UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

[ ] SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number

TRILLIUM THERAPEUTICS INC.

(Exact Name of Registrant as Specified in Its Charter)

Not Applicable

(Translation of Registrant's Name into English)

Province of Ontario, Canada

(Jurisdiction of Incorporation or Organization)

2488 Dunwin Drive, Mississauga, Ontario L5L 1J9, Canada

(Address of Principal Executive Offices)

James Parsons
Chief Financial Officer
2488 Dunwin Drive
Mississauga, Ontario, Canada L5L 1J9
Telephone: (416) 595-0627
Email: james@trilliumtherapeutics.com
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, no par value	**NASDAQ Stock Market LLC**

Securities registered or to be registered pursuant to section 12(g) of the Act: **None.**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None** .

Indicate the number of outstanding shares of each of the issuer's classes of capital or common shares as of the close of the period covered by the annual report. **14,688,831 Common Shares.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [ ] No [X]

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of "accelerated filer", "large accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [X]
		Emerging growth company [X]

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP [ ]	International Financial Reporting Standards as issued by the International Accounting Standards Board [X]	Other [ ]

If “Other” has been checked in response to previous question, indicate by check mark which financial statement item the registrant has elected to follow.
Item 17 [ ] Item 18 [ ]

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

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INTRODUCTION

All references in this Form 20-F to "the Company", "Trillium", "we", "us", or "our" refer to Trillium Therapeutics Inc. and the subsidiaries through which it conducts its business, unless otherwise indicated or the context requires otherwise.

Emerging Growth Company Status

We are an "emerging growth company" under the US Jumpstart Our Business Startups Act, enacted on April 5, 2012, or the JOBS Act, and applicable US Securities and Exchange Commission, or SEC rules and will be eligible for reduced public company disclosure requirements. See "Item 4. Information on the Company."

CURRENCY TRANSLATION

Unless otherwise noted herein, all references to "US$", "United States dollars" or" US dollars" are to thousands of United States dollars and all references to "Cdn$" or "$", are to thousands of Canadian dollars.

EMERGING GROWTH COMPANY STATUS

We are an "emerging growth company" under the US Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and will continue to qualify as an "emerging growth company" until the earliest to occur of: (a) the last day of the fiscal year during which we have total annual gross revenues of $1,070,000 (as such amount is indexed for inflation every 5 years by the SEC) or more; (b) the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common shares pursuant to an effective registration statement under the US Securities Act of 1933 which is December 31, 2019; (c) the date on which we have, during the previous 3-year period, issued more than $1,000,000 in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer", as defined in Rule 12b–2 of the US Securities Exchange Act of 1934, or the Exchange Act.

Generally, a company that registers any class of its securities under Section 12 of the Exchange Act is required to include in the second and all subsequent annual reports filed by it under the Exchange Act, a management report on internal control over financial reporting and, subject to an exemption available to companies that meet the definition of a "smaller reporting company" in Rule 12b-2 under the Exchange Act, an auditor attestation report on management's assessment of the company's internal control over financial reporting. However, for so long as we continue to qualify as an emerging growth company, we will be exempt from the requirement to include an auditor attestation report in our annual reports filed under the Exchange Act, even if we do not qualify as a "smaller reporting company". In addition, Section 103(a)(3) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, has been amended by the JOBS Act to provide that, among other things, auditors of an emerging growth company are exempt from any rules of the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the company.

Any US domestic issuer that is an emerging growth company is able to avail itself of the reduced disclosure obligations regarding executive compensation in periodic reports and proxy statements, and to not present to its shareholders a non-binding advisory vote on executive compensation, obtain approval of any golden parachute payments not previously approved, or present the relationship between executive compensation actually paid and our financial performance. So long as we are a foreign private issuer, we are not subject to such requirements, and will not become subject to such requirements even if we were to cease to be an emerging growth company.

As a reporting issuer under the securities legislation of the Canadian provinces of Ontario, British Columbia, Manitoba, Nova Scotia and Alberta, we are required to comply with all new or revised accounting standards that apply to Canadian public companies. Pursuant to Section 107(b) of the JOBS Act, an emerging growth company may elect to utilize an extended transition period for complying with new or revised accounting standards for public companies until such standards apply to private companies. We have elected not to utilize this extended transition period.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "expect", "estimate", "may", "will", "could", "leading", "intend", "contemplate", "shall" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this annual report include, but are not limited to, statements with respect to:

- our expected future loss and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirements for, and the ability to obtain, future funding on favorable terms or at all;
- our projections for the SIRPαFc development plans and progress of each of our products and technologies, particularly with respect to the timely and successful completion of studies and trials and availability of results from such studies and trials;
- our plans to focus development of TTI-621 on patients with cutaneous T cell lymphoma based on our early clinical results;
- our expectations about our products' safety and efficacy;
- our expectations regarding our ability to arrange for and scale up the manufacturing of our products and technologies;
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process;
- our expectations about the timing of achieving milestones and the cost of our development programs;
- our observations and expectations regarding the relative low binding of SIRPαFc to red blood cells, or RBCs, compared to anti-CD47 monoclonal antibodies and proprietary CD47-blocking agents and the potential benefits to patients;
- our ability to intensify the dose of TTI-621 with the goal of achieving increased blockade of CD47;
- our expectation that we will achieve levels of TTI-622 in patients sufficient to obtain sustained CD47 blockade;
- our expectation that TTI-622 is likely to be more effective in combination with agents that provide additional "eat" signals to macrophages or other forms of immune activation;
- our plans to market, sell and distribute our products and technologies;
- our expectations regarding the acceptance of our products and technologies by the market;
- our ability to retain and access appropriate staff, management and expert advisers;
- our expectations about the differentiated nature and discovery research capabilities of Fluorinov Pharma Inc., or Fluorinov;
- our ability to generate future product development programs with improved pharmacological properties and acceptable safety profiles using Fluorinov technology;
- our expectations about whether various clinical and regulatory milestones with an existing Fluorinov compound will be achieved;
- our expectations of the final quantum and form of any future contingent milestone payments related to the Fluorinov acquisition;
- our expectations of the ability to secure the requisite approvals (including approvals from the Toronto Stock Exchange, or TSX, and the NASDAQ Stock Market, or NASDAQ) with respect to the issuance of any common shares in satisfaction of future milestone payments;
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- our strategy to acquire and develop new products and technologies and to enhance the safety and efficacy of existing products and technologies;
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements; and
- our strategy with respect to the protection of our intellectual property.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Item 3.D. Risk Factors" in this annual report. Some of these risks and assumptions include, among others:

- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future;
- uncertainty as to our ability to raise additional funding to support operations;
- our ability to generate product revenue to maintain our operations without additional funding;
- the risks associated with the development of our product candidates which are at early stages of development;
- positive results from preclinical and early clinical research are not necessarily predictive of the results of later-stage clinical trials;
- reliance on third parties to plan, conduct and monitor our preclinical studies and clinical trials;
- our product candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results;
- risks related to filing Investigational New Drug applications, or INDs, to commence clinical trials and to continue clinical trials if approved;
- the risks of delays and inability to complete clinical trials due to difficulties enrolling patients;
- competition from other biotechnology and pharmaceutical companies;
- our reliance on the capabilities and experience of our key executives and scientists and the resulting loss of any of these individuals;
- our ability to fully realize the benefits of acquisitions;
- our ability to adequately protect our intellectual property and trade secrets;
- our ability to source and maintain licenses from third-party owners;
- the risk of patent-related litigation; and
- our expectations regarding our status as a passive foreign investment company, or PFIC,

all as further and more fully described under the heading "Item 3.D. Risk Factors".

Although the forward-looking statements contained in this annual report are based upon what our management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements.

Any forward-looking statements represent our estimates only as of the date of this annual report and should not be relied upon as representing our estimates as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The following tables summarize selected financial data as at and for the fiscal years ended December 31, 2018, 2017, 2016, 2015 and 2014 prepared in accordance with International Financial Reporting Standards, or IFRS as issued by the International Accounting Standards Board, or IASB. The financial information in the tables below as at December 31, 2018, 2017 and 2016 and for the years then ended has been derived from our audited consolidated financial statements and related notes included in this Form 20-F. The financial information in the tables below as at December 31, 2015 and 2014 and for the years then ended has been derived from our audited consolidated financial statements and related notes for that year.

The selected financial data below should be read in conjunction with the financial statements included in this annual report beginning on page F-1 and with the information appearing in "Item 5. Operating and Financial Review and Prospects". Our historical results do not necessarily indicate results expected for any future period.

Consolidated statement of loss and comprehensive loss data	**Year ended December 31, 2018**	**Year ended December 31, 2017**	**Year ended December 31, 2016**	**Year ended December 31, 2015**	**Year ended December 31, 2014**
Net sales	-	-	-	-	-
Net loss and comprehensive loss	$42,486	$45,088	$31,733	$14,734	$12,882
Loss from continuing operations per share(1)	$3.06	$4.61	$4.06	$2.22	$3.06
Net loss per common share(1)	$3.06	$4.61	$4.06	$2.22	$3.06
Fully diluted net loss per common share(1)	$3.06	$4.61	$4.06	$2.22	$3.06

Consolidated statement of financial position data	**As at December 31, 2018**	**As at December 31, 2017**	**As at December 31, 2016**	**As at December 31, 2015**	**As at December 31, 2014**
Total assets	$55,459	$94,403	$66,623	$90,039	$28,186
Net assets	$41,601	$78,577	$58,120	$85,804	$24,304
Capital stock - common	$154,017	$145,920	$103,819	$103,340	$49,506
Number of common shares outstanding(2)	14,688,831	13,147,404	7,845,184	7,796,137	4,427,244
Capital stock - preferred	$47,609	$52,706	$32,086	$32,167	$10,076
Number of preferred shares outstanding(3)	4,940,788	6,112,597	2,851,811	2,870,558	2,316,822
Dividends declared per share	-	-	-	-	-

Notes:

(1) The per share figures have been restated to reflect a share consolidation ratio of 1 post-consolidated common share for each 30 pre-consolidation common shares on November 14, 2014.
(2) The number of common shares has been restated to reflect a share consolidation ratio of 1 post- consolidated common share for each 30 pre-consolidation common shares on November 14, 2014.
(3) Number represents common share equivalent post conversion of preferred shares. Each Series I preferred share is convertible into one-thirtieth (1/30th) of a common share and each Series II preferred share is convertible into one common share.

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

D. Risk Factors

The following information sets forth material risks and uncertainties that may affect our business, including our future financing and operating results and could cause our actual results to differ materially from those contained in forward-looking statements we have made in this annual report. The risks and uncertainties below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we believe to be immaterial may also adversely affect our business. Further, if we fail to meet the expectations of the public market in any given period, the market price of our common shares could decline. We operate in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of our control.

Risks Related to Our Financial Position and Need for Additional Capital

We expect to incur future losses and we may never become profitable.

We have incurred losses of $42,486, $45,088 and $31,733 for the years ended December 31, 2018, 2017 and 2016, respectively, and expect to incur an operating loss for the year ending December 31, 2019. We have an accumulated deficit since inception through December 31, 2018 of $184,597. We believe that operating losses will continue as we are planning to incur significant costs associated with the clinical development of SIRPαFc. Our net losses have had and will continue to have an adverse effect on, among other things, our shareholders' equity, total assets and working capital. We expect that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. We cannot predict when we will become profitable, if at all.

We will require additional capital to finance our operations, which may not be available to us on acceptable terms, or at all. As a result, we may not complete the development and commercialization of our product candidates or develop new product candidates.

As a research and development company, our operations have consumed substantial amounts of cash since inception. We expect to spend substantial funds to continue the research, development and testing of our product candidates and to prepare to commercialize products subject to approval of the US Food and Drug Administration, or FDA, in the US and similar approvals in other jurisdictions. We will also require significant additional funds if we expand the scope of our current clinical plans or if we were to acquire any new assets and advance their development. Therefore, for the foreseeable future, we will have to fund all of our operations and development expenditures from cash on hand, equity or debt financings, through collaborations with other biotechnology or pharmaceutical companies or through financings from other sources. We expect that our existing cash and cash equivalents and marketable securities as at December 31, 2018 of $45,409 will enable us to fund our current operating plan requirements for at least the next twelve months. Additional financing will be required to meet our longer term liquidity needs. If we do not succeed in raising additional funds on acceptable terms, we might not be able to complete planned preclinical studies and clinical trials or pursue and obtain approval of any product candidates from the FDA and other regulatory authorities. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of our corporate goals, the results of scientific and clinical research, the ability to obtain regulatory approvals, the state of the capital markets generally and with particular reference to drug development companies, the status of strategic alliance agreements and other relevant commercial considerations. If adequate funding is not available, we may be required to delay, reduce or eliminate one or more of our product development programs, or obtain funds through corporate partners or others who may require us to relinquish significant rights to product candidates or obtain funds on less favorable terms than we would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, our intangible assets and our ability to continue our clinical development plans may become impaired, and our assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

We currently have no product revenue and will not be able to maintain our operations and research and development without additional funding.

To date, we have generated no product revenue and cannot predict when and if we will generate product revenue. Our ability to generate product revenue and ultimately become profitable depends upon our ability, alone or with partners, to successfully develop our product candidates, obtain regulatory approval, and commercialize products, including any of our current product candidates, or other product candidates that we may develop, in-license or acquire in the future. We do not anticipate generating revenue from the sale of products for the foreseeable future. We expect our research and development expenses to increase in connection with our ongoing activities, particularly as we advance our product candidates through clinical trials.

If the price of our common shares continues to trade below US$1.00 per share on the Nasdaq Capital Market for a sustained period, or we do not meet other continued listing requirements, our common shares may be delisted from the Nasdaq Capital Market, which could affect the market price and liquidity for our common shares and reduce our ability to raise additional capital.

Our common shares are listed on the Nasdaq Capital Market. In order to maintain that listing, we must satisfy minimum financial and other requirements including, without limitation, a requirement that our closing bid price be at least US$1.00 per share. Since February 22, 2019, the share price of our common shares has been below US$1.00. If our common shares continue to trade below US$1.00 per share for 30 consecutive business days since February 22, 2019, we will receive a notification letter from the Nasdaq Capital Market and will have 180 calendar days (subject to extension in some circumstances) to regain compliance with the minimum bid price rule. To regain compliance, the closing bid price of our common shares must be at least US$1.00 per share for a minimum of ten consecutive business days (or such longer period of time as the Nasdaq Capital Market may require in some circumstances). If we fail to regain compliance with the minimum bid price rule or fail to maintain compliance with all other applicable Nasdaq Capital Market continued listing requirements, the Nasdaq Capital Market may determine to delist our common shares, at which time our common shares would likely trade in the United States only on the over-the-counter market (the "OTC"). The delisting of our common shares from the Nasdaq Capital Market could adversely impact us by, among other things, reducing the liquidity and market price of our common shares in the United States, reducing the number of investors willing to hold or acquire our common shares, limiting our ability to issue additional securities in the future, and limiting our ability to fund our operations.

We are exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates.

We may be adversely affected by foreign currency fluctuations. To date, we have been primarily funded through issuances of equity, proceeds from the exercise of warrants and stock options and from interest income on funds available for investment, which are denominated both in Canadian and US dollars. Also, a significant portion of our expenditures are in US dollars, and we are therefore subject to foreign currency fluctuations which may, from time to time, impact our financial position and results of operations.

Risks Related to Our Business and Our Industry

Our prospects depend on the success of our product candidates which are at early stages of development, and we may not generate revenue for several years, if at all, from these products.

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada, or HC, or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced clinical trials for SIRPαFc, we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause us or our collaborators to abandon commitments to that program.

We acquired several preclinical and discovery research programs in our acquisition of Fluorinov, including certain assets relating to the treatment of central nervous system disorders. While we conducted extensive due diligence before making this acquisition, our assessment of the Fluorinov technologies may not be accurate. Therefore, our expectations about whether various clinical and regulatory milestones with an existing Fluorinov compound or development of a future program on the Fluorinov development platform will be achieved may not be borne out fully or at all. We have made a commitment to use commercially reasonable efforts to monetize the Fluorinov central nervous system assets and, if successful, to share the net proceeds with the Fluorinov vendors. As this is not our core competency, our efforts to monetize these assets or any other Fluorinov assets may not be successful. We can make no assurances that toxicology, or other preclinical, studies will yield results that will allow us to proceed with clinical trials in humans.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

Positive results from preclinical and early clinical research of TTI-621 and TTI-622 are not necessarily predictive of the results of later clinical trials of TTI-621 or TTI-622. If we cannot replicate the positive results from preclinical and early clinical research in our later clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize TTI-621 or TTI-622.

Positive results of preclinical and early clinical research of TTI-621 and TTI-622 may not be indicative of the results that will be obtained in later-stage clinical trials. For example, we have focused our near-term clinical product development on T-cell malignancies based on preliminary results of our intratumoral trial which were presented at the American Society of Hematology meeting in December 2017 and updated results presented at the EORTC CLTF meeting in September 2018. There can be no assurance that the preliminary results we have seen in a small number of mycosis fungoides patients will be reproducible in a larger population of patients. We can make no assurance that any future studies, if undertaken, will yield favorable results.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our future clinical trials of TTI-621 or TTI-622, the development timeline and regulatory approval and commercialization prospects for our leading product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

We rely and will continue to rely on third parties to plan, conduct and monitor our preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to our business.

We rely and will continue to rely on third parties to conduct a significant portion of our preclinical and clinical development activities. Preclinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies, and assay development. Clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in our relationship with third parties, or if they are unable to provide quality services in a timely manner and at a feasible cost, our active development programs will face delays. Further, if any of these third parties fails to perform as we expect or if their work fails to meet regulatory requirements, our testing could be delayed, cancelled or rendered ineffective.

We rely on contract manufacturers over whom we have limited control. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, our business operations could suffer significant harm.

We have limited manufacturing experience and rely on contract manufacturing organizations, or CMOs to manufacture our product candidates for larger preclinical studies and clinical trials. We rely on CMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with current Good Manufacturing Practice, or cGMP, regulations applicable to our products. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product.

We contracted with Catalent for the manufacture of the SIRPαFc protein to supply drug substance for our phase 1 clinical trials. The manufacture of recombinant proteins uses well established processes including a protein expression system. Catalent is producing SIRPαFc using their proprietary GPEx® expression system. We believe that Catalent has the capacity, the systems, and the experience to supply SIRPαFc for our phase 1 clinical trials and we may consider using Catalent for manufacturing for later clinical trials. However, since the Catalent manufacturing facility where SIRPαFc is being produced does not support commercial manufacturing, it has not yet been inspected by the FDA. Any manufacturing failures, delays or compliance issues could cause delays in the conduct of SIRPαFc preclinical studies and clinical trials.

There can be no assurances that CMOs will be able to meet our timetable and requirements. We have not contracted with alternate suppliers for SIRPαFc drug substance production in the event Catalent is unable to scale up production, or if Catalent otherwise experiences any other significant problems. If we are unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, we may be delayed in the development of our product candidates. Further, CMOs must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. Our dependence upon third parties for the manufacture of our products may adversely affect our profit margins and our ability to develop and deliver products on a timely and competitive basis.

We require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials. If we do not have commercial grade drug supply when needed, we may face delays in initiating or completing pivotal trials and our business operations could suffer significant harm.

To date, our product has been manufactured in small quantities for pre-clinical studies and clinical trials by third-party manufacturers. In order to commercialize our product, we need to manufacture commercial quality drug supply for use in registration clinical trials. Most, if not all, of the clinical material used in phase 3/pivotal/registration studies must be derived from the defined commercial process including scale, manufacturing site, process controls and batch size. If we have not scaled up and validated the commercial production of our product prior to the commencement of pivotal clinical trials, we may have to employ a bridging strategy during the trial to demonstrate equivalency of early stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. The manufacturing of commercial quality drug product requires significant efforts including, but not limited to scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, multiple process performance and validation runs, has long lead times and is very expensive. If we do not have commercial drug supply available when needed for pivotal clinical trials, our regulatory and commercial progress may be delayed and we may incur increased product development cost. This may have a material adverse effect on our business, financial condition and prospects, and may delay marketing of the product.

If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

If we experience delays in clinical testing, we will be delayed in commercializing our product candidates, and our business may be substantially harmed.

We cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Our product development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enroll or remain in our trials at the rate we expect;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of our CMOs to comply with cGMP requirements;
- any changes to our manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from CMOs of our products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns;
- competing clinical trials and scheduling conflicts with participating clinicians;
- clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of our contract research organizations, or CROs, to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities or Institutional Review Boards, or IRBs, or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

Our product development costs will increase if we experience delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit our study protocols to regulatory authorities or IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on our business, financial condition and prospects.

We may not be able to file INDs to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed in a timely manner, or at all.

Prior to commencing clinical trials in the United States for any of our product candidates, we may be required to have an allowed IND for each product candidate and to file additional INDs prior to initiating any additional clinical trials for SIRPαFc. We believe that the data from previous studies will support the filing of additional INDs, to enable us to undertake additional clinical studies as we have planned. However, submission of an IND may not result in the FDA allowing further clinical trials to begin and, once begun, issues may arise that will require us to suspend or terminate such clinical trials. Additionally, even if relevant regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND, these regulatory authorities may change their requirements in the future. Failure to submit or have effective INDs and commence or continue clinical programs will significantly limit our opportunity to generate revenue.

If we have difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled.

As our product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet our eligibility criteria. There is significant competition for recruiting cancer patients in clinical trials, and we may be unable to enroll the patients we need to complete clinical trials on a timely basis or at all. The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the product candidate under study;
- the patient referral practices of physicians; and
- the number, availability, location and accessibility of clinical trial sites.

If we are unable to successfully develop companion diagnostics for our therapeutic product candidates, or experience significant delays in doing so, we may not achieve marketing approval or realize the full commercial potential of our therapeutic product candidates.

We may develop companion diagnostics for our therapeutic product candidates. We expect that, at least in some cases, regulatory authorities may require the development and regulatory approval of a companion diagnostic as a condition to approving our therapeutic product candidates. We have limited experience and capabilities in developing or commercializing diagnostics and plan to rely in large part on third parties to perform these functions. We have not begun to develop companion diagnostics for any of our therapeutic product candidates.

Companion diagnostics are subject to regulation by the FDA, HC, and comparable foreign regulatory authorities as medical devices and may require separate regulatory approval or clearance prior to commercialization. If we, or any third parties that we engage to assist us, are unable to successfully develop companion diagnostics for our therapeutic product candidates, or experience delays in doing so, our business may be substantially harmed.

Regulatory approval processes are lengthy, expensive and inherently unpredictable. Our inability to obtain regulatory approval for our product candidates would substantially harm our business.

Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if we believe results from our clinical trials are favorable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including, but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our product candidates to support the submission and filing of a biologic license application, or BLA, or other submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom we contract for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with our product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

We may not achieve our publicly announced milestones according to schedule, or at all.

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of common shares.

We face competition from other biotechnology and pharmaceutical companies and our financial condition and operations will suffer if we fail to effectively compete.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Our competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing cancer therapeutics for the same indications we are targeting and competitors with existing marketed therapies. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which our product candidates may be useful. Although there are no approved therapies that specifically target the CD47 pathway, some competitors use therapeutic approaches that may compete directly with our product candidates. For example, SIRPαFc is in direct competition with CD47 blocking antibodies from Forty Seven Inc., Celgene Corporation, Novimmune SA and others.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do. Our ability to compete successfully will largely depend on:

- the efficacy and safety profile of our product candidates relative to marketed products and other product candidates in development;
- our ability to develop and maintain a competitive position in the product categories and technologies on which we focus;
- the time it takes for our product candidates to complete clinical development and receive marketing approval;
- our ability to obtain required regulatory approvals;
- our ability to commercialize any of our product candidates that receive regulatory approval;
- our ability to establish, maintain and protect intellectual property rights related to our product candidates; and
- acceptance of any of our product candidates that receive regulatory approval by physicians and other healthcare providers and payers.

Competitors have developed and may develop technologies that could be the basis for products that challenge the discovery research capabilities of Fluorinov. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than our product candidates and may be more effective or less costly than our product candidates. The success of our competitors and their products and technologies relative to our technological capabilities and competitiveness could have a material adverse effect on the future preclinical studies and clinical trials of our product candidates, including our ability to obtain the necessary regulatory approvals for the conduct of such clinical trials. This may further negatively impact our ability to generate future product development programs using Fluorinov technology.

If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition and operations will substantially suffer.

We heavily rely on the capabilities and experience of our key executives and scientists and the loss of any of them could affect our ability to develop our products.

The loss of Dr. Niclas Stiernholm, our President and Chief Executive Officer, or other key members of our staff, could harm us. We have employment agreements with Dr. Stiernholm and other key members of our staff, although such employment agreements do not guarantee their retention. We also depend on our scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to us. In addition, we believe that our future success will depend in large part upon our ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as we expand our activities and seek regulatory approvals for clinical trials. We enter into agreements with our scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of our business. We also enter into agreements with physicians and institutions who will recruit patients into our clinical trials on our behalf in the ordinary course of our business. Notwithstanding these arrangements, we face significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. We cannot predict our success in hiring or retaining the personnel we require for continued growth. The loss of the services of any of our executive officers or other key personnel could potentially harm our business, operating results or financial condition.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we have established, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a substantial impact on our business and results of operations, including the imposition of substantial fines or other sanctions.

