the provisions of its by-laws, by mailing the same by prepaid ordinary post to the address of each Shareholder as recorded on the books of Caprion as at February 7, 2007, provided that Caprion shall complete the mailing of such Notices of Meetings no less than twenty-one days before the relevant Caprion Meeting;

**ORDERS** that Caprion send by mail to the Shareholders and to Investissement Québec ("IQ"): a copy of the documents filed herewith as Exhibits R-1 and R-2 in substantially the form filed, being the proxy forms and the Circular, the latter including, *inter alia*, a copy of the Arrangement Resolution, of the Plan of Arrangement and of this interim order (the "Interim Order") to be rendered herein, being respectively Appendices A, F and G to the Circular, all with such changes as may be deemed necessary or advisable by Caprion to, amongst others, respond to the requirements of any regulatory authority having jurisdiction over Caprion (collectively referred to as the "Proxy Material");

**DECLARES** that the Proxy Material shall be deemed, for the purposes of this Interim Order, the Caprion Meetings and/or the final order (the "Final Order") to have been received by and/or served on the Shareholders three days after delivery thereof to the post office;

As to voting at the Caprion Meetings

**DECLARES** that the Shareholders may authorize the transactions contemplated in the Plan of Arrangement by the Arrangement Resolution passed at each Caprion Meeting by at least 66 2/3% of the votes cast by the holders of Caprion Shares, present or represented by proxy and entitled to vote at the Caprion Common Shares Meeting, and by at least 66 2/3% of the votes cast by holders of Caprion Preferred Shares, present or represented by proxy and entitled to vote at the Caprion Preferred Shares Meeting, each voting separately as classes;

As to the Ecopia Meeting

**ACKNOWLEDGES** that Ecopia Biosciences Inc. ("Ecopia") will call, hold and conduct a special shareholder meeting (the "Ecopia Meeting") of the holders of the common shares in the capital of Ecopia on or after March 12, 2007 at 1:00 p.m. at the McGill Faculty Club and Conference Centre, 3450 McTavish Street, Montréal, Québec, such Ecopia Meeting to be called, held and conducted in accordance with the provisions of the CBCA.

and the articles and by-laws of Ecopia for the purpose of considering and, if deemed advisable, passing a special resolution (the "Amalgamation Resolution") to approve the amalgamation of Caprion and Ecopia as part of the Arrangement, being Appendix B to the Circular;

ACKNOWLEDGES that the notice of Ecopia Meeting, the Circular, the applicable form of proxy and letter of transmittal in substantially the same form as found at Exhibits R-1 *en liasse* and R-3, and such other material as Ecopia may deem advisable shall be sent by mail, delivery in person, recognized courier service or facsimile transmission to the Ecopia shareholders as recorded on the books of Ecopia at the close of business on February 7, 2007, the holders of Ecopia options, the holders of Ecopia warrants (the holders of Ecopia shares, options and warrants being referred to as "Ecopia Securityholders"), the auditors of Ecopia and the directors and officers of Ecopia no later than 21 days prior to the date of the Ecopia Meeting;

ACKNOWLEDGES that the requisite approval for the Amalgamation Resolution shall be 66 2/3% of the votes cast of the Amalgamation Resolution by the Ecopia shareholders, present in person or by proxy at the Ecopia Meeting, each Ecopia share entitling the holder thereof to one vote on the Amalgamation Resolution;

s to dissent rights

**ORDERS that:**

Shareholders and Ecopia shareholders shall be entitled to dissent with respect to their Caprion Shares, Caprion Preferred Shares or Ecopia shares, as the case may be, ("Dissenting Shareholders") pursuant to and in the manner set forth in Section 190 of the CBCA as modified by this Interim Order and the Plan of Arrangement;

a Shareholder or an Ecopia shareholder who wishes to dissent shall provide a written objection to the Arrangement Resolution or the Amalgamation Resolution, as the case may be, to, as the case may be, Caprion's Corporate Secretary at Caprion's registered office located at 7510 Alexander Fleming, Montreal, Québec, H4S 2C8 or by facsimile transmission to (514) 940-3620, or to Ecopia's Secretary at Ecopia's registered office located at 7290, Frederick Banting Street, Montreal, Québec, H4S 2A1 or by facsimile transmission to (514) 336-8827, by no later than 5 o'clock p.m. (Montreal time) on March 7, 2007 (or 5 o'clock p.m. (Montreal Time) or on the day that is two business days immediately

preceding the relevant Caprion Meeting or the Ecopia Meeting, as the case may be);