The failure to fully realize the benefits of our acquisition of Fluorinov may adversely affect our future results.

In January 2016, we acquired all of the outstanding capital stock of Fluorinov, a small molecule medicinal chemistry company with preclinical oncology assets and a potential discovery platform. The success of our acquisition of Fluorinov will depend, in part, on our ability to fully realize the anticipated benefits from combining our business with Fluorinov's business. However, to realize these anticipated benefits, we must continue the research and development activities previously undertaken by Fluorinov as a stand-alone company. If we are unable to achieve these objectives, the anticipated benefits of our acquisition of Fluorinov may not be realized fully or at all or may take longer to realize than expected.

We may expand our business through the acquisition of companies or businesses or by entering into collaborations or by in-licensing product candidates, each of which could disrupt our business and harm our financial condition.

We have in the past and may in the future seek to expand our pipeline and capabilities by acquiring one or more companies or businesses, entering into collaborations, or in-licensing one or more product candidates. Acquisitions, collaborations and in-licenses involve numerous risks, including, but not limited to:

- substantial cash expenditures;
- technology development risks;
- potentially dilutive issuances of equity securities;
- incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition;
- difficulties in assimilating the operations of the acquired companies;
- potential disputes regarding contingent consideration;
- diverting our management's attention away from other business concerns;
- entering markets in which we have limited or no direct experience; and
- potential loss of our key employees or key employees of the acquired companies or businesses.

We have experience in making acquisitions, entering collaborations, and in-licensing product candidates, however, we cannot provide assurance that any acquisition, collaboration or in-license will result in short-term or long-term benefits to us. We may incorrectly judge the value or worth of an acquired company or business or in-licensed product candidate. In addition, our future success would depend in part on our ability to manage the rapid growth associated with some of these acquisitions, collaborations and in-licenses. We cannot provide assurance that we would be able to successfully combine our business with that of acquired businesses, manage a collaboration or integrate in-licensed product candidates. Furthermore, the development or expansion of our business may require a substantial capital investment by us.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of our products may have an adverse impact on our future commercialization efforts .

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

We face the risk of product liability claims, which could exceed our insurance coverage and produce recalls, each of which could deplete our cash resources.

We are exposed to the risk of product liability claims alleging that use of our product candidates caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of our product candidates and may be made directly by patients involved in clinical trials of our product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling our products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization. We currently maintain clinical trial liability insurance coverage of $10,000. However, there can be no assurance that such insurance coverage is or will continue to be adequate or available to us at a cost acceptable to us or at all. We may choose or find it necessary under our collaborative agreements to increase our insurance coverage in the future. We may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of our coverage, require us to pay a substantial monetary award from our own cash resources and have a material adverse effect on our business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about our products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

If we are unable to maintain product liability insurance required by our third parties, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Some of our licensing and other agreements with third parties require or might require us to maintain product liability insurance. If we cannot maintain acceptable amounts of coverage on commercially reasonable terms in accordance with the terms set forth in these agreements, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Risks Related to Intellectual Property

If we are unable to adequately protect and enforce our intellectual property, our competitors may take advantage of our development efforts or acquired technology and compromise our prospects of marketing and selling our key products.

We control two patent families relating to SIRPα. One family relates to the use of SIRPα to treat cancer. The other family relates to our drug as a composition of matter, SIRPαFc. We have also recently filed for patent protection covering additional inventions relating to SIRPα, including anti-cancer drug combination therapies that utilize SIRPαFc.

Our small molecule portfolio embraces patent filings that cover numerous different inventions. With the exception of one process scheme, these patent filings each claim a family of small molecule drugs as compositions of matter, together with claims for their production and their medical uses. These drugs target cancer for the most part, and some related medical end-uses.

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. For example, some of our patent portfolio covers primarily methods of medical use but not compositions of matter. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

If we lose our licenses from third-party owners we may be unable to continue a substantial part of our business.

We are party to licenses that give us rights to intellectual property that is necessary or useful for a substantial part of our business. Pursuant to our exclusive license agreement with the University Health Network and the Hospital for Sick Children under which we license certain patent rights for our key products and their uses, we are required to use commercially reasonable efforts to commercialize products based on the licensed rights and pay milestone payments, royalties on net sales, and an annual maintenance fee.

We have also entered into agreements allowing us to manufacture SIRPαFc using Catalent's proprietary GPEx® expression system. The consideration includes payments at the time we successfully reach a series of development and sales milestones. We may also enter into licenses in the future to access additional third-party intellectual property.

If we fail to pay annual maintenance fees, development and sales milestones, or it is determined that we did not use commercially reasonable efforts to commercialize licensed products, we could lose our licenses which could have a material adverse effect on our business and financial condition.

We may require additional third-party licenses to effectively develop and manufacture our key products and are currently unable to predict the availability or cost of such licenses.

A substantial number of patents have already been issued to other biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover our products or services, we or our strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce our profits from these products and services. We are currently unable to predict the extent to which we may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in the US or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. Our inability to obtain such licenses may hinder or eliminate our ability to manufacture and market our products.

Changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. The US Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors' or collaborators' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the US Congress, the federal courts, and the US Patent and Trademark Office, or USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our and our licensors' or collaborators' ability to obtain new patents or to enforce existing patents and patents we and our licensors or collaborators may obtain in the future.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to US patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents, all of which could have a material adverse effect on our business and financial condition.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development and manufacturing of our key products.

Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. The pharmaceutical industry is characterized by extensive patent litigation. Other parties may have, or obtain in the future, patents and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization.

In addition, third parties may challenge or infringe upon our existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of our inventions relating to our key products; and/or
- the enforceability, validity, or scope of protection offered by our patents relating to our key products.

If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, we may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may:

- incur substantial monetary damages;
- encounter significant delays in bringing our key products to market; and/or
- be precluded from participating in the manufacture, use or sale of our key products or methods of treatment requiring licenses.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them.

Because we rely on third parties to develop our products, we must share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of our collaborators, advisors, employees and consultants to publish data potentially relating to our trade secrets. Our academic and clinical collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure our intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We may also conduct joint research and development programs which may require us to share trade secrets under the terms of research and development collaboration or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade secrets may impair our competitive position and could have a material adverse effect on our business and financial condition.

Risks Related to Our Common Shares

Our common share price has been volatile in recent years, and may continue to be volatile.

The market prices for securities of biopharmaceutical companies, including ours, have historically been volatile. In the year ended December 31, 2018, our common shares traded on the TSX at a high of $11.44 and a low of $1.99 per share and on the NASDAQ at a high of US $9.16 and a low of US $1.46 per share. In the year ended December 31, 2017, our common shares traded on the TSX at a high of $15.68 and a low of $5.26 per share and on the NASDAQ at a high of US $13.30 and a low of US $4.15 per share. A number of factors could influence the volatility in the trading price of our common shares, including changes in the economy or in the financial markets, industry related developments, the results of product development and commercialization, changes in government regulations, and developments concerning proprietary rights, litigation and cash flow. Our quarterly losses may vary because of the timing of costs for manufacturing, preclinical studies and clinical trials. Also, the reporting of adverse safety events involving our products and public rumors about such events could cause our share price to decline or experience periods of volatility. Each of these factors could lead to increased volatility in the market price of our common shares. In addition, changes in the market prices of the securities of our competitors may also lead to fluctuations in the trading price of our common shares.

We have never paid dividends and do not expect to do so in the foreseeable future.

We have not declared or paid any cash dividends on our common or preferred shares to date. The payment of dividends in the future will be dependent on our earnings and financial condition in addition to such other factors as our board of directors considers appropriate. Unless and until we pay dividends, shareholders may not receive a return on their shares. There is no present intention by our board of directors to pay dividends on our shares.

We may issue additional common shares to the former shareholders of Fluorinov as a result of our satisfaction of certain milestones, resulting in share ownership dilution.

Under the terms of our agreements with Fluorinov and its former shareholders, at our discretion up to 50% of any future contingent payments can be satisfied through the issuance of our common shares, provided that the aggregate number of common shares issuable under such payments will not exceed 1,558,447 common shares, which amount represented 19.99% of the outstanding common shares at the time of execution of the acquisition, unless shareholder approval has first been obtained.

Issuing additional common shares to the former shareholders of Fluorinov in satisfaction of contingent consideration dilutes the ownership interests of holders of our common shares on the dates of such issuances. If we are unable to realize the strategic, operational and financial benefits anticipated from our acquisition of Fluorinov, our shareholders may experience dilution of their ownership interests in our company upon any such future issuances of our common shares without receiving any commensurate benefit.

Future sales or issuances of equity securities and the conversion of outstanding securities to common shares could decrease the value of the common shares, dilute investors' voting power, and reduce our earnings per share.

We may sell additional equity securities in future offerings, including through the sale of securities convertible into equity securities, to finance operations, acquisitions or projects, and issue additional common shares if outstanding warrants or stock options are exercised, or preferred shares are converted to common shares, which may result in dilution. See the information in the section of this annual report under the heading "Item 5.B. Liquidity and Capital Resources" for details of our outstanding securities convertible into common shares. Subject to receipt of any required regulatory approvals, subscribers of the December 2013 private placement who purchased a minimum of 10% of the securities sold under the offering received rights to purchase our securities in future financings to enable each such shareholder to maintain their percentage holding in our common shares for so long as the subscriber holds at least 10% of the outstanding common shares on a fully-diluted basis. Shareholders who do not have this future financing participation right may be disadvantaged in participating in such financings.

Our board of directors has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that we will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of common shares at prices less than the current market price for our common shares.

Sales of substantial amounts of our securities, or the availability of such securities for sale, as well as the issuance of substantial amounts of our common shares upon conversion of outstanding convertible equity securities, could adversely affect the prevailing market prices for our securities and dilute investors' earnings per share. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should we desire to do so.

US holders of 10% or more of the voting power of our common shares may be subject to US federal income taxation at ordinary income tax rates on undistributed earnings and profits.

There is a risk that we will be classified as a controlled foreign corporation, or CFC, for US federal income tax purposes. We will generally be classified as a CFC if more than 50% of our outstanding shares, measured by reference to voting power or value, are owned (directly, indirectly or by attribution) by "US Shareholders." For this purpose, a "US Shareholder" is any US person that owns directly, indirectly or by attribution, 10% or more of the voting power of our outstanding shares. If we are classified as a CFC, a US Shareholder may be subject to US income taxation at ordinary income tax rates on all or a portion of our undistributed earnings and profits attributable to "subpart F income" and may also be subject to tax at ordinary income tax rates on any gain realized on a sale of common shares, to the extent of our current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and US Shareholders of our common shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances.

We are likely a "passive foreign investment company," which may have adverse US federal income tax consequences for US shareholders .

US investors should be aware that we believe we were classified as a PFIC, during the tax years ended December 31, 2017 and 2016, and based on current business plans and financial expectations, we believe that we will be a PFIC for the current tax year and may be a PFIC in future tax years. If we are a PFIC for any year during a US shareholder's holding period of our common shares, then such US shareholder generally will be required to treat any gain realized upon a disposition of our common shares, or any so-called "excess distribution" received on our common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election, or QEF Election, or a "mark-to-market" election with respect to our shares. A US shareholder who makes a QEF Election generally must report on a current basis its share of our net capital gain and ordinary earnings for any year in which we are a PFIC, whether or not we distribute any amounts to our shareholders. A US shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the shareholder's adjusted tax basis therein. Each US shareholder should consult its own tax advisors regarding the PFIC rules and the US federal income tax consequences of the acquisition, ownership and disposition of our common shares.

The effect of comprehensive US tax reform legislation on the Company is uncertain.

On December 22, 2017, the US government enacted H.R. 1, "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018" (informally titled the "Tax Cuts and Jobs Act"). Among a number of significant changes to the US federal income tax rules, the Tax Cuts and Jobs Act reduces the marginal US corporate income tax rate from 35% to 21%, limits the deduction for net interest expense, shifts the United States toward a more territorial tax system, and imposes new taxes to combat erosion of the US federal income tax base, such as a one-time tax on earnings of certain foreign subsidiaries that were previously tax deferred and a new minimum tax on foreign earnings. The effects of the Tax Cuts and Jobs Act on our company, whether adverse or favorable, are uncertain, and may not become evident for some period of time, but could have a material adverse effect on our business, financial position or results from operations.

It may be difficult for non-Canadian investors to obtain and enforce judgments against us because of our Canadian incorporation and presence.

We are a corporation existing under the laws of the Province of Ontario, Canada. Several of our directors and officers, and several of the experts are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of our assets, are located outside the United States. Consequently, although we have appointed an agent for service of process in the United States, it may be difficult for holders of our securities who reside in the United States to effect service within the United States upon those directors and officers, and the experts who are not residents of the United States. It may also be difficult for holders of our securities who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon our civil liability and the civil liability of our directors, officers and experts under the United States federal securities laws. Investors should not assume that Canadian courts (i) would enforce judgments of United States courts obtained in actions against us or such directors, officers or experts predicated upon the civil liability provisions of the United States federal securities laws or the securities or "blue sky" laws of any state or jurisdiction of the United States or (ii) would enforce, in original actions, liabilities against us or such directors, officers or experts predicated upon the United States federal securities laws or any securities or "blue sky" laws of any state or jurisdiction of the United States. In addition, the protections afforded by Canadian securities laws may not be available to investors in the United States.

If there are substantial sales of our common shares, the market price of our common shares could decline.

Sales of substantial numbers of our common shares could cause a decline in the market price of our common shares. Any sales by existing shareholders or holders who exercise their warrants or stock options may have an adverse effect on our ability to raise capital and may adversely affect the market price of our common shares.

We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common shares less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common shares pursuant to an effective registration statement under the US Securities Act of 1933, which is December 31, 2019, although circumstances could cause us to lose that status earlier. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

Any failure to maintain an effective system of internal controls may result in material misstatements of our consolidated financial statements or cause us to fail to meet our reporting obligations or fail to prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our common shares.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. If we fail to maintain an effective system of internal controls, we might not be able to report our financial results accurately or prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our common shares. While we believe that we have sufficient personnel and review procedures to allow us to maintain an effective system of internal controls, we cannot provide assurance that we will not experience potential material weaknesses in our internal control. Even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS as issued by the IASB, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations.

If we fail to timely achieve and maintain the adequacy of our internal control over financial reporting, we may not be able to produce reliable financial reports or help prevent fraud. Our failure to achieve and maintain effective internal control over financial reporting could prevent us from complying with our reporting obligations on a timely basis, which could result in the loss of investor confidence in the reliability of our consolidated financial statements, harm our business and negatively impact the trading price of our common shares.

As a foreign private issuer, we are not subject to certain United States securities law disclosure requirements that apply to a domestic United States issuer, which may limit the information which would be publicly available to our shareholders.

As a foreign private issuer, we are not required to comply with all the periodic disclosure requirements of the Exchange Act, and therefore, there may be less publicly available information about us than if we were a United States domestic issuer. For example, we are not subject to the proxy rules in the United States and disclosure with respect to our annual meetings will be governed by Canadian requirements.

Our charter documents and certain Canadian legislation could delay or deter a change of control, limit attempts by our shareholders to replace or remove our current management and limit the market price of our common shares.

Our authorized preferred shares are available for issuance from time to time at the discretion of our board of directors, without shareholder approval. Our articles grant our board of directors the authority to determine the special rights and restrictions granted to or imposed on any unissued series of preferred shares, and those rights may be superior to those of our common shares. Further, the Investment Canada Act subjects any acquisition of control of a company by a non-Canadian to government review if the value of the assets as calculated pursuant to the legislation exceeds a threshold amount or in other circumstances determined at the discretion of the Canadian government. A reviewable acquisition may not proceed unless the relevant minister is satisfied that the investment is likely to be of net benefit to Canada and the Canadian government is satisfied that no other important concerns arise from the acquisition of control. Any of the foregoing could prevent or delay a change of control and may deprive or limit strategic opportunities to our shareholders to sell their shares.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Name, Address and Incorporation

We were incorporated under the *Business Corporations Act* (Alberta) on March 31, 2004 as Neurogenesis Biotech Corp. On October 19, 2004, we amended our articles of incorporation to change our name from Neurogenesis Biotech Corp. to Stem Cell Therapeutics Corp., or SCT. On November 7, 2013 SCT was continued under the *Business Corporations Act* (Ontario), or OBCA. On June 1, 2014 we filed articles of amalgamation to amalgamate SCT with our wholly-owned subsidiary, which was named Trillium Therapeutics Inc., and renamed the combined company Trillium Therapeutics Inc. On January 1, 2017 we filed articles of amalgamation to amalgamate with our wholly-owned subsidiary Fluorinov Pharma Inc., or Fluorinov. We are a company domiciled in Ontario, Canada. Our head office and registered office is located at 2488 Dunwin Drive, Mississauga, Ontario, Canada, L5L 1J9. Our telephone number is (416) 595-0627.

Intercorporate Relationships

As of December 31, 2018 we had two wholly-owned subsidiaries, Trillium Therapeutics USA Inc., which was incorporated March 26, 2015 in the State of Delaware and Fluorinov which was acquired on January 26, 2016. On January 1, 2017 we filed articles of amalgamation to amalgamate with our wholly-owned subsidiary Fluorinov.

General Development of the Business

Acquisition of Fluorinov

On January 26, 2016, we acquired all the outstanding shares of Fluorinov, a privately-held oncology company that has developed a proprietary medicinal chemistry platform using unique fluorine chemistry, which permits the creation of new chemical entities from validated drugs and drug candidates with improved pharmacological properties, potentially leading to increased safety and efficacy. We expect Fluorinov's fluorine-based chemistry platform will provide us with an internal drug discovery engine. Fluorinov also has a preclinical pipeline of oncology assets including potent, orally-available, bromodomain and proteasome inhibitors, as well as epidermal growth factor receptor antagonists with increased uptake in the brain, all of which have potential for best-in-class status.

We anticipate that future cancer treatments will be dominated by combination therapies that may often involve combining biologics and small molecules. The acquisition of our own small molecule platform with opportunity for oral drug delivery may provide us with new drug candidates that we may either develop in-house or out-license. According to Wang et al. Chem Rev. 2014, 114 (4), approximately 25% of all marketed drugs contain fluorine. The benefits of fluorine include blocking sites of metabolism to increase drug half-life and reduce toxicity, lipophilicity that improves oral absorption and blood brain barrier penetration, and electronegativity that alters chemical properties to improve binding and potency. We believe that the Fluorinov acquisition reduces the risks to which we are subject and diversifies us for the longer term.

The acquisition date fair value of consideration transferred and the fair value of identifiable assets acquired and liabilities assumed are as follows:

	$
Fair value of consideration paid:	
Cash	10,000
Working capital deficiency	(134)
Contingent consideration	1,750
	11,616
Assets acquired:	
Cash	291
Amount due from Fluorinov shareholders	37
Acquired technology	15,440
	15,768
Liabilities assumed:	
Accounts payable and accrued liabilities	462
Deferred tax liabilities	3,690
	4,152
Net identifiable assets acquired	11,616

The upfront consideration for Fluorinov was $10,000 less the working capital deficiency of $134. We may also incur up to $35,000 of future payments contingent on us achieving certain clinical and regulatory milestones with an existing Fluorinov compound. The amount of contingent consideration recognized by us as of the acquisition date was $1,750 and has been classified as other liabilities on the consolidated statement of financial position. The fair value of the contingent consideration was calculated using a discounted cash flow approach, where a risk-adjusted discount rate was applied to future cash flows. We also have an obligation to pay royalty payments on future sales of such compounds.

At our discretion, up to 50% of the future contingent payments can be satisfied through the issuance of our common shares, provided that the aggregate number of common shares issuable under such payments will not exceed 1,558,447 common shares unless shareholder approval has first been obtained. In addition, any such future share issuance remains subject to final approval from our board of directors and receipt of any requisite approvals under the applicable rules of the TSX and NASDAQ. We have also committed to use commercially reasonable efforts to monetize Fluorinov's central nervous system assets and share 50% of the net proceeds with Fluorinov shareholders.

Cash used in the acquisition was determined as follows:

	$
Cash consideration	9,866
Less cash acquired	291
	9,575

Acquisition costs incurred by us and included in general and administrative expenses for the years ended December 31, 2016 and 2015, were $107 and $175, respectively. From the date of the acquisition to December 31, 2016, Fluorinov contributed revenue of nil and a loss of $7,334. If the acquisition had occurred on January 1, 2016, our combined loss for the year ended December 31, 2016, would be $31,790.

In connection with the acquisition, we established deferred tax liabilities related to the acquired identifiable intangible assets and determined that these deferred tax liabilities exceeded the acquired deferred tax assets. This allowed us to realize a deferred tax benefit of $3,690 by releasing the valuation allowance associated with our overall deferred tax assets.

The acquisition of Fluorinov was considered a related party transaction as two of our directors were determined to be related parties of Fluorinov. One director was a director of Fluorinov and had an ownership position in Fluorinov at the time of acquisition of less than 2%, and the second director was a director of an entity that was a beneficiary of a trust that was a shareholder and debenture holder of Fluorinov. The two directors declared their conflict of interest and abstained from all discussions and decisions concerning the Fluorinov acquisition. Accordingly, we determined that the consideration paid on the acquisition was made on terms equivalent to those that prevail in arm's length transactions.

Capital Expenditures

Capital expenditures for the last three fiscal years are set out in the following table.

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Capital expenditures	$81	$471	$2,966

Capital expenditures for 2016 and 2017 were mainly for leasehold improvements, laboratory equipment, office equipment, office furniture and computer equipment. In 2018, the majority of the capital expenditures related to laboratory equipment and computer equipment.

B. Business Overview

Overview

We are a clinical stage immuno-oncology company developing innovative therapies for the treatment of cancer. Our lead program, TTI-621, is a SIRPαFc fusion protein that consists of the extracellular CD47-binding domain of human signal regulatory protein alpha, or SIRPα, linked to the Fc region of a human immunoglobulin G1, or IgG1. It is designed to act as a soluble decoy receptor, preventing CD47 from delivering its inhibitory ("do not eat") signal. Neutralization of the inhibitory CD47 signal enables the activation of macrophage anti-tumor effects by pro-phagocytic ("eat") signals. The IgG1 Fc region of TTI-621 may also assist in the activation of macrophages by engaging Fc receptors. Two phase 1 clinical trials evaluating TTI-621 are ongoing. In these trials, TTI-621 has shown single agent activity by both local and/or systemic delivery in multiple B- and T-cell lymphoma indications and has been well tolerated in over 200 patients to date.

We are also developing a second SIRPαFc fusion protein, TTI-622. TTI-622 consists of the extracellular CD47-binding domain of human SIRPα linked to a human immunoglobulin G4, or IgG4 Fc region, which has a decreased ability to engage Fc receptors than an IgG1 Fc. We initiated a phase 1 clinical trial for TTI-622 in June 2018. Both SIRPαFc fusion proteins enable CD47 blockade with different levels of Fc receptor engagement on macrophages and thus may find unique applications.

We also have a medicinal chemistry platform that uses proprietary fluorine-based chemistry to yield new chemical entities. Our most advanced preclinical program stemming from this platform is an epidermal growth factor receptor, or EGFR antagonist with increased uptake and retention in the brain. In addition, a number of compounds directed at undisclosed immuno-oncology targets are currently in the discovery phase.

Our Strategy

Our goal is to become a leading innovator in the field of oncology by targeting immune-regulatory pathways that tumor cells exploit to evade the host immune system. We believe we have the most differentiated and comprehensive approach to targeting CD47, with the development of two SIRPαFc fusion proteins, monotherapy and combination therapy approaches, and both intravenous and intratumoral administration. We intend to:

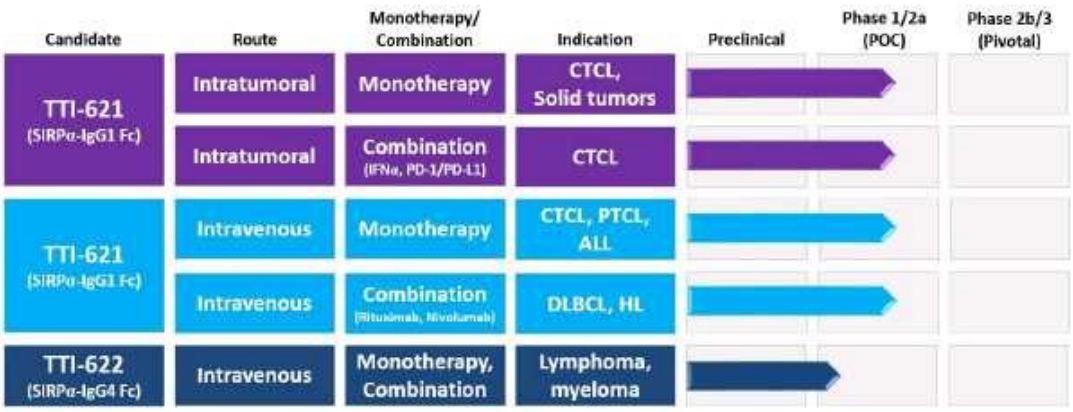
- ***Rapidly advance the clinical development of TTI-621*** . Because CD47 is highly expressed by multiple liquid and solid tumors, and high expression is correlated with worse clinical outcomes, we believe SIRPαFc has potential to be effective in a variety of cancers. In our clinical trials to date, we have enrolled over 200 patients with multiple tumor types where TTI-621 may provide clinical benefit to find specific malignancies of interest for further development.

- ***Focus our TTI-621 clinical program on promising cancer indications.*** From our broad clinical approach, we found a number of cancers where we saw positive responses in patients. We are particularly interested in our initial results treating mycosis fungoides, a predominant form of cutaneous T-cell lymphoma, or CTCL, and we are focusing our near-term efforts on patients with T-cell malignancies broadly to include both CTCL and peripheral T-cell lymphoma, or PTCL, patients.

- ***Expand our portfolio of SIRP α Fc constructs through advancement of TTI-622*** . Our expertise in designing fusion proteins allows us to explore alternative approaches to blocking CD47 that may be advantageous for certain applications. We began testing TTI-622 in a phase 1 clinical trial in June 2018 as a second and differentiated approach to block CD47. We expect TTI-622 may be of particular interest when used in combination with other anti-cancer drugs, including immunomodulatory agents.

- ***Build a pipeline of novel oncology products using our proprietary medicinal chemistry platform*** . We have several preclinical and discovery stage assets developed using our proprietary fluorine chemistry platform. We plan to advance these novel oncology products for internal development or out-license.

Our CD47 Clinical Pipeline



SIRP α Fc

Blocking the CD47 "do not eat" signal using a SIRP α Fc decoy receptor

The immune system is the body's mechanism to identify and eliminate pathogens, and can be divided into the innate immune system and the adaptive immune system. The innate immune system is the body's first line of defense to identify and eliminate pathogens and consists of proteins and cells, such as macrophages, that identify and provide an immediate response to pathogens. The adaptive immune system is activated by, and adapts to, pathogens, creating a targeted and durable response. Cancer cells often have the ability to reduce the immune system's ability to recognize and destroy them.

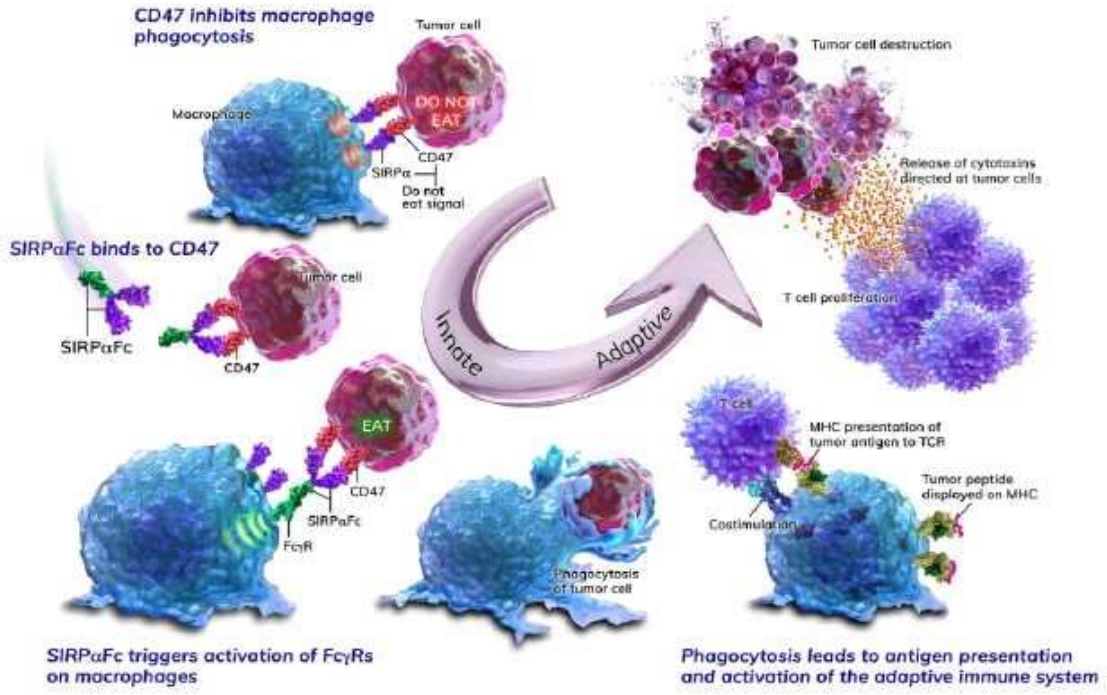
Macrophages are a type of white blood cell that can ingest and destroy (phagocytose) other cells. Macrophage activity is controlled by both positive "eat" and negative "do not eat" signals. Recently, a role for macrophages in the control of tumors has been described. Tumor cells may express "eat" signals (e.g., calreticulin) that make themselves visible to macrophages. To counterbalance this increased visibility the tumor cells often express high levels of CD47, which transmits a "do not eat" signal by binding SIRPα, on the surface of macrophages. Elevated expression of CD47 has been observed across a range of hematological and solid tumors. In many cases, high CD47 expression was shown to have negative clinical consequences, correlating with more aggressive disease and poor survival.

Our lead program, TTI-621, is a novel SIRPαFc fusion protein that harnesses the innate immune system by blocking the activity of CD47. TTI-621 is a protein that consists of the CD47-binding domain of human SIRPα linked to the Fc region of IgG1. It is designed to act as a soluble decoy receptor, preventing CD47 from delivering its inhibitory signal. Neutralization of the inhibitory CD47 signal enables the activation of macrophage anti-tumor effects by the pro-phagocytic "eat" signals. The IgG1 Fc region of TTI-621 may also assist in the activation of macrophages by engaging Fc receptors. A second SIRPαFc fusion protein, TTI-622, entered phase 1 testing in June 2018. TTI-622 consists of the same CD47-binding domain of human SIRPα and is linked to the Fc region of IgG4. The IgG4 Fc region of TTI-622 is expected to have a decreased ability to engage activating Fc receptors compared to an IgG1 Fc, and thus provide a more modest "eat" signal to macrophages, allowing for greater tolerability and higher CD47 blockade but lower potency. TTI-622 will allow us to assess how higher CD47 blockade with an IgG4-based agent in patients compares to lower CD47 blockade with an IgG1-based drug (TTI-621).

In preclinical studies, TTI-621 and TTI-622 frequently triggered significant macrophage-mediated tumor cell phagocytosis in vitro compared to control treatment. In vivo, both fusion proteins exhibited anti-tumor activity in human xenograft models.

In addition to their direct anti-tumor activity, macrophages can also function as antigen-presenting cells and stimulate antigen-specific T cells. Thus, it is possible that increasing tumor cell phagocytosis after SIRPαFc exposure may result in enhanced adaptive immunity. In support of this, CD47 antibody blockade has been recently shown to augment antigen presentation and prime an anti-tumor cytotoxic T-cell response in immune-competent mice. In 2016, we presented data demonstrating that TTI-621 can augment antigen-specific T-cell responses in vitro. CD47 blockade has also been reported to promote tumor-specific T-cell responses through a dendritic cell-based mechanism, although the effect of SIRPαFc on dendritic cells is currently unknown.

The figure below illustrates how SIRPαFc blocks the CD47 "do not eat" signal and engages activating Fc receptors on macrophages, leading to tumor cell phagocytosis, increased antigen presentation and enhanced T-cell responses.



By inhibiting the CD47 "do not eat" signal, we believe SIRPαFc has the ability to promote the macrophage-mediated killing of tumor cells in a broad variety of cancers both as a monotherapy and in combination with other immune therapies. Both SIRPαFc fusion proteins enable CD47 blockade with different levels of Fc receptor engagement on macrophages and thus may find unique applications.

Combination Therapy

We believe that SIRPαFc enhancement of macrophage activity, and possibly T-cell responses, could be synergistic with other immune-mediated therapies. Since many cancer antibodies work at least in part by activating cells of the innate immune system, it may be possible to enhance the potency of these agents by blocking the negative "do not eat" CD47 signal that tumor cells deliver to macrophages. In fact, we have observed anti-tumor activity when combining SIRPαFc with rituximab in both preclinical studies and in B lymphoma patients. We hypothesize that SIRPαFc may act synergistically with other immunological agents, including T-cell checkpoint inhibitors (e.g. pembrolizumab and nivolumab), cancer vaccines, oncolytic viruses or chimeric antigen receptor, or CAR T-cells.

SIRP α Fc Clinical Development – TTI-621

We are recruiting patients in two ongoing phase 1 clinical trials; one with intratumoral injection and one with intravenous infusion. These trials were designed to establish a safe dosing level, characterize safety, pharmacokinetics, and pharmacodynamics and treat a broad range of malignancies searching for evidence of antitumor activity.

Intratumoral administration – TTI-621

In a multi-center, open-label phase 1 trial, TTI-621 is being delivered by intratumoral injection in patients with relapsed and refractory, percutaneously-accessible cancers. In the escalation phase, patients were enrolled in sequential dose cohorts to receive intratumoral injections of TTI-621 that increased in dose and dosing frequency to characterize safety, pharmacokinetics, pharmacodynamics and preliminary evidence of antitumor activity. In addition, detailed evaluation of serial, on-treatment tumor biopsies of both injected and non-injected cancer lesions is being performed to help characterize the tumor microenvironment. The most recent data from the ongoing study were reported at the American Society of Hematology 60 th Annual Meeting in December 2018. Local delivery of TTI-621 was well tolerated, with no treatment-related > Grade 3 adverse events or dose-limiting toxicity observed in 27 mycosis fungoides patients. Among 22 evaluable patients, reductions in Composite Assessment of Index Lesion Severity, or CAILS, scores, which measure local lesion responses, were observed in 91% of patients, with 41% exhibiting reductions of 50% or greater. These responses occurred rapidly within the 2-week induction period. Similar CAILS scores changes were seen in adjacent non-injected lesions, suggesting locoregional effects that were not confined to the site of injection. Evidence of a systemic effect was observed in 1 of 2 patients receiving continuation monotherapy beyond the 2-week induction therapy. In addition, data suggest a combination effect with pegylated IFN-alpha-2a. Collectively, the data demonstrate that CTCL appears biologically responsive to intratumoral injections of TTI-621.

We have amended the protocol for this trial to focus on recruiting additional patients with T-cell malignancies, and specifically CTCL, to determine if the preliminary results will be seen in a larger patient population. Patients are currently being enrolled in the expansion phase of the trial in which they receive 10 mg of TTI-621 three times per week for two weeks followed by weekly dosing, to further characterize safety and efficacy. In addition, patients may receive intratumoral TTI-621 in combination with other anti-cancer therapies (anti-PD-1 or anti-PD-L1, pegylated interferon α2a, talimogene laherparepvec or radiation). We have modified this trial to allow for the increase in the size of each cohort from 12 to 40 patients based on early signs of clinical benefit.

Intravenous administration – TTI-621

We are enrolling patients with advanced hematologic malignancies in a phase 1b clinical trial with intravenous administration of TTI-621. The most recent data from the ongoing expansion phase were reported at the T-Cell Lymphoma Forum in January 2019. Based on an expanded data set of 179 patients, weekly infusions of TTI-621 were shown to be well tolerated. Thrombocytopenia was the most frequent grade 3 or higher treatment-emergent adverse event, occurring in 18% of patients. Platelet reductions, however, were shown to be transient and pre-dose platelet levels remained steady during the course of the study. Notably, the reversible thrombocytopenia did not lead to an increased risk of bleeding and had no impact on drug delivery, nor was there a significant impact of TTI-621 on hemoglobin levels. Monotherapy efficacy was observed in patients with mycosis fungoides (17% overall response rate, or ORR, n=24), peripheral T-cell lymphoma, or PTCL (18% ORR, n=11), Sézary Syndrome (20% ORR, n=5). As reported at the 16th Annual Discovery on Target conference in September 2018, monotherapy efficacy was also observed in diffuse large B-cell lymphoma, or DLBCL patients (25% ORR, n=8), and in DLBCL patients when combined with rituximab (25% ORR, n=24). This clinical activity was observed in patients receiving relatively low doses of drug (0.2 mg/kg for monotherapy or 0.1 mg/kg in combination with rituximab). Dose intensification beyond 0.2 mg/kg is currently ongoing, and doses of 0.5 mg/kg have been well tolerated for up to 27 weeks.

We are focusing our near-term efforts on patients with CTCL and PTCL, following the early signals of efficacy observed in the intratumoral trial. These patients are being enrolled in separate cohorts that will be evaluated using a Simon 2-stage design where we must achieve predefined target responses in the first stage (18 patients) to continue recruiting patients for a second stage of 17 patients. We also introduced a standardized intra-subject dose intensification schedule for all newly enrolled subjects to increase drug exposure.

TTI-621 has recently been granted an Orphan Drug Designation by the US Food and Drug Administration, or FDA for the treatment of cutaneous T-cell lymphoma. Orphan Drug Designation qualifies the sponsor of the drug candidate for various development incentives, which may include tax credits for qualified clinical testing, an exemption from fees under the Prescription Drug User Fee Act, and a seven-year marketing exclusivity period following approval.

SIRP α Fc Clinical Development – TTI-622

A second SIRPαFc fusion protein, TTI-622, is in clinical development. A two-part, multicenter, open-label, phase 1a/1b study of TTI-622 in patients with advanced relapsed or refractory lymphoma or multiple myeloma was initiated in June 2018. In the phase 1a dose-escalation part, patients will be enrolled in sequential dose cohorts to receive TTI-622 once weekly to characterize safety, tolerability, pharmacokinetics, and to determine the maximum tolerated dose. In the phase 1b part, patients will be treated with TTI-622 in combination with rituximab, a proteasome inhibitor-containing regimen, or a PD-1 inhibitor. Rituximab and proteasome inhibitors may provide additional "eat" signals that could enhance the efficacy of TTI-622. A PD-1 inhibitor may help amplify any anti-tumor T-cell response generated by TTI-622.

TTI-622 consists of the same extracellular CD47-binding domain of human SIRPα as TTI-621 but has a different Fc region (IgG4 Fc instead of IgG1 Fc), which provides a more modest "eat" signal than IgG1 due to more limited interactions with activating Fc receptors. Preclinical studies suggest that IgG4-based SIRPαFc fusion proteins have greater tolerability but lower potency than IgG1-based fusion proteins. We therefore expect to achieve higher levels of TTI-622 in patients compared to TTI-621, leading to greater and more sustained CD47 blockade. Thus, TTI-622 will allow us to assess how higher CD47 blockade with an IgG4-based agent in patients compares to lower CD47 blockade with the IgG1-based TTI-621. Due to the lower potency of the IgG4 Fc, we expect that TTI-622 is likely to be more effective in combination with agents that provide additional "eat" signals to macrophages or other forms of immune activation.

Preclinical TTI-622 data were reported at the 2018 Annual Meeting of the American Association for Cancer Research. The data demonstrate that TTI-622 induces the phagocytosis of a broad panel of tumor cells derived from patients with both hematological and solid tumors. As a monotherapy, TTI-622 treatment resulted in decreased tumor growth and improved survival in a B cell lymphoma xenograft model, and enhanced the efficacy of cetuximab (anti-EGFR) and daratumumab (anti-CD38) antibodies in solid and hematological xenograft models, respectively. Unlike CD47-blocking antibodies, TTI-622 bound minimally to RBCs and did not induce hemagglutination in vitro. We believe that this property could give TTI-622 best-in-class status among IgG4-based blocking agents currently in clinical development.

SIRP α Fc Key Takeaways

- ***Multiple clinical approaches*** . We believe we have the most systematic and comprehensive approach to CD47 with two decoy receptors in development with different Fc functions, monotherapy and combination therapy approaches, and intravenous and intratumoral delivery modalities.

- ***Demonstrated clear signals of activity*** . TTI-621 monotherapy has produced positive signals of activity in CTCL, PTCL and DLBCL patients. A signal of activity was also seen in DLBCL patients when combined with rituximab.

- ***Tolerability and safety*** . TTI-621 has been well tolerated in over 180 patients to date.

- ***Clear paths forward*** . We are focusing our development on intratumoral monotherapy and combination therapy in CTCL; intravenous monotherapy in both CTCL and PTCL; and intravenous combination therapy in B-cell lymphoma.

SIRP α Fc Competition

There are a number of companies developing blocking agents to the CD47-SIRPα axis, which can be broadly classified into six groups which include, but are not limited to:

- ***CD47-specific antibodies*** : Forty Seven Inc (phase 2); Celgene Corporation, Surface Oncology, Innovent Biologics (Suzhou) Co. (phase 1); Arch Oncology, I-Mab Biopharma, Phanes Therapeutics, ImmuneOncia (preclinical)
- ***CD47 bispecific antibodies*** : Novimmune SA, Hummingbird BioSciences, Pharmabcine (preclinical)
- ***Mutated high affinity SIRP α Fc*** : ALX Oncology (phase 1)
- ***SIRP α -specific antibody*** : Celgene (phase 1), OSE Immunotherapeutics (preclinical), Forty Seven Inc (preclinical)
- ***SIRP α Fc-agonist fusion protein:*** Shattuck Labs (preclinical)
- ***Small molecule inhibitor*** : Aurigene Discovery Technologies (preclinical)

We believe that TTI-621 has advantages over other CD47 blocking agents. TTI-621's IgG1 Fc maximizes potency by delivering an activating signal to macrophages through Fc receptors. With this higher potency, we believe that TTI-621 has a higher likelihood of monotherapy activity and therefore is not dependent upon a combination with another IgG1 antibody. TTI-621 could also have the potential to be used to treat tumors where no anti-cancer antibody is available.

We have also demonstrated that our SIRPαFc fusion proteins exhibit minimal binding to RBCs in contrast to CD47-specific antibodies and a mutated high affinity SIRPαFc. We believe that this property confers several possible advantages including avoidance of drug-induced anemia, avoidance of the "antigen sink effect" (i.e. removal of drug from circulation by RBCs) and non-interference with laboratory blood typing tests. It should be noted that TTI-622 shares the same CD47-binding domain as TTI-621 and preclinical studies have shown that it also exhibits minimal binding to human RBCs. Thus, we anticipate that TTI-622, like TTI-621, will not induce anemia in patients.

Fluorine Chemistry Platform

Our medicinal chemistry platform uses proprietary fluorine-based chemistry yield new chemical entities. We believe the potency and/or safety of both existing pharmacophores and historically inaccessible chemical structures may be enhanced using our technology. This chemistry platform has been utilized to establish several preclinical programs including an EGFR inhibitor, and a number of compounds directed at undisclosed immuno-oncology targets are currently in the discovery phase.

Intellectual Property

In connection specifically with patent applications relating to SIRPαFc, we control two main patent families that comprise nineteen individual filings in all. One family claims the two species of SIRPαFc (TTI-621 and TTI-622) currently in clinical trials., and their anti-cancer use. These patent rights are owned outright by Trillium and patent filings have been arranged in the major pharmaceutical markets. Patents are now granted in the United States, Australia, Japan and China. Patents emerging from this family begin to expire in 2033. A second SIRPα patent family was in-licensed on an exclusive basis from co-owners UHN and HSC. This family has been filed in the major markets; patents are granted in Europe, Japan, Canada, and Australia. The claims cover the use of various forms of SIRPα to treat CD47-positive cancers. Patents in this family begin to expire in the year 2029.

Trillium also is the owner of numerous patent filings that claim various drug combinations in which its SIRPαFc drugs are used in combination with drugs in very different classes. These combinations show significant, synergistic effects on target disease cells.

Our small molecule patent portfolio embraces patent filings that cover different inventions. These patent filings each claim a family of small molecule drugs as compositions of matter, together with claims for their production and their medical uses. These drugs target cancer for the most part, and some related medical targets.

We intend to protect additional intellectual property developed by us through the filing of patent applications within the appropriate jurisdictions throughout the world.

Regulatory Process

Securing final regulatory approval for the manufacture and sale of human therapeutic products in the US, Europe, Canada and other commercial territories, is a long and costly process that is controlled by that particular territory's national regulatory agency. The national regulatory agency in the United States is the FDA, in Canada it is HC, and in Europe it is the European Medicines Agency, or EMA. Other national regulatory agencies have similar regulatory approval processes, but each national regulatory agency has its own approval processes. Approval in US, Canada or Europe does not assure approval by other national regulatory agencies, although often test results from one country may be used in applications for regulatory approval in another country.

None of our products have been completely developed or tested and, therefore, we are not yet in a position to seek final regulatory approval to market any of our products.

US Approval Process

In the US, the FDA, a federal government agency, is responsible for the drug approval process. The FDA's mission is to protect human health by ensuring that all medications on the market are safe and effective. The FDA's approval process examines potential drugs and only those that meet strict requirements are approved.

The US food and drug regulations require licensing of manufacturing facilities, carefully controlled research and testing of products, governmental review and approval of test results prior to marketing of therapeutic products, and adherence to cGMP. The drug approval process begins with the discovery of a potential drug. Pharmaceutical companies then test the drug extensively. A description of the different stages in the drug approval process in the US follows.

Stage 1: Preclinical Research. After an experimental drug is discovered, research is conducted to help determine its potential for treating or curing an illness. This is called preclinical research. Animal studies are conducted to determine if there are any harmful effects of the drug and to help understand how the drug works. Information from these experiments is submitted in an IND application to the FDA for review, to decide if the drug is safe to proceed for study in humans.

Stage 2: Clinical Research. In Stage 2, the experimental drug is studied in humans in clinical trials. Clinical trials are carefully designed and controlled experiments in which the experimental drug is administered to patients to test its safety and to determine the effectiveness of an experimental drug. The four general phases of clinical research are described below.

Phase I . Phase I includes the initial introduction of an investigational new drug into humans. Phase I studies are typically conducted in patients or healthy volunteer subjects. These studies are designed to determine the metabolism and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness. During phase I, sufficient information about the drug's pharmacokinetic and pharmacological effects is obtained to permit the design of well-controlled, scientifically valid, phase II studies. Phase I studies also include studies of drug metabolism, structure-activity relationships, and mechanism of action in humans, as well as studies in which investigational drugs are used as research tools to explore biological phenomena or disease processes.

Phase II. Phase II includes the controlled clinical studies to evaluate the effectiveness of the drug for a particular indication or indications in patients with the disease or condition under study and to determine the common short-term side effects and risks associated with the drug.

Phase III . Phase III studies are expanded controlled and uncontrolled trials. They are performed after preliminary evidence suggesting effectiveness of the drug has been obtained, and are intended to gather the additional information about effectiveness and safety that is needed to evaluate the overall benefit-risk relationship of the drug and to provide an adequate basis for physician labeling.

Phase IV . Phase IV studies are undertaken after the drug or treatment has been marketed to gather information on the drug's effect in various populations and any side effects associated with long-term use.

Stage 3: FDA Review for Approval. Following Phase III, the pharmaceutical company prepares reports of all studies conducted on the drug and a complete dossier on the manufacturing of the product and submits the reports to the FDA in a New Drug Application, or NDA or BLA. The FDA reviews the information in the NDA/BLA to determine if the drug is safe and effective for its intended use. If the FDA determines that the drug is safe and effective, the drug will be approved.

Stage 4: Marketing. After the FDA has approved the drug, the pharmaceutical company can make it available to physicians and their patients. A company may also continue to conduct research to discover new uses for the drug. Each time a new use for a drug is discovered, the drug is once again subject to the entire FDA approval process before it can be marketed for that purpose.

Manufacturing and Supply

We have limited experience in manufacturing products for clinical or commercial purposes. We produce small quantities of SIRPαFc and small molecule compounds in our laboratories for internal use.

We have established a contract manufacturing relationship for the supply of SIRPαFc that we believe will provide sufficient material for early clinical trials. In addition, we are establishing the basis for long-term commercial production capabilities. However, there can be no assurance that our contract manufacturer will be successful at scaling up and producing our product with the required quality and in the quantities and timelines that we will need for clinical and/or commercial purposes.

We expect to similarly rely on contract manufacturing relationships for any products that we may further develop, or in-license or acquire in the future. However, there can be no assurance that we will be able to successfully contract with such manufacturers on terms acceptable to us, or at all.

Contract manufacturers are subject to ongoing periodic and unannounced inspections by the FDA, the US Drug Enforcement Administration and corresponding state agencies to ensure strict compliance with cGMP and other state and federal regulations. We do not have control over third-party manufacturers' compliance with these regulations and standards, other than through contractual obligations and periodic auditing. If they are deemed out of compliance with and such regulations, approvals could be delayed, product recalls could result, inventory could be destroyed, production could be stopped and supplies could be delayed or otherwise disrupted.

If we need to change manufacturers after commercialization, the FDA and corresponding foreign regulatory agencies must approve these new manufacturers in advance, which will involve testing and additional inspections to ensure compliance with FDA regulations and standards and may require significant lead times and delay, and disruption of supply. Furthermore, switching manufacturers may be difficult because the number of potential manufacturers is limited. It may be difficult or impossible for us to find a replacement manufacturer quickly or on terms acceptable to us, or at all.