- (c) any Dissenting Shareholder shall be entitled, in the event that the Plan of Arrangement becomes effective, to be paid by Amalco the fair value of its shares held by such Dissenting Shareholder;

As to any additional Interim Order

**AUTHORIZES** Caprion to petition this Honorable Court and, if and when necessary, to seek any additional Interim Order;

As to the Final Order

**AUTHORIZES** Caprion to present the application for the Final Order before this Honorable Court on the first juridical day following the Caprion Meetings or at any other date following notification by news release to the Shareholders of the date of presentation of the application for a Final Order before this Honorable Court, at least five (5) days before such date, without further notice;

**DECLARES** that compliance with the terms of this Interim Order shall constitute good and sufficient service of the application for Final Order by Caprion to all of the Shareholders, the Ecopia Securityholders, IQ and to any other person and that no other form of service need be made and no other material need be sent or served on such persons in respect of these proceedings, whether they reside within Québec or in another jurisdiction;

**DECLARES** that Caprion and Ecopia are both entitled to make proof of service by way of an affidavit of one of their officers to the effect that the Proxy Material was sent in accordance with this Interim Order;

**ORDERS** that any interested person, including the Shareholders, the Ecopia Securityholders and IQ, as the case may be, wishing to appear at the hearing on the application for Final Order shall:

- (i) file an appearance with the Clerk of the Superior Court of Québec, 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6, Commercial Division, judicial District of Montreal and serve same on Caprion's counsel, Stikeman Elliott (c/o: Me Jean Fontaine, 1155 René-Lévesque Blvd. W., 40th floor, Montreal, Québec, H3B 3V2), along with notice of this person's address for service, no later than March 6, 2007;

- (ii) if such Appearance is with the view to contest the application for Final Order or to make representations in relation thereto, file a written contestation or written representations, as the case may be, supported, as to the facts, by affidavit(s) and exhibit(s), if any, with the aforementioned Clerk of the Superior Court of Québec, 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6, Commercial Division, judicial District of Montreal, and serve same on Caprion's counsel, Stikeman Elliott (c/o: Me Jean Fontaine, 1155 René-Lévesque Blvd. W., 40th floor, Montreal, Québec, H3B 3V2), along with notice of this person's address for service, no later than the day that is four business days before the hearing on the application for Final order, failing which no contestation of the application for Final Order shall be permitted;

**DECLARES** that the Shareholders (and any transferee after the record date of February 7, 2007), IQ and the Ecopia Securityholders and all other persons notified in accordance with this Interim Order will be duly called parties to the application for Final Order and will be bound by the orders and findings of this Court in connection with the Final Order;

**ORDERS** that Caprion shall present the application for Final Order with a certified copy of the Arrangement Resolution duly passed;

**THE WHOLE** without costs.

*(signed) Daniel H. Tingley*

DANIEL H. TINGLEY, S.C.J.

**SUPERIOR COURT**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
(Commercial Division)

REQU AU GREFFE

2007 210  
22 MAR. 2007

No: 500-11-029809-072

DATE: March 13, 2007

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IN THE PRESENCE OF THE HONOURABLE DANIEL H. TINGLEY

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CAPRION PHARMACEUTICALS INC.,

Applicant

v.

THE DIRECTOR IN CHARGE OF THE CBCA

And

ECOPIA BIOSCIENCES INC.

Mis en cause

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**JUDGMENT**

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[1] **CONSIDERING** the application of Caprion Pharmaceuticals Inc. ("Caprion") seeking the final approval of an arrangement under Section 192 of the CBCA at the interim level;

[2] **CONSIDERING** the interim order dated February 6, 2007 issued by the Honourable Justice Daniel H. Tingley of this Court ("Interim Order");

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R.