Seasonality

We have not had revenue in the previous three fiscal years. We do not expect our business to be affected by seasonality. The amount and timing of expenditures and therefore liquidity and capital resources vary substantially from period to period depending on the number of research and development programs being undertaken at any one time, the stage of the development programs, the timing of significant expenditures for manufacturing, toxicology and pharmacology studies and clinical trials, and the availability of funding from investors and prospective commercial partners.

Raw Materials

We believe that sources of raw materials pertinent to our laboratory operations and for manufacturing of our SIRPαFc product by our CMO are generally available.

Plan of Operations

We are advancing our intratumoral and intravenous clinical trials of TTI-621 with a focus on CTCL and PTCL and our TTI-622 phase 1 trial has been initiated. We also continue to advance our small molecule program in internal development and pursue partnering activities.

C. Organizational Structure

We were incorporated under the *Business Corporations Act* (Alberta) on March 31, 2004 as Neurogenesis Biotech Corp. On October 19, 2004, we amended our articles of incorporation to change our name from Neurogenesis Biotech Corp. to Stem Cell Therapeutics Corp., or SCT. On November 7, 2013 SCT was continued under the *Business Corporations Act* (Ontario), or OBCA. On June 1, 2014 we filed articles of amalgamation to amalgamate SCT with our wholly-owned subsidiary, which was named Trillium Therapeutics Inc., and renamed the combined company Trillium Therapeutics Inc. On January 1, 2017 we filed articles of amalgamation to amalgamate with our wholly-owned subsidiary Fluorinov. We are a company domiciled in Ontario, Canada. Our head office and registered office is located at 2488 Dunwin Drive, Mississauga, Ontario, Canada, L5L 1J9. Our telephone number is (416) 595-0627.

D. Property, Plants and Equipment

We operate from approximately 22,000 square feet of leased laboratory and office space at 2488 Dunwin Drive, Mississauga, Ontario, Canada, L5L 1J9 and approximately 3,200 square feet of leased office space at 100 CambridgePark Drive, Cambridge, Massachusetts, USA, 02140. We perform research and development in our facility and use qualified vendors and collaborators to conduct research and development and manufacturing on our behalf. We incur capital expenditures mainly for laboratory equipment, office equipment, computer equipment and leaseholds in the operation of our business.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis of our financial condition and results of operations for the years ended December 31, 2018 and 2017, the years ended December 31, 2017 and 2016, and the years ended December 31, 2016 and 2015, should be read in conjunction with our consolidated financial statements and related notes included in this annual report in accordance with “Item 8. Financial Information”. Our consolidated financial statements were prepared in accordance with IFRS as issued by the IASB.

See “Item 17. Financial Statements” and the notes to the financial statements included as part of this annual report for a discussion of the significant accounting policies and significant estimates and judgments required to be made by management.

A. Operating Results

For the years ended December 31, 2018 and 2017

Since inception, we have incurred losses while advancing the research and development of our products. Net loss for the year ended December 31, 2018 of $42,486 was lower than the loss of $45,088 for the year ended December 31, 2017. The net loss was lower due mainly to a net foreign currency gain of $3,489 for the current year compared to a net foreign currency loss of $4,742 in the prior year, and lower manufacturing costs, partially offset by higher clinical trial expenses and an amendment to the SIRPαFc license agreement, where the sublicense revenue sharing provisions were removed in return for a payment to the licensors of $3,000 in the form of 369,621 common shares.

Research and Development

Components of research and development expenses for the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
	$	$
Research and development programs excluding the below items	**27,493**	22,831
Salaries, fees and short-term benefits	**8,510**	7,969
License agreement amendment	**3,000**	-
Share-based compensation	**2,148**	2,911
Amortization of intangible assets	**2,338**	3,860
Change in fair value of contingent consideration	**(674)**	(1,158)
Depreciation of property and equipment	**808**	849
Tax credits	**(197)**	(127)
	43,426	37,135

The increase in research and development program expenses for the year ended December 31, 2018 over the prior year was due mainly to an increase in SIRPαFc clinical trial expenses of $6,432, partially offset by a decrease in SIRPαFc manufacturing costs of $178 and lower activity related to academic collaborations. Salaries, fees, and short-term benefits increased in the year ended December 31, 2018 due to higher staffing and salaries compared to 2017. For the year ended December 31, 2018, we incurred an expense of $3,000 relating to the SIRPαFc license agreement amendment. Share-based compensation costs decreased mainly due to an increase in stock option forfeitures and an increase in the expected forfeiture rate. Amortization of intangible assets decreased as we extended our estimate of the life of our small molecule platform intangible asset to a remaining useful life of approximately three years. The change in fair value of contingent consideration reflected an increase in the time estimate and lowered the likelihood of reaching the potential milestones. Depreciation of property and equipment was comparable to the prior year. Tax credits increased compared to the prior year due to an increase in eligible expenses.

General and Administrative

Components of general and administrative expenses for the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
	$	$
General and administrative, excluding the below items	**1,905**	1,469
Salaries, fees and short-term benefits	**2,716**	2,038
Change in fair value of deferred share units	**(1,401)**	10
Share-based compensation	**362**	344
	3,582	3,861

General and administrative expenses for the year ended December 31, 2018 of $1,905 were higher than the prior year mainly due to higher professional fees and listing fees incurred related to a prospectus supplement filing and the 2018 Stock Option Plan. Salaries, fees and short-term benefits increased mainly due to higher staffing levels and the issuance of DSUs. The change in the fair value of deferred share units was a result of fluctuations in the Company's share price during the respective periods. Share-based compensation expense was comparable to the prior year.

Finance income and costs, foreign exchange gains and losses, and income taxes

During the year ended December 31, 2018, we recorded a net foreign currency gain of $3,489, compared to a net foreign currency loss of $4,742 for the year ended December 31, 2017.

For the years ended December 31, 2017 and 2016

Net loss for the year ended December 31, 2017 of $45,088 was higher than the loss of $31,733 for the year ended December 31, 2016. The net loss was higher due mainly to higher research and development expenses of $7,346 in 2017 with two active TTI-621 phase I trials and manufacturing expenses for TTI-622, the recognition of a deferred tax recovery in the year ended December 31, 2016 related to the acquisition of Fluorinov of $3,690, and a higher net foreign currency loss of $2,715 in 2017.

Research and Development

Components of research and development expenses for the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
	$	$
Research and development programs excluding the below items	**22,831**	16,084
Salaries, fees and short-term benefits	**7,969**	6,256
Share-based compensation	**2,911**	3,192
Amortization of intangible assets	**3,860**	3,684
Change in fair value of contingent consideration	**(1,158)**	209
Depreciation of property and equipment	**849**	604
Tax credits	**(127)**	(240)
	37,135	29,789

The increase in research and development program expenses for the year ended December 31, 2017 over the prior year was due mainly to an increase in SIRPαFc clinical trial costs of $8,379, partially offset by lower bromodomain inhibitor and EGFR inhibitor program expenses of $1,393. Salaries, fees and short-term benefits increased in the year ended December 31, 2017 due to higher staffing and salaries compared to 2016. Share-based compensation and amortization of intangible assets were comparable to the prior year. The fair value measurement of contingent consideration decreased due mainly to the lessened probability of reaching the potential milestones and resulted in an expense reversal of $1,158 for the year ended December 31, 2017. Depreciation of property and equipment increased in the year ended December 31, 2017 due mainly to leasehold improvements and lab equipment purchased in 2016 and 2017 for our new leased facility.

General and Administrative

Components of general and administrative expenses for the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
	$	$
General and administrative expenses excluding the below items	**1,469**	1,790
Salaries, fees and short-term benefits	**2,038**	1,824
Change in fair value of deferred share units	**10**	(178)
Share-based compensation	**344**	497
	3,861	3,933

General and administrative expenses for the years ended December 31, 2017 of $1,469 were lower due mainly to higher professional fees incurred in 2016 relating the acquisition of Fluorinov. Salaries, fees and short-term benefits increased in the year ended December 31, 2017 due mainly to higher administrative staffing.

Finance income and costs, foreign exchange gains and losses, and income taxes

Finance income for the year ended December 31, 2017 was higher than the prior year due mainly to higher cash and marketable security balances, and higher investment yields.

Finance costs for the year ended December 31, 2017 were comparable to the prior year periods.

The net foreign currency loss for each of the years ended December 31, 2017 and 2016 of $4,742 and $2,027, respectively, reflected a strengthening of the Canadian dollar versus the US dollar while holding net US dollar denominated assets.

We recorded a deferred tax recovery in the year ended December 31, 2016 related to the acquisition of Fluorinov of $3,690. There was no comparable amount in 2017.

B. Liquidity and Capital Resources

Since inception, we have financed our operations primarily from sales of equity, proceeds from the exercise of warrants and stock options, and from interest income on funds available for investment. Our primary capital needs are for funds to support our scientific research and development activities including staffing, facilities, manufacturing, preclinical studies, clinical trials, administrative costs and for working capital.

We have experienced operating losses and cash outflows from operations since incorporation, will require ongoing financing in order to continue our research and development activities, and we have not earned significant revenue or reached successful commercialization of our products. Our future operations are dependent upon our ability to finance our cash requirements which will allow us to continue our research and development activities and the commercialization of our products. There can be no assurance that we will be successful in continuing to finance our operations.

In June 2017, we completed an underwritten public offering of common shares and non-voting convertible preferred shares in the United States. In the offering, we sold 2,949,674 common shares and 3,250,000 Series II Non-Voting Convertible First Preferred Shares at a price of US $5.00 per share. The gross proceeds from this offering were $41,847 (US $30,998) before deducting offering expenses of $2,856.

The Series II Non-Voting Convertible First Preferred Shares sold in the offering are non-voting and are convertible into common shares, on a one-for-one basis (subject to adjustment), at any time at the option of the holder, subject to certain restrictions on conversion. Holders may not convert Series II Non-Voting Convertible First Preferred Shares into common shares if, after giving effect to the exercise of conversion, the holder and its joint actors would have beneficial ownership or direction or control over common shares in excess of 4.99% of the then outstanding common shares. This limit may be raised at the option of the holder on 61 days' prior written notice: (i) up to 9.99%, (ii) up to 19.99%, subject to clearance of a personal information form submitted by the holder to the TSX, and (iii) above 19.99%, subject to approval by the TSX and shareholder approval.

In connection with the acquisition of Series II First Preferred Shares in this offering at the public offering price by an existing institutional shareholder, we entered into an investment agreement with such shareholder. The investment agreement provides this shareholder the right, but not the obligation, for so long as it beneficially owns at least 10% of the adjusted share capital of the Company, calculated on a fully-diluted basis, to nominate one person for election to our board of directors, subject to meeting applicable legal and stock exchange requirements and we have the obligation to appoint such director, whose term will run until the next annual meeting of shareholders. Thereafter, we are required to nominate such director to be a director at any meeting of shareholders called for the purposes of electing directors and to use commercially reasonable efforts to ensure that such director is elected to the board of directors, including soliciting proxies in support of his or her election and taking the same actions taken by us to ensure the election of the other nominees selected by the board of directors for election to the board of directors. In addition, until such time as the existing shareholder exercises its right to nominate a member of our board of directors, and so long as the existing shareholder's nominee is not an employee, officer, director or limited partner of such shareholder, then such shareholder shall have the right, but not the obligation, to appoint an observer to our board of directors, who must be an employee, officer or director of such shareholder. The observer will have the right to receive notice of and attend the meetings of the board of directors, and will have the right to address the board of directors at any of its meetings, but will not have any right to vote at any meeting of the board of directors. In addition, we have agreed to provide this existing shareholder with certain registration rights in the event that such shareholder and its joint actors are deemed to be "affiliates" for purposes of applicable US securities laws.

In December 2017, we completed a non-brokered private placement financing and sold 1,950,000 common shares and 400,000 Series II Non-Voting Convertible Preferred Shares at a price of US $8.50 per share yielding gross proceeds of $25,338 (US $19,975) before deducting offering expenses of $1,784.

On January 5, 2018, we filed a base shelf prospectus with the British Columbia, Alberta, Manitoba, Ontario and Nova Scotia securities commissions in Canada and a Form F-10 registration statement with the United States Securities and Exchange Commission, or SEC, that provides that we may sell under the prospectus from time to time over the following 25 months up to US $150,000, in one or more offerings, of common shares, First Preferred shares, warrants to purchase common shares, subscription receipts, or units comprising a combination of common shares, First Preferred shares and/or warrants.

On June 19, 2018 we filed a prospectus supplement to the base prospectus included in our US registration statement on Form F-10 declared effective on January 8, 2018. We also entered into a sales agreement with Cowen and Company, LLC, or the Agent, pursuant to which we may, at our discretion and from time to time during the term of the sales agreement, sell, through the Agent, acting as agent and/or principal, such number of common shares of Trillium as would result in aggregate gross proceeds to us of up to US $25,000. Sales of common shares through the Agent, acting as agent, will be made through “at the market” issuances on NASDAQ at the market price prevailing at the time of each sale, and, as a result, sale prices may vary. No common shares will be offered or sold on the TSX or any other trading markets in Canada.

Our cash and cash equivalents and marketable securities, and working capital at December 31, 2018 were $45,409 and $34,185, respectively compared to $81,791 and $68,900, respectively at December 31, 2017. The decrease in cash and cash equivalents and marketable securities was due mainly to cash used in operations of $39,295, net of an unrealized foreign exchange gain of $3,108. The decrease in working capital was due mainly to cash used in operations and a decrease to accounts payable and accrued liabilities due to timing of clinical trial related payments.

We are indebted to the Federal Economic Development Agency for Southern Ontario, or FedDev, under a non-interest bearing contribution agreement and are making monthly repayments of $10 through November 2019. As at December 31, 2018 and 2017, the balances repayable were $96 and $211 respectively. The loan payable was discounted using an estimated market interest rate of 15%. Interest expense accretes on the discounted loan amount until it reaches its face value at maturity.

As at December 31, 2018 and 2017, we had a deferred lease inducement of $375 and $407, respectively, for our facility lease. The inducement benefit is being recognized over the expected term of the lease.

As at December 31, 2018 and 2017, we had a long-term liability of $127 and $801, respectively, related to contingent consideration on the acquisition of Fluorinov. For the year ended December 31, 2018, the remeasurement of the fair value of the contingent consideration recognized an increase in the time estimate and increased risk of reaching the potential milestones, resulting in an expense reduction of $674 which is included in research and development expenses.

Cash flows from operating activities

Cash used in operating activities increased to $39,295 for the year ended December 31, 2018, compared to $27,038 for the year ended December 31, 2017, due mainly to higher research and development costs and a decrease in accounts payable and accrued liabilities of $1,196 compared to an increase of $8,165 in the prior year, and by an unrealized foreign exchange gain of $3,108 compared to an unrealized loss of $3,748 in the prior year.

Cash flows from investing activities

Cash provided from investing activities totaled $30,632 for the year ended December 31, 2018, compared to cash used of $57,465 for the year ended December 31, 2017. The change was due to the maturities of marketable securities in the year ended December 31, 2018 compared to purchases of marketable securities in the prior year.

Cash flows from financing activities

Cash used in financing activities totaled $115 for the year ended December 31, 2018, compared to cash provided by financing activities of $62,575 for the year ended December 31, 2017. The decrease was due to an underwritten public offering of common shares and non-voting convertible preferred shares in June 2017 and financing activity in December 2017.

December 31, 2017 Compared to December 31, 2016

Our cash and cash equivalents and marketable securities, and working capital at December 31, 2017 were $81,791 and $68,900, respectively compared to $50,473 and $45,486, respectively at December 31, 2016. The increase in cash and cash equivalents and marketable securities, and working capital was due mainly to the June and December 2017 financings raising net proceeds of $62,526 partially offset by cash used in operations of approximately $27,038 and an unrealized foreign exchange loss of $3,748. Accounts payable and accrued liabilities as at December 31, 2017 of $14,092 were higher than the balance of $5,513 at December 31, 2016 due mainly to timing of payments related to our clinical trials.

We are indebted to the Federal Economic Development Agency for Southern Ontario, or FedDev, under a non-interest bearing contribution agreement and are making monthly repayments of $10 through November 2019. As at December 31, 2017 and 2016, the balance repayable was $211 and $335 respectively. The loan payable was discounted using an estimated market interest rate of 15%. Interest expense accretes on the discounted loan amount until it reaches its face value at maturity.

As at December 31, 2017 and 2016, we had a deferred lease inducement of $407 and $438, respectively, for our facility lease. The inducement benefit is being recognized over the expected term of the lease.

As at December 31, 2017 and 2016, we had a long-term liability of $801 and $1,959, respectively, related to contingent consideration on the acquisition of Fluorinov. For the year ended December 31, 2017, the remeasurement of the fair value of the contingent consideration recognized an increase in the time estimate and increased risk of reaching the potential milestones, resulting in an expense reversal of $1,158 which is included in research and development expenses.

Cash flows from operating activities

Cash used in operating activities increased to $27,038 for the year ended December 31, 2017, compared to $22,852 for the year ended December 31, 2016, due mainly to higher research and development expenses, partially offset by a higher accounts payable balance.

Cash flows from investing activities

Cash used in investing activities totaled $57,465 for the year ended December 31, 2017, compared to $12,541 for the year ended December 31, 2016. The increase was due to the purchase of marketable securities in 2017. Cash used for investment activities in 2016 related mainly to the purchase of Fluorinov.

Cash flows from financing activities

Cash provided by financing activities totaled $62,575 for the year ended December 31, 2017, compared to cash provided by financing activities of $344 for the year ended December 31, 2016. The increase was due mainly to the cash proceeds raised in the June 2017 and December 2017 financings.

C. Research and Development, Patents and Licenses, etc.

During 2016 and 2015, most of our resources were focused on the development of our SIRPαFc program. For the year ended December 31, 2018, SIRPαFc research and development costs were higher than the prior year due to higher clinical trial expenses with three active phase 1 clinical trials and the amendment to the SIRPαFc license agreement, partially offset by lower SIRPαFc manufacturing and reduced activity relating to academic collaboration. Small molecule program expenses were lower than the prior year as we completed most of our targeted preclinical development studies for the bromodomain and EGFR inhibitors in 2017, while 2018 activities were focused on our immuno-oncology discovery programs.

We rely on patents and licenses to enable the commercialization of our novel technologies. See “Item 4. Information on the Company” and “Item 4.B. Information on the Company – Intellectual Property”.

D. Trend Information

Historical patterns of expenditures cannot be taken as an indication of future expenditures. The amount and timing of expenditures and therefore liquidity and capital resources vary substantially from period to period depending on the number of research and development programs being undertaken at any one time, the stage of the development programs, the timing of significant expenditures for manufacturing, toxicology and pharmacology studies and clinical trials, and the availability of funding from investors and prospective commercial partners.

The net losses for the first and second quarters of 2017 were higher due to higher personnel costs, SIRPαFc clinical trial costs, and preclinical work on the bromodomain inhibitor and EGFR inhibitor programs. The net loss for the third and fourth quarters of 2017 reflected continued focus on the SIRPαFc development program, and lower small molecule expenses relative to the first and second quarters of 2017. The decrease in net loss in the first quarter of 2018 reflected a higher net foreign currency gain. The increase in net loss in the second quarter of 2018 reflected higher clinical development expenses and the license agreement amendment payment, partially offset by a net foreign currency gain. The increase in net loss in the third quarter of 2018 reflected higher clinical development costs. The decrease in net loss in the fourth quarter of 2018 was mainly due to a net foreign currency gain and change in fair value of deferred share units.

E. Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

F. Tabular Disclosure of Contractual Obligations

We enter into research, development and license agreements in the ordinary course of business where we receive research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which is uncertain.

Under the license agreement for SIRPαFc, we have future contingent milestones payable of $25 related to successful patent grants, $200 and $300 on the first patient dosed in phase 2 and 3 clinical trials respectively, and regulatory milestones on their first achievement totaling $5,000, and low single digit royalties payable on net sales.

Under two agreements with Catalent pursuant to which we acquired the right to use a proprietary expression system for the manufacture of two SIRPαFc constructs, we have future contingent milestones on pre-marketing approval of up to US $875 and aggregate sales milestone payments of up to US $28,750 for each agreement.

In connection with our acquisition of all the outstanding shares of Fluorinov, we are obligated to pay up to $35,000 of additional future payments that are contingent on us achieving certain clinical and regulatory milestones with an existing Fluorinov compound. We will also have an obligation to pay royalty payments on future sales of such compounds.

We periodically enter into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require us to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by or on our behalf. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents us from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, we have not made any indemnification payments under such agreements and no amount has been accrued in our consolidated financial statements with respect to these indemnification obligations.

Other than as disclosed below, we did not have any contractual obligations relating to long-term debt obligations, capital (finance) lease obligations, operating lease obligations, purchase obligations or other long-term liabilities reflected on our balance sheet as at December 31, 2018:

Contractual Obligations [1][2]	**Payments due by period ($)**				
	Total	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More than 5 Years**
Long-Term Debt Obligations [3]	105	105	-	-	-
Operating Lease Obligations [4]	1,982	398	830	708	46
Purchase Obligations [5]	30,694	23,308	7,290	96	-
Other Long-Term Liabilities Reflected on our Balance Sheet [6]	467	340	-	-	127
Total	**33,248**	**24,151**	**8,120**	**804**	**173**

Notes:

(1) Contractual obligations in the above table do not include amounts in accounts payable and accrued liabilities on our balance sheet as at December 31, 2018.
(2) Contingent milestones under the SIRPαFc license agreement and the Catalent expression system agreements are not included in the above table.
(3) Amounts due to FedDev repayable in equal monthly installments of $10 through November 2019.
(4) Includes operating lease obligations for laboratory and office facilities.
(5) Purchase obligations include all non-cancellable contracts, and all cancellable contracts with $100 or greater remaining committed at the period end including agreements related to the conduct of our clinical trials, preclinical studies and manufacturing activities.
(6) Includes $127 of contingent consideration related to potential future payments of up to $35,000 based on the achievement of clinical and regulatory milestones with an existing Fluorinov compound.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT & EMPLOYEES

A. Directors and Senior Management

The following table and summary of business experience set forth the name, office held, and functions and areas of experience in the Company, principal business activities and other principal directorships of each of our Directors and senior management:

Name Present Office Held	Position Held Since	Principal Business Activities and Other Principal Directorships
Luke Beshar *Director* (1)	March 10, 2014	Mr. Beshar is an independent biotechnology consultant and financial expert. He was most recently the Executive/Senior Vice President and Chief Financial Officer of NPS Pharmaceuticals, Inc., a global biopharmaceutical company from November 2007 to February 2015. Mr. Beshar also sits on the boards of REGENXBIO Inc. and ArTara Therapeutics, Inc.
Robert Kirkman *Director* (1) (3)	December 17, 2013	Dr. Kirkman was President and Chief Executive Officer and director of Cascadian Therapeutics (formerly Oncothyreon Inc.), an oncology-focused biotechnology company from September 2006 to January 2016.
Michael Moore *Director* (2) (3)	April 9, 2013	Dr. Moore was the Founder Chair of MISSION Therapeutics Ltd., where he still serves as a director, and was a director of PsiOxus Therapeutics, from which he retired in 2017. He was the Chair of Trillium Therapeutics Inc. (private) from 2004-2013. From 2003-2008, Dr. Moore was the Chief Executive Officer and director of Piramed Ltd., a UK-based oncology company acquired by Roche.
Thomas Reynolds *Director (2)(3)*	March 10, 2014	Dr. Reynolds is an independent biotechnology consultant since February 2013, and was Chief Medical Officer of Seattle Genetics, Inc., a biotechnology company focused on antibody-based therapies for the treatment of cancer from March 2007 to January 2013. Dr. Reynolds also sits on the board of MEI Pharma, Inc.
Calvin Stiller *Director, Chair of the Board*	July 18, 2011	Dr. Stiller is the Chair Emeritus of the Ontario Institute for Cancer Research, Director Emeritus of MaRS Discovery District, and Professor Emeritus at Western University. Dr. Stiller also sits on the board of Revera Corporation and Smarter Alloys Inc.

Helen Tayton- Martin *Director* (1) (2)	October 1, 2017	Dr. Tayton-Martin is the Chief Business Officer at Adaptimmune Therapeutics since March 2017, a biotechnology company focused on cancer immunotherapy and a leader in T-cell therapy. Dr. Tayton-Martin co-founded Adaptimmune from the former company, Avidex Limited, and served as its Chief Operating Officer from 2008 to March 2017.
Niclas Stiernholm *President and Chief Executive Officer, Director*	Director since July 18, 2011; President and CEO since April 9, 2013	Dr. Stiernholm is the President and Chief Executive Officer of Trillium since April 9, 2013 and was the Chief Executive Officer of Trillium Therapeutics Inc. (private) since 2002. He joined Trillium from YM BioSciences Inc. where he was Executive Vice President and Chief Scientific Officer. Mr. Stiernholm also sits on the board of Vasomune Therapeutics Inc. As President and Chief Executive Officer, Dr. Stiernholm is responsible for overseeing our strategic direction, executing business development plans and ensuring that our scientific programs remain funded and advance on schedule. As a director, Dr. Stiernholm participates in management oversight and helps to ensure compliance with our corporate governance policies and standards.
Robert Uger *Chief Scientific Officer*	April 9, 2013	Dr. Uger is the Chief Scientific Officer of Trillium since April 9, 2013 and was the Vice President, Research of Trillium Therapeutics Inc. (private) since 2003. He joined Trillium from Aventis Pasteur where he was a Senior Research Scientist involved in cancer vaccine research. As Chief Scientific Officer, Dr. Uger is responsible for developing and implementing our scientific direction, and oversees both internal product development and external research and development programs.
James Parsons *Chief Financial Officer*	August 25, 2011	Mr. Parsons is the Chief Financial Officer of Trillium since August 25, 2011 and was also the Director, Finance of Trillium Therapeutics Inc. (private). He was previously the Vice President, Finance of DiaMedica Inc. from October 2010 to May 2014, and Chief Financial Officer of Amorfix Life Sciences Ltd. from 2006 to 2010. Mr. Parsons sits on the board of Sernova Corp and DiaMedica Inc. As Chief Financial Officer, Mr. Parsons is responsible for financial and risk management, investor relations, corporate governance and administration.
Penka Petrova *Chief Development Officer*	May 29, 2015	Dr. Petrova is the Chief Development Officer of Trillium since May 29, 2015 and was the Vice President, Drug Development from April 2013 to May 2015. Dr. Petrova joined Trillium Therapeutics Inc. (private) from Prescient Neuropharma in 2003. As Chief Development Officer, Dr. Petrova is responsible for managing our formal drug development efforts, including all outsourced activities to contract manufacturers and contract research organizations.
Yaping Shou *Chief Medical Officer*	April 23, 2018	Dr. Shou is the Chief Medical Officer of Trillium since April 23, 2018. She most recently served as Executive Medical Director at Takeda Pharmaceuticals, where she also held several other clinical leadership positions over the past seven years. Prior to joining Takeda, Dr. Shou held several clinical oncology positions at Novartis Pharmaceuticals and GlaxoSmithKline. As Chief Medical Officer, Dr. Shou is responsible for the design and execution of our clinical and regulatory strategy.

Notes:

(1) Member of our Audit Committee.
(2) Member of our Corporate Governance and Nominating Committee.
(3) Member of our Compensation Committee.

Summary of Business Experience and Functions within the Company

Luke Beshar, CPA *- Director, Chair of the Audit Committee*

Mr. Beshar was Executive Vice President and Chief Financial Officer of NPS Pharmaceuticals until February 2015 when the company was sold to Shire plc. He joined NPS Pharmaceuticals in 2007 and has been responsible for financial management, investor relations, information technology, technical operations, supply-chain management, facilities, project management, contracts and outsourcing and strategic and alliance management. Prior to joining NPS, Mr. Beshar served as Executive Vice President and Chief Financial Officer of Cambrex Corporation, a global life sciences company. Mr. Beshar began his career with Arthur Andersen & Co. and is a certified public accountant.

He obtained his bachelor's degree in Accounting and Finance from Michigan State University and is a graduate of The Executive Program at the Darden Graduate School of Business at the University of Virginia.

Dr. Robert Kirkman *- Director*

Dr. Kirkman served as Cascadian Therapeutics' (formerly Oncothyreon) President and Chief Executive Officer from September 2006 to January 2016. From 2005 to 2006, he was acting President and Chief Executive Officer of Xcyte Therapies, which concluded a merger with Cyclacel Pharmaceuticals, both development-stage biopharmaceutical companies, in March of 2006. From 2004 to 2005, Dr. Kirkman was Chief Business Officer and Vice President of Xcyte. From 1998 to 2003, Dr. Kirkman was Vice President, Business Development and Corporate Communications of Protein Design Labs, a biopharmaceutical company. Dr. Kirkman holds a M.D. degree from Harvard Medical School and a B.A. in economics from Yale University.

Dr. Michael Moore *- Director*

Dr. Moore was the Founder Chair of MISSION Therapeutics Limited, a UK drug discovery company targeting deubiquitinating enzymes for multiple disease indications. He also holds non-executive positions with UK biopharmaceutical companies including PsiOxus Therapeutics Limited, of which he was Founding Chairman, and Chronos Therapeutics Limited. From 2004-2013, Dr. Moore was non-executive Chair of Trillium Therapeutics Inc. (private) and from 2003-2008 Chief Executive Officer of Piramed Limited, a UK-based biotechnology company targeting the PI 3-kinase superfamily, which was acquired by Roche in 2008. Prior to Piramed, Dr. Moore held progressive positions at Xenova Group plc (1988-2003), including Research Director and Chief Scientific Officer. Dr. Moore's academic career included a tenured appointment at the Paterson Institute for Cancer Research (1980) and the University of Manchester Medical School where he was Honorary Reader in immunology and oncology (1986). Dr. Moore received PhD and DSc degrees from the University of Nottingham (a member of the Russell Group).

Dr. Thomas Reynolds *- Director*

Dr. Reynolds served as Chief Medical Officer of Seattle Genetics from March 2007 until his retirement in February, 2013. While at Seattle Genetics, he was responsible for building and leading an integrated clinical development, regulatory and medical affairs organization, highlighted by the development and approval of ADCETRIS. From 2002 to 2007, Dr. Reynolds served at ZymoGenetics (acquired by Bristol-Myers Squibb in 2010), most recently as Vice President, Medical Affairs, where he oversaw the clinical development and regulatory filing of RECOTHROM. Previously, he was Vice President, Clinical Affairs at Targeted Genetics, and before that he was at Somatix Therapy (acquired by Cell Genesys in 1997). Dr. Reynolds received his M.D., and Ph.D. in Biophysics, from Stanford University and a B.A. in Chemistry from Dartmouth College. He is currently a director and member of the compensation committee at MEI Pharma, Inc.

Dr. Calvin Stiller *- Director, Chair of the Board of Directors*

Dr. Stiller is a Member of the Order of Canada and the Order of Ontario, was the recipient of the Canada Gairdner Wightman Award in 2011 (awarded to a Canadian who has demonstrated outstanding leadership in medicine and medical science) and was inducted into the Canadian Medical Hall of Fame in 2010. Dr. Stiller is Chair Emeritus of the Ontario Institute for Cancer Research, the former chair of Genome Canada and is Professor Emeritus in the Departments of Medicine, and Immunology and Bacteriology at the University of Western Ontario. Dr. Stiller founded the J. Allyn Taylor International Prize in Medicine, co-founded the Medical and Related Sciences Research District, or MaRS, was the Chair of the Ontario Research and Development Challenge Fund Board and was the co-founder of four venture capital funds of over $500,000. He serves on the boards of a number of private and public companies, was founding Chair of Trillium Therapeutics Inc. (private) and was chair of Verio Therapeutics, a Canadian stem cell company that was acquired in 2010 by Fate Corporation, a California-based regeneration company. Together with Robert Klein (the founder of the California Institute of Regenerative Medicine, a state agency responsible for granting approximately $3,000,000 in stem cell research funding), he co-founded the Cancer Stem Cell Initiative, a Canada-California consortium that has been productive in the search for and identification of cancer stem cells. He serves on the board of Revera Corporation, one of the nation’s largest seniors' accommodation, health and long-term care and services companies.

Dr. Helen Tayton-Martin *- Director*

Dr. Tayton-Martin, Chief Business Officer at Adaptimmune, has over 25 years of experience working within the pharma, biotech and consulting environment in disciplines across preclinical and clinical development, outsourcing, strategic planning, due diligence, and business development. She co-founded Adaptimmune from the former company, Avidex Limited, where she had been responsible for commercial development of the soluble TCR program in cancer and HIV therapy from 2005 to 2008. Dr. Tayton-Martin transitioned to become Adaptimmune’s Chief Business Officer in March 2017, having served as its Chief Operating Officer since 2008, a role in which she oversaw the transition of all operations in the company from 5 to 300 staff, through transatlantic growth, multiple clinical, academic and commercial collaborations and private and public financing through to its NASDAQ IPO.

Dr. Niclas Stiernholm *- President and Chief Executive Officer, Director*

Dr. Stiernholm became the President and Chief Executive Officer on our merger with Trillium Therapeutics Inc. (private) in April 2013. Previously, as Chief Executive Officer of Trillium Therapeutics Inc. (private) since 2002, Dr. Stiernholm spearheaded the in-licensing of our development technologies, raised over $23,000 in venture capital financing, and raised non-dilutive funding from several out-licensing transactions with pharmaceutical partners. Dr. Stiernholm joined Trillium Therapeutics Inc. (private) from YM BioSciences where he was Executive Vice President and Chief Scientific Officer. While there, he played a significant role in the success of their Initial Public Offering in 2002. Dr. Stiernholm began his industry career as a member of Allelix Biopharmaceuticals' business development office. He currently serves on the board of Vasomune Therapeutics. He received his Ph.D. in Immunology from the University of Toronto, where he also completed his postdoctoral training.

Dr. Robert Uger *- Chief Scientific Officer*

Dr. Uger became the Chief Scientific Officer on our merger with Trillium Therapeutics Inc. (private) in April 2013. Dr. Uger is responsible for developing and implementing our scientific direction, and overseeing both internal product development and external research discovery programs. He also acts as our scientific liaison with respect to global collaborations with academic and hospital research scientists. Dr. Uger joined Trillium Therapeutics Inc. (private)in 2003 from Aventis Pasteur where he was a Senior Research Scientist involved in cancer vaccine research. He received his Ph.D. in Immunology from the University of Toronto.

James Parsons, CPA-CA *- Chief Financial Officer*

Mr. Parsons joined us in August 2011 and Trillium Therapeutics Inc. (private) in 2003 on a part-time basis, and became full-time in June 2014. Mr. Parsons has an extensive background in the life sciences industry and over 25 years of financial management experience. Mr. Parsons was the Vice-President, Finance for DiaMedica Inc. from October 2010 to May 2014, and the Chief Financial Officer and Corporate Secretary for Amorfix Life Sciences Ltd. from 2006 to 2010 where his responsibilities included finance, administration, commercialization, risk management, and corporate governance. Mr. Parsons has been a CFO and advisor in the life sciences industry since 2000 with early-stage to late-clinical stage biotechnology companies across many therapeutic, diagnostic and device areas. Mr. Parsons has a Master of Accounting degree from the University of Waterloo and is a Chartered Professional Accountant and Chartered Accountant.

Dr. Penka Petrova *– Chief Development Officer*

Dr. Petrova was appointed Chief Development Officer on May 29, 2015. Previously, Dr. Petrova became the Vice President, Drug Development on our merger with Trillium Therapeutics Inc. (private) in April 2013. Dr. Petrova is responsible for managing our formal drug development efforts, including all outsourced activities to contract research organizations. Dr. Petrova joined Trillium Therapeutics Inc. (private) in 2003 from Prescient Neuropharma where she was a Research Scientist and was involved in identifying and characterizing novel proteins involved in neuroprotection. Dr. Petrova received her Ph.D. in Microbiology from Saarland University in Saarbruecken, Germany, where she also conducted her postdoctoral studies.

Dr. Yaping Shou *– Chief Medical Officer*

Dr. Shou joined Trillium as Chief Medical Officer on April 23, 2018. Dr. Shou is responsible for the design and execution of our clinical and regulatory strategy. She has more than 18 years of industry experience spanning clinical development and translational medicine, with a strong focus in oncology. She most recently served as Executive Medical Director at Takeda Pharmaceuticals, where she also held several other clinical leadership positions over the past seven years. Prior to joining Takeda, Dr. Shou held several clinical oncology positions at Novartis Pharmaceuticals and GlaxoSmithKline. She has contributed to the approval of several targeted therapies for oncology. She received her MD degree from Zhejiang University School of Medicine, and her PhD degree from Drexel University College of Medicine and the University of Pennsylvania. Dr. Shou also conducted postdoctoral studies in the Genetics Branch at the National Cancer Institute.

Family Relationships

There are no family relationships among our directors and senior management.

Other Arrangements

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management.

B. Compensation

For the year ended December 31, 2018, our directors and members of our administrative, supervisory or management bodies received compensation for services, as follows:

Name and Principal Position	Salary/ Fees earned ($)	Share-based awards ($) [1]	Option-based awards [2] ($)	Non-equity incentive plan compensation [3] ($)	Total ($)
Niclas Stiernholm [4] *President & Chief Executive Officer and Director*	492	Nil	1,023	141	1,656
Robert Uger *Chief Scientific Officer*	350	Nil	421	70	841
Yaping Shou [5] *Chief Medical Officer*	346	Nil	1,334	45	1,725
James Parsons *Chief Financial Officer*	325	Nil	376	65	766
Penka Petrova *Chief Development Officer*	325	Nil	376	65	766
Luke Beshar *Director*	56	124	Nil	Nil	180
Henry Friesen Director	22	38	Nil	Nil	60
Robert Kirkman *Director*	53	124	Nil	Nil	177
Michael Moore *Director*	50	124	Nil	Nil	174
Thomas Reynolds *Director*	55	124	Nil	Nil	179
Calvin Stiller *Director, Chair*	80	124	Nil	Nil	204
Helen Tayton-Martin *Director*	52	124	Nil	Nil	176

Notes:

(1) The amounts in this column represent the grant date fair value of the DSUs awarded to directors during fiscal year 2018 pursuant to the 2016 Cash-Settled DSU Plan. The grant date fair value is the volume weighted average price on the TSX for the five trading days immediately preceding the grant date. This methodology represents management's best estimate of fair value at the grant date.

(2) The option-based awards value is the grant date fair value of stock options granted in the year calculated in accordance with IFRS using the Black-Scholes option pricing model with the following weighted average assumptions for 2018: expected life of 6 years; risk free rate of 2.43%; dividend yield of 0; and expected volatility of 82%.

(3) These payments reflect cash bonuses on the achievement of the annual corporate objectives for that calendar year.

(4) Dr. Stiernholm was not compensated as a director.

(5) Dr. Shou joined the Corporation on June 11, 2018 with an annual salary of US $400. Her compensation was paid in US dollars and has been converted to Canadian dollars using an average exchange rate of US$1 = Cdn$1.3193 for 2018.

Employment Agreements

Niclas Stiernholm

Effective February 11, 2016, we entered into a new employment agreement with Niclas Stiernholm which has an indefinite term and provides for his employment as Chief Executive Officer. The agreement provides for an annual base salary of $450 and participation in our short-term incentive plan and stock option plan. Dr. Stiernholm's agreement provides for continuation of his salary and average monthly bonus for the period equal to the greater of 18 months or one month per year of completed service (capped at 24 months) for termination without cause. If Dr. Stiernholm terminates his employment within one year of a change of control, he is entitled to severance of 20 months of base salary, plus a bonus equal to the average annual bonus of the past three years. In the event of a change in control, all unvested stock options granted prior to November 20, 2015 will immediately vest. If Dr. Stiernholm's employment is terminated without cause or Dr. Stiernholm resigns in circumstances constituting constructive dismissal, in each case within 24 months following a change of control, any stock options granted after November 19, 2015 will vest immediately prior to the date of such termination or resignation, as applicable. The estimated additional payment to Dr. Stiernholm in the case of termination without cause, assuming that a termination took place on December 31, 2018 is $1,093. In the case of termination without cause or resignation in circumstances constituting constructive dismissal in connection with a change in control, the incremental severance, plus in the money value of accelerated vesting of stock options granted prior to November 9, 2016, is $121.

Dr. Stiernholm's employment agreement contains provisions relating to: (i) non-disclosure or use of the Corporation's confidential information, (ii) non-competition during, and 12 months after, employment, and (iii) non-solicitation of the Corporation's clients and employees during, and 12 months after, employment.

Robert Uger

Effective February 11, 2016, we entered into a new employment agreement with Robert Uger which has an indefinite term and provides for his employment as Chief Scientific Officer. The agreement provides for an annual base salary of $320 and participation in our short-term incentive plan and stock option plan. Dr. Uger's agreement provides for continuation of his salary and average monthly bonus for the period equal to the greater of 12 months or one month per year of completed service (capped at 24 months) for termination without cause. In the event of a change in control, all unvested stock options granted prior to November 20, 2015 will immediately vest. If Dr. Uger's employment is terminated without cause or Dr. Uger resigns in circumstances constituting constructive dismissal, in each case within 24 months following a change of control, any stock options granted after November 19, 2015 will vest immediately prior to the date of such termination or resignation, as applicable. The estimated additional payment to Dr. Uger in the case of termination without cause, assuming that a termination took place on December 31, 2018 is $616.

Dr. Uger's employment agreement contains provisions relating to: (i) non-disclosure or use of the Corporation's confidential information, (ii) non-competition during, and 12 months after, employment, and (iii) non-solicitation of the Corporation's clients and employees during, and 12 months after, employment.

Yaping Shou

Effective April 23, 2018, we entered into an employment agreement with Yaping Shou which has an indefinite term and provides for her employment as Chief Medical Officer. The agreement provides for an annual base salary of US$400, signing bonus of US$50, retention bonus of US$150 and participation in our short-term incentive plan and stock option plan. Dr. Shou's agreement provides for continuation of her salary for 6 months for termination without cause. The estimated additional payment to Dr. Shou in the case of termination without cause, assuming that a termination took place on December 31, 2018 is US$173.

Dr. Shou's employment agreement contains provisions relating to: (i) non-disclosure or use of the Corporation's confidential information, (ii) non-competition during, and 12 months after, employment, and (iii) non-solicitation of the Corporation's clients and employees during, and 12 months after, employment.

James Parsons

Effective February 11, 2016, we entered into a new employment agreement with James Parsons which has an indefinite term and provides for his employment as Chief Financial Officer. The agreement provides for an annual base salary of $275 and participation in our short-term incentive plan and stock option plan. Mr. Parsons' agreement provides for continuation of his salary and average monthly bonus for the period equal to the greater of 12 months or one month per year of completed service (capped at 24 months) for termination without cause. In the event of a change in control, all unvested stock options granted prior to November 20, 2015 will immediately vest. If Mr. Parsons' employment is terminated without cause or Mr. Parsons resigns in circumstances constituting constructive dismissal, in each case within 24 months following a change of control, any stock options granted after November 19, 2015 will vest immediately prior to the date of such termination or resignation, as applicable. The estimated additional payment to Mr. Parsons in the case of termination without cause, assuming that a termination took place on December 31, 2018 is $428.

Mr. Parsons' employment agreement contains provisions relating to: (i) non-disclosure or use of the Corporation's confidential information, (ii) non-competition during, and 12 months after, employment, and (iii) non-solicitation of the Corporation's clients and employees during, and 12 months after, employment.

Penka Petrova

Effective February 11, 2016, we entered into a new employment agreement with Penka Petrova which has an indefinite term and provides for her employment as Chief Development Officer. The agreement provides for an annual base salary of $275 and participation in our short term incentive plan and stock option plan. Dr. Petrova's agreement provides for continuation of her salary and average monthly bonus for the period equal to the greater of 12 months or one month per year of completed service (capped at 24 months) for termination without cause. In the event of a change in control, all unvested stock options granted prior to November 20, 2015 will immediately vest. If Dr. Petrova's employment is terminated without cause or Dr. Petrova resigns in circumstances constituting constructive dismissal, in each case within 24 months following a change of control, any stock options granted after November 19, 2015 will vest immediately prior to the date of such termination or resignation, as applicable. The estimated additional payment to Dr. Petrova in the case of termination without cause, assuming that a termination took place on December 31, 2018 is $546.

Dr. Petrova's employment agreement contains provisions relating to: (i) non-disclosure or use of the Corporation's confidential information, (ii) non-competition during, and 12 months after, employment, and (iii) non-solicitation of the Corporation's clients and employees during, and 12 months after, employment.

Entitlements under Stock Option Plan

Pursuant to the 2018 Stock Option Plan (as defined below), upon retirement, resignation or termination without cause, the optionholder will have the right, until the earlier of (i) 120 days (or such other longer period as may be determined by the Board in its sole discretion or, if longer, the period specified in the participant's employment contract) following the Termination Date, and (ii) the normal expiry date of the stock option rights of such participant, to exercise all stock options to the extent they were exercisable on the Termination Date.

In addition, the 2018 Stock Option Plan provides that any unvested stock options granted thereunder will be subject to "double trigger" vesting upon a Change of Control, as set out in the 2018 Stock Option Plan. Notwithstanding the foregoing, the Board has determined that the "single trigger" vesting provisions of the 2014 Stock Option Plan (as defined below) will continue to apply in respect of 927,834 stock options granted by us prior to November 18, 2015. See "Item 6.D. Stock Option Plan."

Stock Option Plan

We have adopted a stock option plan, or the 2018 Stock Option Plan, that provides for the granting of stock options to officers, directors, employees and consultants of ours and our affiliates. The purpose of the 2018 Stock Option Plan is to advance our interests by encouraging our directors, officers and key employees and consultants retained to acquire Common Shares, thereby: (a) increasing the proprietary interests of such persons in us; (b) aligning the interests of such persons with the interests of our shareholders generally; (c) encouraging such persons to remain associated with us; and (d) furnishing such persons with an additional incentive in their efforts on behalf of us. As at December 31, 2018, pursuant to the 2018 Stock Option Plan, we were entitled to issue 3,894,501 options.

The following is a summary only, and is qualified in its entirety by the terms and conditions of the 2016 Stock Option Plan, which is attached as an exhibit to this Form 20-F. Capitalized terms used in this summary but not otherwise defined herein shall have the meanings ascribed thereto in the 2018 Stock Option Plan.

Administration by the Board of Directors

The 2018 Stock Option Plan is administered by our Board, which has final authority and discretion, subject to the express provisions of the 2018 Stock Option Plan, to interpret the 2018 Stock Option Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the 2018 Stock Option Plan, subject to the rules and policies of any exchange or quotation system upon which our Common Shares are listed or quoted, or the Exchange Rules, including the TSX and NASDAQ. This includes the discretion of our Board to decide who will participate in the 2018 Stock Option Plan, including directors, officers, employees or consultants, each a Participant. Our Board also has authority to delegate its duties to the compensation committee.

Expiry

Stock options granted under the 2018 Stock Option Plan are non-transferable, expire not later than ten years from the date of issuance and are exercisable as determined by our Board. In addition, notwithstanding the expiration date applicable to any stock option, if a stock option would otherwise expire during or immediately after a Blackout Period (as defined in the 2018 Stock Option Plan), then the expiration date of such stock option shall be the 10th business day following the expiration of the Blackout Period.

Exercise Price

The exercise price payable in respect of each stock option may not be lower than the closing trading price of the Common Shares on the TSX or NASDAQ, as specified by the committee in the option award on the trading day immediately preceding the date of grant.

Maximum Limit

The 2018 Stock Option Plan is a fixed stock option plan, meaning that the maximum number of Common Shares reserved for issuance upon the exercise of stock options granted under the 2018 Stock Option Plan is fixed and cannot be changed without shareholder approval. The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the 2018 Stock Option Plan at any time, plus the number of Common Shares reserved for issuance under outstanding options otherwise granted by us shall not exceed 3,894,501 Common Shares.

Any exercise of stock options will not make new grants available under the 2018 Stock Option Plan. However, if stock options granted to an individual under the 2018 Stock Option Plan in respect of certain Common Shares expire or terminate for any reason with or without having been exercised, such Common Shares may be made available for other stock options to be granted under the 2018 Stock Option Plan.

Insider Participation Limits

The aggregate number of Common Shares issued to "reporting insiders" (as such term is defined in National Instrument 55-104 - Insider Reporting Requirements and Exemptions) under the 2018 Stock Option Plan or any other security-based compensation arrangement of ours and our affiliates (including, without limitation, our 2014 Deferred Share Unit Plan, or the 2014 Equity DSU Plan) within a one-year period, may not at any time exceed 10% of the combined total number of Common Shares issued and outstanding (on a non-diluted basis) and the total number of Common Shares into which the outstanding preferred shares may be converted.

In no event shall stock options be granted to an individual to purchase in excess of 5% of the total of the number of then issued and outstanding Common Shares and the number of Common Shares issuable upon due conversion of the issued and outstanding preferred shares in any 12 month period.

In addition, no stock options shall be granted to any Participant that is a non-employee director if such grant could result, at any time, in (i) the aggregate number of Common Shares issuable to non-employee directors under the 2018 Stock Option Plan, or any other security-based compensation arrangement, exceeding 1% of the issued and outstanding Common Shares and the number of Common Shares issuable upon due conversion of the issued and outstanding preferred shares; or (ii) an annual grant per non-employee director exceeding $100 worth of options.

Amendment Provisions

Our Board has the discretion to make amendments to the 2018 Stock Option Plan and any stock options granted thereunder which it may deem necessary, without having to obtain shareholder approval. Such changes include, without limitation:

- minor changes of a "housekeeping" nature;
- amending stock options under the 2018 Stock Option Plan, including with respect to the stock option period (provided that the period during which a stock option is exercisable does not exceed ten years from the date the stock option is granted and does not deal with an extension of such stock option period), vesting period, exercise method and frequency and method of determining the exercise price, assignability and effect of termination of a Participant's employment or cessation of the Participant's directorship;
- changing the class of Participants eligible to participate under the 2018 Stock Option Plan;
- changing the terms and conditions of any financial assistance which may be provided by us to Participants to facilitate the purchase of Common Shares under the 2018 Stock Option Plan; and
- adding a cashless exercise feature, payable in cash or securities, provided that a cashless exercise will result in a full deduction of the number of underlying Common Shares from the 2018 Stock Option Plan reserve.