**PATENT**  
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**PATENT**  
**REEL: 019995 FRAME: 0390**

[3] **CONSIDERING** that the Proxy Material (as defined in the Interim Order) was sent in accordance with the Interim Order, the whole as more fully appears from the affidavits of Lloyd M. Segal dated March 12, 2007 and of Anne-Marie Guertin dated March 12, 2007, filed in the Court record as Exhibit R-4;

[4] **CONSIDERING** that special shareholders' meetings were held on March 12, 2007 (the "Caprion Meetings");

[5] **CONSIDERING** that a special resolution (the "Arrangement Resolution") was submitted at the Caprion Meetings for the purpose of approving and authorizing the Plan of Arrangement (as defined in the Interim Order);

[6] **CONSIDERING** that the Arrangement Resolution was approved by 83.5 % of the votes cast by the holders of Caprion Shares (as defined in the Interim Order) present or represented by proxy and by 100 % of the votes cast by holders of Caprion Preferred Shares (as defined in the Interim Order) present or represented by proxy, as more fully appears from a copy of a letter dated March 12, 2007 filed in the Court record as Exhibit R-5;

[7] **CONSIDERING** that the annual and special meeting of Ecopia BioSciences Inc. ("Ecopia")'s shareholders was held on March 12, 2007 and that the Amalgamation Resolution (as defined in the application for interim and final orders) was adopted by the Ecopia shareholders;

[8] **CONSIDERING** that the Director in charge of the CBCA ("Director") has indicated that he did not need to appear or be heard on the final application as more fully appears from a copy of a letter dated March 12, 2007 filed in the Court record as Exhibit R-6.

**THE COURT MAKES THE FOLLOWING FINAL ORDER:**

**GRANTS** Caprion's application for a final order;

**DECLARES** the Plan of Arrangement duly adopted in accordance with the directions given by this Court in the Interim Order;


**DECLARES** that the Plan of Arrangement conforms with the requirements of the CBCA;

**DECLARES** that the Plan of Arrangement is fair to all persons to whom it is proposed to issue Thallion Pharmaceuticals Inc. securities pursuant to the Plan of Arrangement;

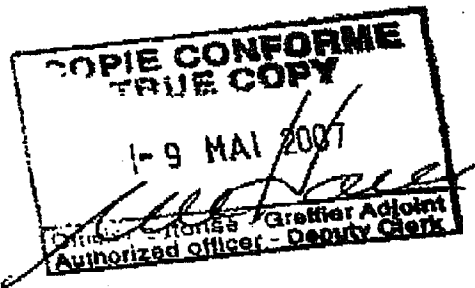
GRANTS act that the present order will serve as the basis of an exemption from the registration requirements of the US Securities Act of 1933, as amended pursuant to Section 3(a)(10) thereunder, for the distribution of securities pursuant to the Plan of Arrangement to persons in the United States;

ORDERS provisional execution notwithstanding appeal and without the necessity of furnishing any security;

THE WHOLE without costs.



DANIEL H. TINGLEY, S.C.J.



CERTIFICATE

The undersigned, Michael Singer, Vice-President, Chief Financial Officer and Corporate Secretary of Caprion Pharmaceuticals Inc., certifies that attached hereto is a true and correct copy of the Certificate of Arrangement issued by Industry Canada on March 13, 2007 giving effect to the arrangement under Section 192 of the *Canada Business Corporations Act* involving, among other things, the amalgamation of Ecopia BioSciences Inc. and Caprion Pharmaceuticals Inc. to form one and the same corporation to be named Thallion Pharmaceuticals Inc.

DATED this 13<sup>th</sup> day of March, 2007.

  
\_\_\_\_\_  
Michael Singer

MTL\_LAW #1923735 v. 1

RECORDED: 07/09/2007

PATENT  
REEL: 019549 FRAME: 0356

RECORDED: 10/23/2007

PATENT  
REEL: 019995 FRAME: 0393