Shareholder approval will be required in the case of: (i) any amendment to the amendment provisions of the 2018 Stock Option Plan; (ii) any increase in the maximum number of Common Shares issuable under the 2018 Stock Option Plan; (iii) amendments that may permit the introduction or re-introduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-employee director participation; (iv) any amendment which would permit Options granted under the 2018 Stock Option Plan to be transferable or assignable other than as set forth in Section 5(d) of the 2018 Stock Option Plan and for normal estate settlement purposes, (v) the addition of any form of financial assistance, (vi) any amendment to a financial assistance provision that is more favourable to participants, (vii) any amendment to the insider participation limits set forth in Section 3(ii), and (viii) of the 2018 Stock Option Plan any reduction in the exercise price or extension of the stock option period (other than as a result of a Blackout Period extension), in addition to such other matters that may require shareholder approval under the Exchange Rules.

Termination, Resignation, Death, etc.

Stock options granted under the 2018 Stock Option Plan are, and will be, evidenced by an option agreement entered between us and the Participant. Stock options granted under the plan terminate immediately if a Participant is dismissed with cause.

If a Participant ceases to hold any position as a Participant, by reason of retirement, resignation or termination without cause, such Participant shall have the right until the earlier of: (i) 120 days (or such other longer period as may be determined by the Board in its sole discretion or, if longer, the period specified in the Participant's employment contract) following the Participant's last day of active employment, or the Termination Date, which shall not include any period of statutory or reasonable notice or any period of deemed employment or salary continuance; and (ii) the normal expiry date of the stock option rights of such Participant, to exercise the stock options under the 2018 Stock Option Plan with respect to all optioned Common Shares of such Participant to the extent that they were exercisable on the Termination Date.

If a Participant dies, his options may be exercised by his legal representatives until the earlier of (i) one year after the death of the Participant; and (ii) the normal expiry date of the options of such Participant.

If a Participant ceases to be a director, officer or employee of, or consultant to, the Corporation or of one of our subsidiaries as a result of disability or illness preventing the Participant from performing the duties routinely performed by such Participant, such Participant shall have the right until the earlier of: (i) 180 days following the Termination Date; and (ii) the normal expiry date of the option rights of such Participant, to exercise such Participant's options under the 2018 Stock Option Plan with respect to all Common Shares of such Participant to the extent they were exercisable on the Termination Date.

Upon expiry of the prescribed period described above, all unexercised options shall immediately terminate.

Change of Control

In the event of a Change of Control (as such term is defined in the 2018 Stock Option Plan), any surviving, successor or acquiring entity will assume any outstanding stock options or will substitute similar awards for the outstanding stock options. If the surviving, successor or acquiring entity does not assume the outstanding stock options or substitute similar awards for the outstanding stock options, or if the Board otherwise determines in its sole discretion, we will give written notice to all Participants advising that the 2018 Stock Option Plan will be terminated effective immediately prior to the Change of Control and all stock options will be deemed to be vested stock options and may make provision for the exercise of stock options and tender of Common Shares in connection with the Change of Control and may otherwise make provision for the cash out or termination of stock options that are not exercised within a specified period of time.

Termination without Cause Following a Change of Control

The 2018 Stock Option Plan provides that, notwithstanding anything in the 2018 Stock Option Plan to the contrary, if the employment of a Participant is terminated by us (or our successor, if applicable) without cause or if the Participant resigns in circumstances constituting constructive dismissal, in each case, within 24 months following a Change of Control (as such term is defined in the 2018 Stock Option Plan), all of the Participant's stock options will vest immediately prior to the Termination Date. All vested options may be exercised until the earlier of: (i) 120 days (or such other longer period as may be determined by the Board in its sole discretion) following the Termination Date; or (ii) the normal expiry date of the option rights of such Participant. Upon the expiration of such period, all unexercised options shall immediately terminate. These are also known as "double trigger" vesting provisions.

Options Governed by 2014 Stock Option Plan

Notwithstanding the foregoing, the Board has previously determined that the "double trigger" vesting provisions of the 2016 Stock Option Plan will not apply in respect of an aggregate of 927,834 stock options granted by us prior to November 18, 2015. The vesting of all such stock options upon a Change of Control will continue to be governed in accordance with the terms and conditions of the previous stock option plan adopted by us on May 26, 2014, or the 2014 Stock Option Plan. The 2014 Stock Option Plan provided that any stock options outstanding immediately prior to the occurrence of a Change of Control (as such term is defined in the 2014 Stock Option Plan), but which are not then exercisable, shall immediately vest and become fully exercisable upon the occurrence of a Change of Control. These are also known as "single trigger" provisions.

Other Terms

Any consolidation or subdivision of Common Shares will be reflected in an adjustment to the stock options. Stock options granted under the 2016 Stock Option Plan are non-transferrable and non-assignable (except to certain permitted assigns), and the Corporation does not provide any financial assistance in connection with option awards.

2016 Cash-Settled DSU Plan

On November 9, 2016, our Board adopted a cash-settled DSU plan, or the 2016 Cash-Settled DSU Plan. The 2016 Cash-Settled DSU Plan initially supplemented the 2014 Equity DSU Plan and is intended to provide the Board with non-dilutive compensation tool that further advances our philosophy of aligning the interests of directors and executive officers with those of the shareholders by tying compensation to share price performance. A total of 47,614 DSUs were issued and outstanding as at December 31, 2016 under the 2016 Cash-Settled DSU Plan.

All DSUs currently issued and outstanding will be settled in cash only and will be governed by the terms and conditions of the 2016 Cash-Settled DSU Plan.

Overview of the 2016 Cash-Settled DSU Plan

The following is a summary only, and is qualified in its entirety by the terms and conditions of the 2016 Cash-Settled DSU Plan. Capitalized terms used in this summary but not otherwise defined herein shall have the meanings ascribed thereto in the 2016 Cash-Settled DSU Plan.

The 2016 Cash-Settled DSU Plan provides that, the Board will, in its sole and absolute discretion and subject to the terms and conditions of the 2016 Cash-Settled DSU Plan, decide at the time of declaring any Total Compensation to an Eligible Person, the amount, or the Awarded Amount, of the Total Compensation that will be satisfied in the form of DSUs. The terms Eligible Person and Total Compensation have the same meaning as under the 2014 Equity DSU Plan.

The number of DSUs (including fractional DSUs, computed to three digits) to be credited to an Eligible Person for services will be determined by dividing the awarded amount by the Fair Market Value as at the last trading day before the date the Awarded Amount is declared by our Board. The "Fair Market Value" of the Common Shares is equal to the volume weighted average trading price of the Common Shares on the TSX for the five days immediately preceding the date the Awarded Amount is declared by our Board.

Redemption of DSUs

The 2016 Cash-Settled DSU Plan provides that a DSU held by an Eligible Person shall be redeemed by us upon such Eligible Person ceasing to be a director and/or executive officer, including through the termination, voluntary resignation, retirement or death, also known as a Terminated Service event.

An Eligible Person who has Terminated Service may elect the date on which the DSUs held by that Eligible Person shall be redeemed by us by filing with our Chief Financial Officer as redemption notice on or before December 15 of the first calendar year commencing after the date on which the Eligible Person has Terminated Service. If the Eligible Person fails to file such Redemption Notice on or before that December 15, the Eligible Person shall be deemed to have filed the Redemption Notice on that December 15. The date on which a redemption notice is filed, or deemed to be filed, shall hereinafter be referred to as the "Filing Date". We may defer the Filing Date to any other date if such deferral is, in the sole opinion of the Company, desirable to ensure compliance with applicable laws and our insider trading and "blackout" policies.

The cash payment to which an Eligible Person is entitled on settlement of DSUs will be determined with reference to the Fair Market Value of a Common Share as of the Filing Date, net of applicable withholding taxes. Such payment will be made as soon as reasonably possible following the Filing Date, but in any event not later than the date that is 60 days following the Filing Date; provided, however, that in no event will such payment be made later than December 31 of the first calendar year commencing after the Eligible Person has Terminated Service. Upon payment of such amount, the DSUs shall be cancelled and such Eligible Person shall have no further rights under the 2016 Cash-Settled DSU Plan.

Certain additional requirements are prescribed under the 2016 Cash-Settled DSU Plan for Eligible Participants who are United States taxpayers.

Death of an Eligible Participant

In the event of the death of an Eligible Person prior to the settlement of the DSUs credited to his her own account, (i) all unvested DSUs shall automatically vest in full; and (ii) we will, as soon as reasonably practicable and any event not later than 60 days following the Eligible Person's death, cause to be delivered to the legal representatives of the Eligible Person, the cash payment such Eligible Person would otherwise have been entitled to if the Eligible Person had Terminated Service.

Change of Control

In the event that an Eligible Person has Terminated Service (other than as a result of termination for cause or death) within 24 months following a Change of Control (as such term is defined in the 2016 Cash-Settled DSU Plan), all DSUs credited to each Eligible Person's account shall immediately vest in full.

Transferability

DSUs and any other rights, benefits or interests in the 2016 Cash-Settled DSU Plan are non-transferable, except that if the Eligible Person dies, the legal representatives of the Eligible Person will be entitled to receive the amount of any payment otherwise payable to the Eligible Person in accordance with the provisions of the 2016 Cash-Settled DSU Plan.

Adjustments and Reorganizations

In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of our assets to shareholders, or any other change in our capital affecting the Common Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of DSUs outstanding under the 2016 Cash-Settled DSU Plan, any proportionate adjustments as it considers appropriate to reflect that change.

Amendments to the 2016 Cash-Settled DSU Plan

Subject to applicable law and certain tax driven prescribed limitations, the 2016 Cash-Settled DSU Plan may be amended in whole or in part at any time by our Board without the consent of the Eligible Persons provided that such amendment shall not materially adversely impair the rights of any Eligible Person with respect to DSUs to which the Eligible Person is then entitled under this 2016 Cash-Settled DSU Plan. Shareholder approval will be required for any amendments required to be approved by shareholders under applicable law (including any applicable Exchange Rules).

Termination

The Board may terminate the 2016 Cash-Settled DSU Plan at any time, but no termination will, without the consent of the Eligible Person or unless required by law, adversely affect the rights of an Eligible Person with respect to DSUs to which the Eligible Person is then entitled under the 2016 Cash-Settled DSU Plan. In no event will a termination of the 2016 Cash-Settled DSU Plan accelerate the time at which the Eligible Person would otherwise be entitled to receive a cash payment in respect of any DSUs.

Pension, Retirement or Similar Benefits

We have not set aside or accrued any amounts to provide pension, retirement or similar benefit for our directors or senior management.

C. Board Practices

Term of Office

The term of office of directors expires annually at the time of the annual meeting. The directors were elected at the annual meeting of shareholders on June 1, 2018. The term of office of the officers expires at the discretion of the directors.

Service Contracts

See the disclosure under the heading “Item 6.B. Employment Agreements” for particulars of Dr. Stiernholm’s service contract. Other than as disclosed herein, we do not have any service contracts with directors which provide for benefits upon termination of employment.

Committees

We have an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation Committee. Each of our committee charters is available on our website at www.trilliumtherapeutics.com . A copy of the charter of the Audit Committee is appended as an exhibit to this Form 20-F.

Audit Committee

Our Audit Committee is comprised of a minimum of three members, each of whom, in the determination of the Board of Directors, satisfies the independence, financial literacy and experience requirements of applicable US and Canadian securities laws, rules and guidelines (including, without limitation, National Instrument 52-110 - *Audit Committees,* or NI 52-110), any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

In particular:

- each member shall be (a) an "Independent Director," as defined in NASDAQ Marketplace Rule 5605(a)(2), and (b) "independent" within the meaning of Rule 10A-3 under the Exchange Act, and the determination of independence will be affirmatively made by the Board annually, provided that the Board may elect to take advantage of any exemption from such requirements provided in the rules of NASDAQ, or the Exchange Act;
- each member shall meet the independence and financial literacy requirements set forth in NI 52- 110;
- each member shall not have participated in the preparation of the financial statements of ours (or any then current subsidiary of ours) at any time during the past three years;
- each member shall be able to read and understand fundamental financial statements in accordance with the audit committee requirements for companies listed on NASDAQ in NASDAQ Marketplace Rule 5605(c)(2)(A)(iv); and
- at least one (1) member shall, in the judgment of the Board, be an "audit committee financial expert" within the meaning of such term in Item 407(d) of Regulation S-K under the US Securities Act of 1933, as amended.

Our Audit Committee members are Mr. Luke Beshar (Chair), Dr. Helen Tayton-Martin and Dr. Robert Kirkman each of whom is a non-executive member of our Board of Directors. Our Board of Directors has determined that each of the members of the Audit Committee is financially literate and has sufficient financial expertise, and is independent within the meaning of such term in the rules of NASDAQ, the SEC and Canadian provincial securities regulatory authorities. The Board of Directors has determined that Mr. Luke Beshar is a financial expert in accordance with the rules and regulations of the SEC. For a description of the education and experience of each audit committee member that is relevant in the performance of his responsibilities as an audit committee member, see Item "6.A. - Summary of Business Experience and Functions within the Company".

The purpose of the Audit Committee is to assist the Board of Directors in:

- overseeing the integrity of our financial statements and our accounting and financial reporting processes and financial statement audits;
- overseeing our compliance with legal and regulatory requirements;
- overseeing the qualifications and independence of our registered public accounting firm (independent auditor);
- overseeing the performance of our independent auditor; and
- overseeing the design, implementation and ongoing effectiveness of our systems of disclosure controls and procedures, risk management systems, internal control over financial reporting and compliance with ethical standards adopted by us.

Since the commencement of our most recently completed fiscal year and adoption of the Audit Committee charter, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Corporate Governance and Nominating Committee

Our Corporate Governance and Nominating Committee shall be composed of at least two members of our Board, all of whom are "independent directors" within the meaning of NASDAQ Rule 5605(a)(2). In affirmatively determining the independence of any member of our Corporate Governance and Nominating Committee, our Board must consider all factors specifically relevant to determining whether a director has a relationship to us that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

All members of our Corporate Governance and Nominating Committee shall be "independent" as contemplated in National Instrument 58-101 – Disclosure of Corporate Governance Practices, or NI 58-101, such that all members of the Corporate Governance and Nominating Committee will have no direct or indirect relationship with us that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of his or her independent judgment.

The purpose of the Corporate Governance and Nominating Committee is to:

- Assist our Board in identifying prospective director nominees and recommend to our Board the director nominees for each annual meeting of shareholders;
- Recommend members for each Board committee;
- Ensure that our Board is properly constituted to meet its fiduciary obligations to the Corporation and its shareholders and that we follow appropriate governance standards;
- Develop and recommend to our Board governance principles applicable to us;
- Oversee the succession planning for senior management; and
- Oversee the evaluation of our Board and management.

Our Corporate Governance and Nomination Committee members are Dr. Thomas Reynolds (Chair), Dr. Michael Moore and Dr. Helen Tayton-Martin. Our Board has determined that each member of our Corporate Governance and Nomination Committee is independent within the meaning of such term in the rules of NASDAQ and Canadian provincial securities regulatory authorities.

Compensation Committee

Our Compensation Committee shall be composed of at least two members of the Board, all of whom are considered “independent” of our management in accordance with the provisions of Rule 10C-1(b)(1) under the Exchange Act and NASDAQ Rule 5605(a)(2) and 5605(d)(2)(A). In affirmatively determining the independence of any member of our Compensation Committee, our Board must consider all factors specifically relevant to determining whether a director has a relationship to the Corporation that is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Corporation to such director; and (ii) whether such director is affiliated with the Corporation, a subsidiary of the Corporation or an affiliate of a subsidiary of the Corporation.

Our Compensation Committee is required to ensure that the compensation programs and values transferred to management through cash pay, share and share-based awards, whether immediate, deferred, or contingent are fair and appropriate to attract, retain and motivate management and are reasonable in view of company economics and of the relevant practices of other similar companies. Our Compensation Committee also recommends to our Board compensation arrangements for Board members.

Our Compensation Committee members are Dr. Robert Kirkman (Chair), Dr. Michael Moore and Dr. Thomas Reynolds. Our Board has determined that each member of our Compensation Committee is independent within the meaning of such term in the rules of NASDAQ, the SEC and Canadian provincial securities regulatory authorities.

D. Employees

As at December 31, 2018, we had sixty full-time employees including five senior management, forty-six research and development staff and nine finance and administrative staff. Fifty-eight employees are located at our head office and lab facilities in Toronto, Ontario, Canada and two employees are located in the United States.

We also use consultants and outside contractors to carry on many of our activities, including preclinical testing and validation, formulation, assay development, manufacturing, clinical and regulatory affairs, toxicology and clinical trials.

As at December 31, 2017, we had fifty-nine full-time employees including five senior management, forty-eight research and development staff and six finance and administrative staff. Fifty-seven employees were located at our head office and lab facilities in Toronto, Ontario, Canada and two employees were located in the United States.

During 2016, we had forty-seven full-time employees including five senior management, thirty-six research and development staff and six finance and administrative staff.

E. Share Ownership

As at March 11, 2019, our directors and senior management beneficially owned the following common shares of our Company:

Name and Office Held	Number of Common Shares	% of Class [1]
Niclas Stiernholm *President & Chief Executive Officer and Director*	15,000	0.10
Robert Uger *Chief Scientific Officer*	Nil	n/a
James Parsons *Chief Financial Officer*	Nil	n/a
Penka Petrova *Chief Development Officer*	Nil	n/a
Yaping Shou *Chief Medical Officer*	Nil	n/a
Luke Beshar *Director*	Nil	n/a
Helen Tayton-Martin Director	Nil	n/a
Robert Kirkman *Director*	Nil	n/a
Michael Moore *Director*	Nil	n/a
Thomas Reynolds *Director*	Nil	n/a
Calvin Stiller [2] *Director, Chair*	40,000	0.27

Notes:

(1) Based on 14,688,831 common shares issued and outstanding as at December 31, 2018.
(2) Total of direct, indirect and other holdings where Dr. Stiller exercises control or direction.

The following table sets forth the outstanding option-based awards outstanding for each of our directors and officers as at March 11, 2019:

	Option-based Awards			
Name and Office Held	**Number of securities underlying unexercised options (#)**	**Option exercise price per option ($)**	**Option expiration date**	**Value of unexercised in-the-money options [(1)] ($)**
Niclas Stiernholm	42,505	7.50	Apr 8, 2023	Nil
President & Chief Executive Officer	159,768	10.35	Apr 27, 2024	Nil
and Director	134,849	8.34	May 27, 2024	Nil
	94,094	19.33	Nov 19, 2025	Nil
	94,094	13.98	May 27, 2026	Nil
	57,023	9.20	Nov 9, 2026	Nil
	100,000	12.22	Nov 9, 2027	Nil
	340,000	4.23	Nov 8, 2028	Nil
Robert Uger	8,501	7.50	Apr 8, 2023	Nil
Chief Scientific Officer	42,066	10.35	Apr 27, 2024	Nil
	33,713	8.34	May 27, 2024	Nil
	29,073	19.33	Nov 19, 2025	Nil
	29,073	13.98	May 27, 2026	Nil
	20,911	9.20	Nov 9, 2026	Nil
	28,049	12.22	Nov 9, 2027	Nil
	140,000	4.23	Nov 8, 2028	Nil
James Parsons	4,250	7.50	Apr 8, 2023	Nil
Chief Financial Officer	36,204	10.35	Apr 27, 2024	Nil
	26,970	8.34	May 27, 2024	Nil
	30,171	19.33	Nov 19, 2025	Nil
	30,171	13.98	May 27, 2026	Nil
	14,266	9.20	Nov 9, 2026	Nil
	24,390	12.22	Nov 9, 2027	Nil
	125,000	4.23	Nov 8, 2028	Nil
Penka Petrova	4,250	7.50	Apr 8, 2023	Nil
Chief Development Officer	26,089	10.35	Apr 27, 2024	Nil
	20,226	8.34	May 27, 2024	Nil
	38,808	19.33	Nov 19, 2025	Nil
	38,808	13.98	May 27, 2026	Nil
	13,851	9.20	Nov 9, 2026	Nil
	24,390	12.22	Nov 9, 2027	Nil
	125,000	4.23	Nov 8, 2028	Nil
Yaping Shou	200,000	7.90	July 3, 2028	Nil
Chief Medical Officer	70,000	4.23	Nov 8, 2028	Nil
Luke Beshar	6,667	18.90	Mar 6, 2024	Nil
Director				
Henry Friesen	4,500	7.50	Apr 8, 2023	Nil
Director				
Robert Kirkman	6,667	15.30	Jan 29, 2024	Nil
Director				

Michael Moore *Director*	4,000	7.50	Apr 8, 2023	Nil
Thomas Reynolds *Director*	6,667	18.90	Mar 6, 2024	Nil
Calvin Stiller *Director, Chair*	4,000	7.50	Apr 8, 2023	Nil
Helen Tayton-Martin *Director*	Nil	Nil	Nil	Nil

Notes:

(1) The value of the unexercised "in-the-money" options as at December 31, 2018 has been determined based on the excess of the closing price on December 31, 2018 of the Common Shares on the TSX of $2.35 per common share over the exercise price of such options.

Our employees are eligible to participate in the 2016 Stock Option Plan. A summary of the Stock Option Plan is given under the heading "Item 6.B. – Stock Option Plan".

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

To our knowledge, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, securities carrying 5% or more of the voting rights attached to any class of voting securities of ours as at March 11, 2019, except as follows. The information with respect to ownership of our common shares is given based on information reported in such shareholder's Schedule 13D or Schedule 13G, and if no Schedule 13D or Schedule 13G was filed, based on information provided to us by the shareholders:

Shareholders	# of Common Shares	% of Total Outstanding Common Shares
Matrix Capital Management Master Fund, LP	2,288,560	10.8%
Growth Equity Opportunities Fund V, LLC	2,100,000	9.9%
Empery Asset Management	2,000,000	9.4%

All shareholders have the same voting rights.

As at March 11, 2019, approximately 81% of common shares and 100% of Series I and Series II First Preferred shares were held by shareholders in the United States. As at March 11, 2019, there were 76 record holders in the United States.

B. Related Party Transactions

Other than as disclosed in this annual report, since the beginning of our preceding three financial years, there have been no transactions or loans between us and:

(a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, us;
(b) associates, meaning unconsolidated enterprises in which we have a significant influence or which have significant influence over us;
(c) individuals owning, directly or indirectly, an interest in the voting power of us that gives them significant influence over our us, and close members of any such individual's family;
(d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of ours, including directors and senior management of us and close members of such individuals' families; and
(e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence, including enterprises owned by directors or major shareholders of us and enterprises that have a member of key management in common with us.

The acquisition of Fluorinov was considered a related party transaction as two of our directors were determined to be related parties of Fluorinov. One director was a director of Fluorinov and had an ownership position in Fluorinov at the time of acquisition of less than 2%, and the second director was a director of an entity that was a beneficiary of a trust that was a shareholder and debenture holder of Fluorinov. The two directors declared their conflict of interest and abstained from all discussions and decisions concerning the Fluorinov acquisition. Accordingly, we determined that the consideration paid on the acquisition was made on terms equivalent to those that prevail in arm's length transactions.

Compensation

For information regarding compensation for our directors and senior management, see the information under the heading “Item 6.B. Compensation”.

C. Interests of Experts and Counsel

Not Applicable.

ITEM 8. FINANCIAL INFORMATION

A. Financial Statements and Other Financial Information

The following financial statements and notes thereto (as applicable) in Canadian dollars are filed with and incorporated herein as part of this annual report:

- audited consolidated financial statements of the Company for the years ended December 31, 2018 and 2017, prepared in accordance with IFRS as issued by the IASB, including: consolidated statements of financial position, consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements.
- audited consolidated financial statements of the Company for the years ended December 31, 2017 and 2016, prepared in accordance with IFRS as issued by the IASB, including: consolidated statements of financial position, consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements.

These financial statements can be found beginning on page F-1 of this annual report.

Export Sales

We have no sales.

Legal Proceedings

To our knowledge, there have not been any legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, those involving any third party, and governmental proceedings pending or known to be contemplated, which may have, or have had in the recent past, significant effect our financial position or profitability.

Also, to our knowledge, there have been no material proceedings in which any director, any member of senior management, or any of our affiliates is either a party adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our subsidiaries.

Policy on Dividend Distributions

We have not declared any dividends since our inception and do not anticipate that we will do so in the foreseeable future. We currently intend to retain future earnings, if any, to finance the development of our business. Any future payment of dividends or distributions will be determined by our Board of Directors on the basis of our earnings, financial requirements and other relevant factors.

B. Significant Changes

We are not aware of any significant change that has occurred since December 31, 2018 included in this Form 20-F and that has not been disclosed elsewhere in this Form 20-F.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

We were listed on the TSXV until April 22, 2014 when we delisted from the TSXV and began trading on the TSX. We traded under the symbol “SSS” until June 6, 2014 when the symbol was changed to “TR”. Effective, February 1, 2017, we began trading under the symbol “TRIL” on the TSX. We were also listed on the OTCQX International, or the OTCQX under the symbol “SCTPF” until December 18, 2014 when we delisted from the OTCQX and began trading on the NASDAQ under the symbol “TRIL”.

B. Plan of Distribution

Not Applicable.

C. Markets

Our common shares are traded on the TSX and the NASDAQ under the symbol “TRIL”.

D. Selling Shareholders

Not Applicable.

E. Dilution

Not Applicable.

F. Expenses of the Issue

Not Applicable.

ITEM 10. ADDITIONAL I NFORMATION

A. Share Capital

Not Applicable.

B. Memorandum and Articles of Association

Incorporation

On November 7, 2013 we were continued, and we became a corporation subsisting, under the *Business Corporations Act* (Ontario), or OBCA. Our Ontario corporation number is 1968023 and our business number is 892854894. A copy of our articles of incorporation has been filed as an exhibit to this Form 20-F.

Objects and Purposes of Our Company

Our articles of incorporation do not contain and are not required to contain a description of our objects and purposes. There is no restriction contained in our articles of incorporation on the business that we may carry on.

Voting on Certain Proposal, Arrangement, Contract or Compensation by Directors

Other than as disclosed below, neither our articles nor our corporate by-laws restrict our directors' power to (a) vote on a proposal, arrangement or contract in which the directors are materially interested or (b) to vote with regard to compensation payable to themselves or any other members of their body in the absence of an independent quorum.

Our corporate by-laws provide that a director or officer who: (a) is a party to; or (b) is a director or an officer of, or has a material interest in, any person who is a party to; a material contract or transaction or proposed material contract or transaction with us shall disclose the nature and extent of such director's or officer's interest at the time and in the manner provided by the OBCA. Any such contract or transaction or proposed material contract or transaction shall be referred to our Board of Directors or shareholders for approval in accordance with the OBCA even if such contract or proposed material contract or transaction is one that in the ordinary course of our business would not require approval by our Board of Directors or shareholders, and a director interested in a contract or transaction so referred to our Board of Directors shall not attend any part of a meeting of our Board of Directors during which the contract or transaction is discussed and shall not vote on any resolution to approve such contract or transaction except as provided by the OBCA.

Subject to our articles and any unanimous shareholder agreement, our directors shall be paid such remuneration for their services as our Board of Directors may from time to time determine. Our directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of our Board of Directors or any committee thereof.

The OBCA provides that a director who holds a disclosable interest in a contract or transaction into which we have entered or propose to enter shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction unless it is a contract or transaction: (i) relating primarily to such director's remuneration as a director of the company or one of our affiliates; (ii) for indemnity or insurance for the benefit of such director in his/her capacity as a director; or (iii) with one of our affiliates.

A director or officer who holds a disclosable interest in a contract or transaction into which we have entered or propose to enter is not accountable to us or our shareholders for any profit or gain realized from the contract or transaction and the contract or transaction is neither void nor voidable by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with the OBCA and the contract or transaction was reasonable and fair to us at the time it was approved.

The OBCA provides that a director or officer generally holds a disclosable interest in a contract or transaction if either (a) the director or officer is a party to the contract or transaction with us and such contract or transaction is material to us; or (b) the director or officer is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with us.

Borrowing Powers of Directors

Our corporate by-laws provide that, if authorized by our directors, we may:

- borrow money upon our credit;
- issue, reissue, sell or pledge debt obligations, including bonds, debentures, notes or other evidences of indebtedness or guarantees, whether secured or unsecured;
- give a guarantee on our behalf to secure performance of an obligation of any person; and
- mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Company including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Company.

Amendment to the borrowing powers described above requires an amendment to our corporate by-laws. Our corporate by-laws do not contain any provisions in connection with amending the by-laws. The OBCA provides that our Board of Directors may by resolution, make, amend or repeal any by-laws that regulate our business and affairs and that the Board of Directors will submit such by-law, amendment or repeal to our shareholders at the next meeting of shareholders and the shareholders may, by ordinary resolution, confirm, reject or amend the by-law, amendment or repeal.

Qualifications of Directors

Under our articles and corporate by-laws, a director is not required to hold a share in our capital as qualification for his or her office but must be qualified as required by the OBCA to become, act or continue to act as a director. The OBCA provides that the following persons are disqualified from being a director of a corporation: (i) a person who is less than 18 years of age; (ii) a person who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere; (iii) a person who is not an individual; and (iv) a person who has the status of a bankrupt.

Share Rights

Our authorized share capital consists of an unlimited number of common shares, Class B shares and First Preferred shares, in each case without nominal or par value.

The holders of common shares are entitled to receive notice of and to attend all annual and special meetings of our shareholders and to one vote per share held at each such meeting, and they are entitled to receive dividends as determined and declared by our Board of Directors.

Subject to the rights of the holders of any other class of our shares entitled to receive dividends in priority to or concurrently with the holders of the common shares, our Board of Directors may in its sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Company.

In the event of our liquidation, dissolution or winding up or other distribution of our assets among our shareholders for the purpose of winding up our affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares entitled to receive our assets upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution shall be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.

The holders of the Class B shares are entitled to receive notice of and to attend any meeting of our shareholders but shall not be entitled to vote any of their Class B shares at any such meeting. Each issued and fully paid Class B share may at any time be converted, at the option of the holder, into one common share.

The First Preferred shares may at any time and from time to time be issued in one or more series and our the Board of Directors may before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of First Preferred shares.

The First Preferred shares shall be entitled to priority over the common shares and Class B shares and all other shares ranking junior to the First Preferred shares with respect to the payment of dividends and the distribution of our assets in the event of our liquidation, dissolution or winding up or other distribution of our assets among our shareholders for the purpose of winding up our affairs.

The First Preferred shares of each series rank on a parity with the First Preferred shares of every other series with respect to priority in the payment of dividends and in the distribution of our assets in the event of our liquidation, dissolution or winding up or other distribution of our assets among our shareholders for the purpose of winding up our affairs.

Procedures to Change the Rights of Shareholders

The rights, privileges, restrictions and conditions attaching to our shares are contained in our articles and such rights, privileges, restrictions and conditions may be changed by amending our articles. In order to amend our articles, the OBCA requires a resolution to be passed by a majority of not less than two-thirds of the votes cast by the shareholders entitled to vote thereon. In addition, if we resolve to make particular types of amendments to our articles, a holder of our shares may dissent with regard to such resolution and, if such shareholder so elects, we would have to pay such shareholder the fair value of the shares held by the shareholder in respect of which the shareholder dissents as of the close of business on the day before the resolution was adopted. The types of amendments that would be subject to dissent rights include without limitation: (i) to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of our shares; and (ii) to add, remove or change any restriction upon the business that we may carry on or upon the powers that we may exercise.

Meetings

Each director holds office until our next annual general meeting or until his office is earlier vacated in accordance with our articles or with the provisions of the OBCA. A director appointed or elected to fill a vacancy on our board also holds office until our next annual general meeting.

Annual meetings of our shareholders must be held at such time in each year not more than 15 months after the last annual meeting, as the Board of Directors may determine. Notice of the time and place of a meeting of shareholders must be sent not less than twenty-one days and not more than fifty days, before the meeting.

Meetings of our shareholders shall be held at our registered office or, if our Board of Directors shall so determine, at some other place in Ontario or, at some place outside Ontario if all the shareholders entitled to vote at the meeting so agree.

Our Board of Directors, the Chair of our Board, our Chief Executive Officer, or our President shall have power to call a special meeting of our shareholders at any time.

The OBCA provides that our shareholders may requisition a special meeting in accordance with the OBCA. The OBCA provides that the holders of not less than five percent of our issued shares that carry the right to vote at a meeting may requisition our directors to call a special meeting of shareholders for the purposes stated in the requisition.

Under our by-laws, the quorum for the transaction of business at a meeting of our shareholders is two or more persons, present in person or by proxy and holding in aggregate not less than 33 1/3% of our issued shares entitled to vote at such meeting.

Limitations on Ownership of Securities

Except as provided in the *Investment Canada Act* (Canada), there are no limitations specific to the rights of non-Canadians to hold or vote our shares under the laws of Canada or Ontario, or in our charter documents.

Change in Control

There are no provisions in our articles or by-laws that would have the effect of delaying, deferring or preventing a change in control of our Company, and that would operate only with respect to a merger, acquisition or corporate restructuring involving our Company or our subsidiaries. Each of the 2016 Stock Option Plan and the 2016 Cash-Settled DSU Plan contain provisions governing the acceleration of vesting upon the occurrence of a termination of service in connection with a change of control. See “6.B. - Stock Option Plan” and “6.B. - 2016 Cash-Settled DSU Plan”.

Ownership Threshold

Neither our by-laws nor our articles contain any provisions governing the ownership threshold above which shareholder ownership must be disclosed. In addition, securities legislation in Canada requires that we disclose in our proxy information circular for our annual meeting and certain other disclosure documents filed by us under such legislation, holders who beneficially own more than 10% of our issued and outstanding shares.

Upon the effectiveness of this annual report on Form 20-F, United States federal securities laws will require us to disclose, in our annual reports on Form 20-F, holders who own 5% or more of our issued and outstanding voting shares.

Differences in Corporate Law

We are governed by the OBCA, which is generally similar to laws applicable to United States corporations. Significant differences between the OBCA and the Delaware General Corporate Law, or the DGCL, which governs companies incorporated in the State of Delaware, include the following:

Number and Election of Directors

Delaware	*Ontario*
Under the DGCL, the board of directors must consist of at least one member. The number of directors shall be fixed by the bylaws of the corporation, unless the certificate of incorporation fixes the number of directors, in which case a change in the number of directors shall only be made by an amendment of the certificate of incorporation. Under the DGCL, directors are elected at annual stockholder meetings by plurality vote of the stockholders, unless a shareholder- adopted bylaw prescribes a different required vote.	Under the OBCA, the board of directors must consist of at least three members so long as Trillium remains an "offering corporation" for purposes of the OBCA, which includes a corporation whose securities are listed on a recognized stock exchange such as the NASDAQ or TSX. Under the OBCA, the shareholders of a corporation elect directors by ordinary resolution at each annual meeting of shareholders at which such an election is required.

Removal of Directors

Delaware
Under the DGCL, any or all directors may be removed with or without cause by the holders of a majority of shares entitled to vote at an election of directors unless the certificate of incorporation otherwise provides or in certain other circumstances if the corporation has cumulative voting.

Ontario
Under the OBCA, the shareholders of a corporation may, by resolution passed by a majority of the vote cast thereon at a meeting of shareholders, remove a director and may elect any qualified person to fill the resulting vacancy.

Vacancies on the Board of Directors

Delaware
Under the DGCL, vacancies and newly created directorships resulting from an increase in the authorized number of directors, may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

Ontario
Under the OBCA, vacancies that exist on the board of directors may generally be filled by the board if the remaining directors constitute a quorum. In the absence of a quorum, the remaining directors shall call a meeting of shareholders to fill the vacancy.

Board of Director Quorum and Vote Requirements

Delaware
Under the DGCL, a majority of the total number of directors shall constitute a quorum for the transaction of business unless the certificate or bylaws require a greater number. The bylaws may lower the number required for a quorum to one-third the number of directors, but no less.

Ontario
Under the OBCA, subject to an Ontario corporation's articles or bylaws, a majority of the number of directors or minimum number of directors required by the articles constitutes a quorum at any meeting of directors, but in no case shall a quorum be less than two-fifths of the number of directors or minimum number of directors, as the case may be. Where a corporation has fewer than three directors, all directors must directors must be present at any meeting to constitute a quorum.

Under the DGCL, the board of directors may take action by the majority vote of the directors present at a meeting at which a quorum is present unless the certificate of incorporation or bylaws require a greater vote.

Under the OBCA, subject to an Ontario corporation's articles or bylaws, where there is a vacancy or vacancies in the board of directors, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

Transactions with Directors and Officers

Delaware
The DGCL generally provides that no transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee which authorizes the transaction, or solely because any such director's or officer's votes are counted for such purpose, if (i) the material facts as to the director's or officer's interest and as to the transaction are known to the board of directors or the committee, and the board or committee in good faith authorizes the

Ontario
The OBCA requires that a director or officer of a corporation who is: (i) a party to a material contract or transaction or proposed material contract or transaction with the corporation; or (ii) a director or an officer of, or has a material interest in, any person who is a party to a material contract to or transaction or proposed material contract or transaction with the corporation shall disclose in writing to the corporation or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest. An interested director is prohibited from attending the part of the meeting during which the contract or transaction is discussed and is prohibited from voting on a resolution to approve the contract or transaction except in specific circumstances,

transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum (ii) the material facts as to the director's or officer's interest and as to the transaction are disclosed or are known to the stockholders entitled to vote thereon, and the transaction is specifically approved in good faith by vote of the stockholders; or (iii) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors, a committee or the stockholders.

such as a contract or transaction relating primarily to his or her remuneration as a director, a contract or transaction for indemnification or liability insurance of the director, or a contract or transaction with an affiliate of the corporation. If a director or officer has disclosed his or her interest in accordance with the OBCA and the contract or transaction was reasonable and fair to the corporation at the time it was approved, the director or officer is not accountable to the corporation or its shareholders for any profit or gain realized from the contract or transaction and the contract or transaction is neither void nor voidable by reason only of the interest of the director or officer or that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction.

The OBCA further provides that even if a director or officer does not disclose his or her interest in accordance with the OBCA, or (in the case of a director) votes in respect of a resolution on a contract or transaction in which he or she is interested contrary to the OBCA, if the director or officer acted honestly and in good faith and the contract or transaction was reasonable and fair to the corporation at the time it was approved, the director or officer is not accountable to the corporation or to its shareholders for any profit or gain realized from the contract or transaction by reason only of his or her holding the office of the director or officer and the contract or transaction is not by reason only of the director's or officer's interest therein void or voidable, if the contract or transaction has been confirmed or approved by the shareholders by special resolution, on the basis of disclosure in reasonable detail of the nature and extent of the director's or officer's interest in the notice of meeting or management information circular.

Limitation on Liability of Directors

Delaware
The DGCL permits a corporation to include a provision in its certificate of incorporation eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for a breach of the director's fiduciary duty as a director, except for liability:

- for breach of the director's duty of loyalty to the corporation or its stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- under Section 174 of the DGCL, which concerns unlawful payment of dividends, stock purchases or redemptions; or
- for any transaction from which the director derived

Ontario
The OBCA does not permit the limitation of a director's liability as the DGCL does.

an improper personal benefit

Indemnification of Directors and Officers

Delaware
The DGCL permits indemnification for derivative suits only for expenses (including legal fees) and only if the person is not found liable, unless a court determines the person is fairly and reasonably entitled to the indemnification.

Ontario
Under the OBCA, an Ontario corporation may also, with the approval of a court, indemnify or advance moneys to an Indemnified Person in respect of an action by or on behalf of the corporation to obtain a judgment in its favour, to which the Indemnified Person is made a party because of his or her association with the corporation or other entity, against all costs, charges and expenses reasonably incurred by the Indemnified Person in connection with such action, if he or she acted honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of any other entity for which the Indemnified Person acted as a director or officer or in a similar capacity at the corporation's request. However, any such Indemnified Person is entitled under the OBCA to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by the Indemnified Person in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which he or she is subject because of his or her association with the corporation or other entity, if such Indemnified Person (i) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done, and (ii) acted honestly and in good faith with a view to the best interests of the corporation or other entity and had reasonable grounds for believing that his or her conduct was lawful.

Call and Notice of Stockholder Meetings

Delaware
Under the DGCL, an annual or special stockholder meeting is held on such date, at such time and at such place as may be designated by the board of directors or any other person authorized to call such meeting under the corporation's certificate of incorporation or bylaws. If an annual meeting for election of directors is not held on the date designated or an action by written consent to elect directors in lieu of an annual meeting has not been taken within 30 days after the date designated for the annual meeting, or if no date has been designated, for a period of 13 months after the later of the last annual meeting or the last action by written consent to elect directors in lieu of an annual meeting, the Delaware Court of Chancery may summarily order a meeting to be held upon the application of any stockholder or director.

Ontario
Under the OBCA, the directors of a corporation are required to call an annual meeting of shareholders no later than fifteen months after holding the last preceding annual meeting.

Under the OBCA, the directors of a corporation may call a special meeting at any time. In addition, holders of not less than five percent of the issued shares of a corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders.

Stockholder Action by Written Consent

Delaware
Under the DGCL, a majority of the stockholders of a corporation may act by written consent without a meeting unless such action is prohibited by the corporation's certificate of incorporation.

Ontario
Under the OBCA, a written resolution signed by all the shareholders of a corporation who would have been entitled to vote on the resolution at a meeting is effective to approve the resolution.

Stockholder Nominations and Proposals

Delaware
Not applicable.

Ontario
Under the OBCA, a shareholder entitled to vote at a shareholders' meeting may submit a shareholder proposal relating to matters which the shareholder wishes to propose and discuss at a shareholders' meeting and, subject to such shareholder's compliance with the prescribed time periods and other requirements of the OBCA pertaining to shareholder proposals, the corporation is required to include such proposal in the information circular pertaining to any meeting at which it solicits proxies, subject to certain exceptions. Notice of such a proposal must be provided to the corporation at least 60 days before the anniversary date of the last annual shareholders' meeting, or at least 60 days before any other meeting at which the matter is proposed to be raised.
In addition, the OBCA requires that any shareholder proposal that includes nominations for the election of directors must be signed by one or more holders of shares representing in the aggregate not less than five per cent of the shares or five per cent of the shares of a class or series of shares of the corporation entitled to vote at the meeting to which the proposal is to be presented.

Stockholder Quorum and Vote Requirements

Delaware
Under the DGCL, quorum for a stock corporation is a majority of the shares entitled to vote at the meeting unless the certificate of incorporation or bylaws specify a different quorum, but in no event may a quorum be less than one-third of the shares entitled to vote. Unless the DGCL, certificate of incorporation or bylaws provide for a greater vote, generally the required vote under the DGCL is a majority of the shares present in person or represented by proxy, except for the election of directors which requires a plurality of the votes cast.

Ontario
Under the OBCA, unless the bylaws otherwise provide, the holders of a majority of the shares of an OBCA corporation entitled to vote at a meeting of shareholders, whether present in person or represented by proxy, constitute a quorum.

Amendment of Governing Instrument

Delaware
Amendment of Certificate of Incorporation . Generally, under the DGCL, the affirmative vote of the holders of a majority of the outstanding stock entitled to vote is required to approve a proposed amendment to the

Ontario
Amendment of Articles . Under the OBCA, amendments to the articles of incorporation generally require the approval of not less than two- thirds of the votes cast by shareholders entitled to vote on the resolution.

certificate of incorporation, following the adoption of the amendment by the board of directors of the corporation, provided that the certificate of incorporation may provide for a greater vote. Under the DGCL, holders of outstanding shares of a class or series are entitled to vote separately on an amendment to the certificate of incorporation if the amendment would have certain consequences, including changes that adversely affect the rights and preferences of such class or series.

Amendment of Bylaws . Under the DGCL, after a corporation has received any payment for any of its stock, the power to adopt, amend or repeal bylaws shall be vested in the stockholders entitled to vote; provided, however, that any corporation nay, in its certificate of incorporation, provide that bylaws may be adopted, amended or repealed by the board of directors. The fact that such power has been conferred upon the board of directors shall not divest the stockholders of the power nor limit their power to adopt, amend or repeal the bylaws.

Amendment of Bylaws . Under the OBCA, the directors may, by resolution, make, amend or repeal any bylaws that regulate the business or affairs of a corporation and they must submit the bylaw, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the bylaw, amendment or repeal.

Votes on Mergers, Consolidations and Sales of Assets

Delaware
The DGCL provides that, unless otherwise provided in the certificate of incorporation or bylaws, the adoption of a merger agreement requires the approval of a majority of the outstanding stock of the corporation entitled to vote thereon.

Ontario
Under the OBCA, the approval of at least two-thirds of votes cast by shareholders entitled to vote on the resolution is required for extraordinary corporate actions. Extraordinary corporate actions include: amalgamations; continuances; sales, leases or exchanges of all or substantially all of the property of a corporation; liquidations and dissolutions.

Dissenter's Rights of Appraisal

Delaware
Under the DWI, a stockholder of a Delaware corporation generally has the right to dissent flume, merger or consolidation in which the Delaware corporation is participating, subject to specified procedural requirements, including that such dissenting stockholder does not vote in favor of the merger or consolidation. However, the DGCL does not confer appraisal rights, in certain circumstances, including if the dissenting stockholder owns shares traded on a national securities exchange and will receive publicly traded shares in the merger or consolidation. Under the DGCL, a stockholder asserting appraisal rights does not receive any payment for his or her shares until the court determines the fair value or the parties otherwise agree to a value. The costs of the proceeding may be determined by the court and assessed against the parties as the court deems equitable under the circumstances.

Ontario
Under the OBCA each of the following matters listed will entitle shareholders to exorcise rights of dissent and to be paid the fair value of their shares: (i) any amalgamation with another corporation (other than with certain affiliated corporations); (ii) an amendment to the corporation's articles to add, change or remove any provisions restricting the issue, transfer or ownership of that class of shares; (iii) an amendment to the corporation's articles to add, change or remove any restriction upon the business or businesses that the corporation may carry on; (iv) a continuance under the laws of another jurisdiction; (v) a sale, lease or exchange of all or substantially all the property of the corporation other than in the ordinary course of business; and (vi) where a court order permits a shareholder to dissent in connection with an application to the court for an order approving an arrangement.

However, a shareholder is not entitled to dissent if an amendment to the articles is effected by a court order

	approving a reorganization or by a court order made in connection with an action for an oppression remedy, unless otherwise authorized by the court. The OBCA provides these dissent rights for both listed and unlisted shares. Under the OBCA, a stockholder may, in addition to exercising dissent rights, seek an oppression remedy for any act or omission of a corporation which is oppressive or unfairly prejudicial to or that unfairly disregards a stockholder's interests.
Anti-Takeover and Ownership Provisions	
Delaware Unless an issuer opts out of the provisions of Section 203 of the DGCL, Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with a holder of 15% or more of the corporation's voting stock (as defined in Section 203), referred to as an interested stockholder, for a period of three years after the date of the transaction in which the interested stockholder became an interested stockholder, except as otherwise provided in Section 203. For these purposes, the term "business combination" includes mergers, assets sales and other similar transactions with an interested stockholder.	*Ontario* While the OBCA does not contain specific anti-takeover provisions with respect to "business combinations", roles and policies of certain Canadian securities regulatory authorities, including Multilateral Instrument 61-101— *Protection of Minority Security Holders in Special Transactions* , referred to as Multilateral Instrument 61-101, contain requirements in connection with, among other things, "related party transactions" and "business combinations", including, among other things, any transaction by which an issuer directly or indirectly engages in the following with a related party: acquires, sells, leases or transfers an asset, acquires the related party, acquires or issues treasury securities, amends the terms of a security if the security is owned by the related party or assumes or becomes subject to a liability or takes certain other actions with respect to debt. The term "related party" includes directors, senior officers and holders of more than 10% of the voting rights attached to all outstanding voting securities of the issuer or holders of a sufficient number of any securities of the issuer to materially affect control of the issuer. Multilateral Instrument 61-101 requires, subject to certain exceptions, the preparation of a formal valuation relating to certain aspects of the transaction and more detailed disclosure in the proxy material sent to security holders in connection with a related party transaction including related to the valuation. Multilateral Instrument 61-101 also requires, subject to certain exceptions, that an issuer not engage in a related party transaction unless the shareholders of the issuer, other than the related parties, approve the transaction by a simple majority of the votes cast.

C. Material Contracts

There are no other contracts, other than those disclosed in this annual report and those entered into in the ordinary course of our business, that are material to us and which were entered into in the last two completed fiscal years or which were entered into before the two most recently completed fiscal years but are still in effect as of the date of this annual report:

1. License Agreement between Trillium Therapeutics Inc. (private), UHN and The Hospital for Sick Children dated February 1, 2010 pursuant to which we licensed intellectual property relating to methods and compounds for the modulation of the SIRPα - CD47 interaction for therapeutic cancer applications. The license agreement requires us to use commercially reasonable efforts to commercialize the licensed technology. The license agreement will terminate on a country-by-country basis, in countries where a valid claim exists, when the last valid claim expires in such country, or if no valid claim exists, when the last valid claim expires in the US Our continuing obligations include the payment of an annual maintenance fee of $25, as well as payments on patent issuances, development milestone payments of $200 and $300 on the initiation of phase II and III clinical trials respectively, and payments upon the achievement of certain regulatory milestones as well as royalties of either 3% or 1% of net revenues on commercial sales. The regulatory milestone payments amount to $1,000 on each of the submission of a first BLA in the US and receipt of first regulatory approval in the US and proportionate payments in other territories worldwide. The aggregate milestones payable on their first achievement under the agreement in the major markets of the US, Europe and Asia combined are $5,660.

2. GPEx®-Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 pursuant to which we acquired the right to use the GPEx® expression system for the manufacture of TTI-621 (SIRPαFc). Consideration for the license includes potential pre-marketing approval milestones of up to US $875 and aggregate sales milestone payments of up to US $28,800 .

3. GPEx®-Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 pursuant to which we acquired the right to use the GPEx® expression system for the manufacture of TTI-622 (SIRPαFc). Consideration for the license includes potential pre-marketing approval milestones of up to US $875 and aggregate sales milestone payments of up to US $28,800.

4. 2014 Stock Option Plan that was approved by our shareholders on May 27, 2014. See the discussion under the heading “Item 6.B. Compensation – Stock Option Plan”.

5. 2018 Stock Option Plan that was approved by our shareholders on March 8, 2018. See the discussion under the heading “Item 6.B. Compensation – Stock Option Plan”.

6. 2016 Cash-Settled DSU Plan that was adopted by our board of directors on November 9, 2016. See the discussion under the heading “Item 6.B. Compensation –Deferred Share Unit Plan”.

7. Share purchase agreement among the Company, Fluorinov and Fluorinov shareholders dated January 26, 2016 pursuant to which we purchased all the issued and outstanding shares of Fluorinov to access its proprietary medicinal chemistry platform. Purchase consideration was a cash payment of $10,000, subject to adjustment for closing working capital, plus a future milestone payment of $5,000 contingent on the dosing of a first patient in a clinical trial with an existing Fluorinov compound. At our discretion, up to 50% of the future contingent milestone payment can be satisfied through the issuance of our common shares provided that the aggregate number of common shares issuable under such payments will not exceed 1,558,447 common shares unless shareholder approval has first been obtained. In addition, any such future share issuance remains subject to final approval from our board of directors and receipt of any requisite approvals under the applicable rules of the TSX and NASDAQ. We have also committed to use commercially reasonable efforts to monetize Fluorinov’s central nervous system assets and share 50% of the net proceeds with Fluorinov shareholders.

8. Royalty agreement among the Company, Fluorinov and Fluorinov shareholders dated January 26, 2016 in relation to the purchase and sale agreement of the same date wherein we acquired all the issued and outstanding shares of Fluorinov. Consideration under this agreement includes our obligation to pay a lump sum royalty of $10,000 contingent on the dosing of the first patient with a Fluorinov compound in a Phase 2b clinical trial, a lump sum royalty of $20,000 contingent on the regulatory approval of the first Fluorinov product by the US FDA or the European Medicines Agency, and variable royalties on net sales of Fluorinov products ranging from 2% to 5%. At our discretion, up to 50% of the future contingent milestone payment can be satisfied through the issuance of our common shares provided that the aggregate number of common shares issuable under such payments will not exceed 1,558,447 common shares unless shareholder approval has first been obtained. In addition, any such future share issuance remains subject to final approval from our board of directors and receipt of any requisite approvals under the applicable rules of the TSX and NASDAQ.

D. Exchange Controls

There are no government laws, decrees or regulations in Canada that restrict the export or import of capital or that affect the remittance of dividends, interest or other payments to non-resident holders of our common shares. Any remittances of dividends to United States residents and to other non-residents are, however, subject to withholding tax. See the discussion under the heading "Item 16.E. Taxation – United States Federal Income Taxation".

E. Taxation

Canadian Federal Income Taxation

We consider that the following general summary fairly describes the principal Canadian federal income tax consequences applicable to a holder of our common shares who is a resident of the United States, who is not, will not be and will not be deemed to be a resident of Canada for purposes of the *Income Tax Act* (Canada) and any applicable tax treaty and who does not use or hold, and is not deemed to use or hold, his, her or its common shares in the capital of our Company in connection with carrying on a business in Canada (a " **non-resident holder** ").

This summary is based upon the current provisions of the *Income Tax Act* (Canada), the regulations thereunder (the " **Regulations** "), the current publicly announced administrative and assessing policies of the Canada Revenue Agency and the Canada-United States Tax Convention as amended by the Protocols thereto (the " **Treaty** "). This summary also takes into account the amendments to the *Income Tax Act* (Canada) and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the " **Tax Proposals** ") and assumes that all such Tax Proposals will be enacted in their present form. However, no assurances can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax consequences applicable to a holder of our common shares and, except for the foregoing, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax consequences described herein.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular holder or prospective holder of our common shares, and no opinion or representation with respect to the tax consequences to any holder or prospective holder of our common shares is made. Accordingly, holders and prospective holders of our common shares should consult their own tax advisors with respect to the income tax consequences of purchasing, owning and disposing of our common shares in their particular circumstances.

Dividends

Dividends paid on our common shares to a non-resident holder will be subject under the *Income Tax Act* (Canada) to withholding tax at a rate of 25% subject to a reduction under the provisions of an applicable tax treaty, which tax is deducted at source by our Company. The Treaty provides that the *Income Tax Act* (Canada) standard 25% withholding tax rate is reduced to 15% on dividends paid on shares of a corporation resident in Canada (such as our Company) to residents of the United States, and also provides for a further reduction of this rate to 5% where the beneficial owner of the dividends is a corporation resident in the United States that owns at least 10% of the voting shares of the corporation paying the dividend.

Capital Gains

A non-resident holder is not subject to tax under the *Income Tax Act* (Canada) in respect of a capital gain realized upon the disposition of a common share of our Company unless such share represents "taxable Canadian property", as defined in the *Income Tax Act* (Canada), to the holder thereof. Our common shares generally will not be considered taxable Canadian property to a non-resident holder provided that:

- the non-resident holder;
- persons with whom the non-resident holder did not deal at arm's length; or
- the non-resident holder and persons with whom such non-resident holder did not deal at arm's length,

did not own, or have an interest in an option in respect of, 25% or more of the issued shares of any class of our capital stock at any time during the 60 month period immediately preceding the disposition of such shares. In the case of a non-resident holder to whom shares of our Company represent taxable Canadian property and who is resident in the United States, no Canadian taxes will generally be payable on a capital gain realized on such shares by reason of the Treaty unless the value of such shares is derived principally from real property situated in Canada.

United States Federal Income Taxation

The following is a general summary of material US federal income tax considerations applicable to a US Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of our common shares.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential US federal income tax considerations that may apply to a US Holder arising from and relating to the acquisition, ownership, and disposition of common shares. In addition, this summary does not take into account the individual facts and circumstances of any particular US Holder that may affect the US federal income tax consequences to such US Holder, including specific tax consequences to a US Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or US federal income tax advice with respect to any US Holder. This summary does not address the US federal alternative minimum, US federal estate and gift, US state and local, and non-US tax consequences to US Holders of the acquisition, ownership, and disposition of common shares. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each US Holder should consult its own tax advisor regarding the US federal, US federal alternative minimum, US federal estate and gift, US state and local, and non-US tax consequences relating to the acquisition, ownership and disposition of common shares.

No legal opinion from US legal counsel or ruling from the Internal Revenue Service, or the IRS, has been requested, or will be obtained, regarding the US federal income tax consequences of the acquisition, ownership, and disposition of common shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the US courts could disagree with one or more of the positions taken in this summary.

Scope of this Summary

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended, or the Canada-US Tax Convention, and US court decisions that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the US federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

US Holders

For purposes of this summary, the term "US Holder" means a beneficial owner of common shares that is for US federal income tax purposes:

- an individual who is a citizen or resident of the US;
- a corporation (or other entity taxable as a corporation for US federal income tax purposes) organized under the laws of the US, any state thereof or the District of Columbia;
- an estate whose income is subject to US federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the US and the control of one or more US persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a US person.

US Holders Subject to Special US Federal Income Tax Rules Not Addressed

This summary does not address the US federal income tax considerations applicable to US Holders that are subject to special provisions under the Code, including, but not limited to, the following: (a) US Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) US Holders that are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) US Holders that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) US Holders that have a "functional currency" other than the US dollar; (e) US Holders that own common shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) US Holders that acquired common shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) US Holders that hold common shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); or (h) US Holders that own or have owned (directly, indirectly, or by attribution) 10% or more of the total combined voting power of our outstanding shares. This summary also does not address the US federal income tax considerations applicable to US Holders who are: (a) US expatriates or former long-term residents of the US; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Income Tax Act (Canada) (the "Tax Act"); (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold common shares in connection with carrying on a business in Canada; (d) persons whose common shares constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the Canada-US Tax Convention. US Holders that are subject to special provisions under the Code, including, but not limited to, US Holders described immediately above, should consult their own tax advisor regarding the US federal, US federal alternative minimum, US federal estate and gift, US state and local, and non-US tax consequences relating to the acquisition, ownership and disposition of common shares.

If an entity or arrangement that is classified as a partnership (or "pass-through" entity) for US federal income tax purposes holds common shares, the US federal income tax consequences to such partnership and the partners of such partnership generally will depend on the activities of the partnership and the status of such partners (or owners). This summary does not address the tax consequences to any such partnership or partners. Partners of entities or arrangements that are classified as partnerships for US federal income tax purposes should consult their own tax advisors regarding the US federal income tax consequences arising from and relating to the acquisition, ownership, and disposition of common shares.

Passive Foreign Investment Company Rules

If we were to constitute a "passive foreign investment company" under the meaning of Section 1297 of the Code, or a PFIC, for any year during a US Holder's holding period, then different and potentially adverse rules will affect the US federal income tax consequences to a US Holder resulting from the acquisition, ownership and disposition of common shares. In addition, in any year in which we are classified as a PFIC, such holder may be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. US Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

PFIC Status of the Company

We generally will be a PFIC if, for a tax year, (a) 75% or more of our gross income is passive income (the "income test") or (b) 50% or more of the value of our assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "asset test"). "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, rents and royalties, gains from the sale of stock and securities, and gains from commodities transactions.

For purposes of the PFIC income test and asset test described above, if we own, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, we will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test described above, and assuming certain other requirements are met, "passive income" does not include interest, dividends, rents, or royalties that are received or accrued by us from "related persons" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

In addition, under attribution rules, if we are a PFIC, US Holders will be deemed to own their proportionate share of the stock of any subsidiary of ours that is also a PFIC, or a Subsidiary PFIC, and will be subject to US federal income tax on their proportionate share of (a) a distribution on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC, both as if such US Holders directly held the shares of such Subsidiary PFIC.

We believe that we were classified as a PFIC during the tax year ended December 31, 2016, and may be a PFIC in future tax years. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex US federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by us (or a Subsidiary PFIC) concerning its PFIC status. Each US Holder should consult its own tax advisor regarding the PFIC status of the Company and any Subsidiary PFIC.

Default PFIC Rules Under Section 1291 of the Code

If we are a PFIC, the US federal income tax consequences to a US Holder of the acquisition, ownership, and disposition of common shares will depend on whether such US Holder makes an election to treat us and each Subsidiary PFIC, if any, as a "qualified electing fund" or "QEF" under Section 1295 of the Code, or a QEF Election, or a mark-to-market election under Section 1296 of the Code, or a Mark-to-Market Election. A US Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing US Holder." A Non-Electing US Holder will be subject to the rules of Section 1291 of the Code with respect to (a) any gain recognized on the sale or other taxable disposition of common shares and (b) any excess distribution received on our common shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a US Holder's holding period for our common shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of common shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess distribution" received on common shares, must be ratably allocated to each day in a Non-Electing US Holder's holding period for the respective common shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to US federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing US Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If we are a PFIC for any tax year during which a Non-Electing US Holder holds common shares, we will continue to be treated as a PFIC with respect to such Non-Electing US Holder, regardless of whether we cease to be a PFIC in one or more subsequent tax years. A Non-Electing US Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such common shares were sold on the last day of the last tax year for which we were a PFIC.

QEF Election

A US Holder that makes a timely and effective QEF Election for the first tax year in which its holding period of its common shares begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its common shares. A US Holder that makes a timely and effective QEF Election will be subject to US federal income tax on such US Holder's pro rata share of (a) our net capital gain, which will be taxed as long-term capital gain to such US Holder, and (b) our ordinary earnings, which will be taxed as ordinary income to such US Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A US Holder that makes a QEF Election will be subject to US federal income tax on such amounts for each tax year in which we are a PFIC, regardless of whether such amounts are actually distributed to such US Holder by us. However, for any tax year in which we are a PFIC and has no net income or gain, US Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a US Holder that made a QEF Election has an income inclusion, such a US Holder may elect to defer payment of current US federal income tax on such amounts, subject to an interest charge. If such US Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A US Holder that makes a timely and effective QEF Election with respect to us generally (a) may receive a tax-free distribution from us to the extent that such distribution represents "earnings and profits" of ours that were previously included in income by the US Holder because of such QEF Election and (b) will adjust such US Holder's tax basis in our common shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a US Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of common shares.

The procedure for making a QEF Election, and the US federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the US Holder's holding period for our common shares in which we were a PFIC. A US Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such US Holder files a US federal income tax return for such year. If a US Holder does not make a timely and effective QEF Election for the first year in the US Holder's holding period for our common shares, the US Holder may still be able to make a timely and effective QEF Election in a subsequent year if such US Holder also makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such common shares were sold for their fair market value on the day the QEF Election is effective.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a US Holder makes a QEF Election and, in a subsequent tax year, we cease to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which we are not a PFIC. Accordingly, if we become a PFIC in another subsequent tax year, the QEF Election will be effective and the US Holder will be subject to the QEF rules described above during any subsequent tax year in which we qualify as a PFIC.

US Holders should be aware that there can be no assurance that we will satisfy the record keeping requirements that apply to a QEF Election, or that we will supply US Holders with information that such US Holders require to report under the QEF Election rules, in event that we are a PFIC and a US Holder wishes to make a QEF Election. Thus, US Holders may not be able to make a QEF Election with respect to their common shares. Each US Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election.

A US Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if we do not provide the required information with regard to us or any of our Subsidiary PFICs, US Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules of Section 1291 of the Code, discussed above, that apply to Non-Electing US Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A US Holder may make a Mark-to-Market Election only if the common shares are marketable stock. Our common shares generally will be "marketable stock" if our common shares are regularly traded on (a) a national securities exchange that is registered with the Securities Exchange Commission, (b) the national market system established pursuant to section 11A of the Securities Exchange Act of 1934, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A US Holder that makes a Mark-to-Market Election with respect to its common shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such common shares. However, if a US Holder does not make a Mark-to-Market Election beginning in the first tax year of such US Holder's holding period for our common shares or such US Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to dispositions of, and distributions on, our common shares.

A US Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which we are a PFIC, an amount equal to the excess, if any, of (a) the fair market value of our common shares, as of the close of such tax year over (b) such US Holder's tax basis in such common shares. A US Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such US Holder's adjusted tax basis in our common shares, over (b) the fair market value of such common shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A US Holder that makes a Mark-to-Market Election generally also will adjust such US Holder's tax basis in our common shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of common shares, a US Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A US Holder makes a Mark-to-Market Election by attaching a completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless our common shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each US Holder should consult its own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a US Holder may be eligible to make a Mark-to-Market Election with respect to our common shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a US Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the application of the default rules of Section 1291 of the Code described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Additional adverse rules will apply with respect to a US Holder if we are a PFIC, regardless of whether such US Holder makes a QEF Election. For example under Section 1298(b)(6) of the Code, a US Holder that uses common shares as security for a loan will, except as may be provided in future Treasury Regulations, be treated as having made a taxable disposition of such common shares.

Special rules also apply to the amount of foreign tax credit that a US Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a US Holder should consult with their own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each US Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the US federal income tax consequences of the acquisition, ownership, and disposition of common shares.

Ownership and Disposition of Common Shares

The following discussion is subject in its entirety to the rules described above under the heading "Passive Foreign Investment Company Rules".

Distributions on Common Shares

Subject to the PFIC rules discussed above, a US Holder that receives a distribution, including a constructive distribution, with respect to an Offered Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of ours, as computed for US federal income tax purposes. A dividend generally will be taxed to a US Holder at ordinary income tax rates if we are a PFIC. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of ours, such distribution will be treated first as a tax-free return of capital to the extent of a US Holder's tax basis in our common shares and thereafter as gain from the sale or exchange of such common shares. (See "Sale or Other Taxable Disposition of Common Shares" below). However, we may not maintain the calculations of earnings and profits in accordance with US federal income tax principles, and each US Holder should therefore assume that any distribution by us with respect to our common shares will constitute ordinary dividend income. Dividends received on common shares generally will not be eligible for the "dividends received deduction". Provided we are eligible for the benefits of the Canada-US Tax Convention, dividends paid by us to non-corporate US Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided holding period and other conditions are satisfied, including that we not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each US Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Common Shares

Subject to the PFIC rules discussed above, upon the sale or other taxable disposition of common shares, a US Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such US Holder's tax basis in such common shares sold or otherwise disposed of. Subject to the PFIC rules discussed above, gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, our common shares have been held for more than one year. Preferential tax rates apply to long-term capital gain of a US Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a US Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Considerations

Additional Tax on Passive Income

Certain US Holders that are individuals, estates or trusts (other than trusts that are exempt from tax) will be subject to a 3.8% tax on all or a portion of their "net investment income," which includes dividends on our common shares, and net gains from the disposition of our common shares. Further, excess distributions treated as dividends, gains treated as excess distributions, and mark-to-market inclusions and deductions are all included in the calculation of net investment income.

US Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of this tax to any of their income or gains in respect of our common shares.

Receipt of Foreign Currency

The amount of any distribution paid to a US Holder in foreign currency, or on the sale, exchange or other taxable disposition of common shares, generally will be equal to the US dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into US dollars at that time). A US Holder will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any US Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be US source income or loss for foreign tax credit purposes. Different rules apply to US Holders who use the accrual method of tax accounting. Each US Holder should consult its own US tax advisors regarding the US federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a US Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the common shares generally will be entitled, at the election of such US Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a US Holder's US federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a US Holder's income subject to US federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a US Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a US Holder's US federal income tax liability that such US Holder's "foreign source" taxable income bears to such US Holder's worldwide taxable income. In applying this limitation, a US Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "US source." Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a US Holder should be treated as US source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to the common shares that is treated as a "dividend" may be lower for US federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a US Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each US Holder should consult its own US tax advisors regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Payments made within the US or by a US payor or US middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, common shares will generally be subject to information reporting and backup withholding tax, at the rate of 24%, if a US Holder (a) fails to furnish such US Holder's correct US taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect US taxpayer identification number, (c) is notified by the IRS that such US Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such US Holder has furnished its correct US taxpayer identification number and that the IRS has not notified such US Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the US backup withholding tax rules will be allowed as a credit against a US Holder's US federal income tax liability, if any, or will be refunded, if such US Holder furnishes required information to the IRS in a timely manner.

Under US federal income tax law and Treasury Regulations, US Holders must generally file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, US return disclosure obligations (and related penalties) are imposed on individuals who are US Holders that hold specified foreign financial assets in excess of threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-US person, any financial instrument or contract held for investment that has an issuer or counterparty other than a US person and any interest in a foreign entity. US Holders may be subject to these reporting requirements unless their common shares are held in an account at financial institutions meeting specified requirements. Penalties for failure to file information returns can be substantial. US Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a US Holder. A failure to satisfy reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each US Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

F. Dividends and Paying Agents

Not Applicable.

G. Statement by Experts

Not Applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act and file reports and other information with the SEC. You may read and copy any of our reports and other information at, and obtain copies upon payment of prescribed fees from, the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, the SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at http://www.sec.gov. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

We are required to file reports and other information with the securities commissions in Canada. You are invited to read and copy any reports, statements or other information, other than confidential filings, that we file with the provincial securities commissions. These filings are also electronically available from the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") (www.sedar.com), the Canadian equivalent of the SEC's electronic document gathering and retrieval system.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements to shareholders.

We will provide without charge to each person, including any beneficial owner, to whom a copy of this annual report has been delivered, on the written or oral request of such person, a copy of any or all documents referred to above which have been or may be incorporated by reference in this annual report (not including exhibits to such incorporated information that are not specifically incorporated by reference into such information). Requests for such copies should be directed to us at the following address: 130 Adelaide St. West, Suite 1901, Toronto, ON, M5H 3P5. We are required to file financial statements and other information with the Securities Commission in each of the Provinces and Territories of Canada, except Quebec, electronically through SEDAR which can be viewed at www.sedar.com.

I. Subsidiary Information

We own 100% of the voting securities of Trillium Therapeutics USA Inc. which was incorporated March 26, 2015 in the State of Delaware.

ITEM 11. QUANTITATIVE & QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Fair value

IFRS 13 Fair Value Measurement provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect our assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1 Quoted prices in active markets for identical instruments that are observable.

Level 2 Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

We have classified cash and cash equivalents as Level 1. The marketable securities and loan payable have been classified as Level 2. The Fluorinov contingent consideration in other liabilities has been classified as Level 3. The fair value of the contingent consideration increases as the time to the expected milestones decreases assuming the probability of achieving the milestones remains unchanged.

Cash and cash equivalents, marketable securities, amounts receivable, accounts payable and accrued liabilities, and other current liabilities, due within one year, are all short-term in nature and, as such, their carrying values approximate fair values. Marketable securities, which primarily include GICs held by the Company, are valued at amortized cost.

Risks

We have exposure to credit risk, liquidity risk, interest rate risk and currency risk. Our Board has overall responsibility for the establishment and oversight of our risk management framework. The Audit Committee of the board of directors is responsible for reviewing our risk management policies.

Credit risk

Credit risk is the risk of financial loss to us if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our cash and amounts receivable. The carrying amount of these financial assets represents the maximum credit exposure. We follow an investment policy to mitigate against the deterioration of principal and to enhance our ability to meet our liquidity needs. Cash is on deposit with major Canadian chartered banks and we invest in high grade short-term instruments. Amounts receivable are primarily comprised of amounts due from the federal government.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. We are a development stage company and are reliant on external fundraising to support our operations. Once funds have been raised, we manage our liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. We also manage liquidity risk by continuously monitoring actual and projected cash flows. Our board reviews and approves our operating and capital budgets, as well as any material transactions not in the ordinary course of business. The majority of our accounts payable and accrued liabilities have maturities of less than three months.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We hold our cash in bank accounts or high interest savings accounts which have a variable rate of interest. We manage our interest rate risk by holding highly liquid short-term instruments and by holding our investments to maturity, where possible. For the years ended December 31, 2018 and 2017 of $1,084 and $722, respectively. Therefore, a 100 basis points change in the average interest rate for the years ended December 31, 2018 and 2017 would have a net impact on finance income of $11 and $7, respectively.

Currency risk

We are exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of our business transactions denominated in currencies other than the Canadian dollar, which are primarily expenses in US dollars. As at December 31, 2018 and 2017, we held US dollar cash and cash equivalents and marketable securities in the amount of US $30,208 and US $58,627, and had US dollar denominated accounts payable and accrued liabilities in the amount of US $7,404 and US $6,778, respectively. Therefore, a 1% change in the foreign exchange rate would have a net impact on finance costs as at December 31, 2018 and December 31, 2017 of $296 and $673, respectively.

US dollar expenses for the years ended December 31, 2018 and 2017 were approximately US $18,050 and US $15,040, respectively. Varying the US exchange rate for the years ended December 31, 2018 and 2017 to reflect a 1% strengthening of the Canadian dollar would have decreased the net loss by approximately $234 and $195, respectively, assuming that all other variables remained constant.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

None.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS.

None.

ITEM 15. CONTROL AND PROCEDURES

A. Disclosure Controls and Procedures

As of the end of our fiscal year ended December 31, 2018, an evaluation of the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) was carried out by our management, with the participation of the President and Chief Executive Officer, or CEO and the Chief Financial Officer, or CFO. Based upon that evaluation, the CEO and CFO have concluded that as of the end of that fiscal year, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission (the "Commission") rules and forms and (ii) accumulated and communicated to our management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

It should be noted that while the CEO and CFO believe that our disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

B. Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over our financial reporting. Our internal control system was designed to provide reasonable assurance that all transactions are accurately recorded, that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our assets are safeguarded.

Management has assessed the effectiveness of our internal control over financial reporting as at December 31, 2018. In making its assessment, management used the Committee of Sponsoring Organizations of the Treadway Commission framework in Internal Control – Integrated Framework (2013), or COSO, to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2018.

C. Attestation Report of the Registered Public Accounting Firm.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting because emerging growth companies are exempt from this requirement for so long as they remain emerging growth companies. Therefore, management's report on internal control over financial reporting is not subject to attestation by our independent registered public accounting firm.

D. Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the year ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16 [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board has determined that Luke Beshar, a member of our audit committee, qualifies as an "audit committee financial expert" (as such term is defined in Form 20-F) and is "independent" as that term is defined in the rules of the Nasdaq Stock Market.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics, which qualifies as a "code as ethics" within the meaning of Form 20-F, that is applicable to each of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions.

The Code of Business Conduct and Ethics is available for viewing on our website at www.trilliumtherapeutics.com, and is available in print, without charge, to any shareholder who requests a copy of it. Requests for copies of the Code of Business Conduct and Ethics should be made by contacting: James Parsons, Chief Financial Officer, by phone at (416) 595-0627 or by e-mail to info@trilliumtherapeutics.com.

Since the date on which we became subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, there have not been any amendments to, or waivers, including implicit waivers, granted from, any provision of the Code of Business Conduct and Ethics.

If any amendment to the Code of Ethics is made, or if any waiver from the provisions thereof is granted, we may elect to disclose the information about such amendment or waiver required by Form 20-F to be disclosed, by posting such disclosure on its website, which may be accessed at www.trilliumtherapeutics.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The aggregate fees billed and accrued by our external auditor in the last two fiscal years for auditor service fees were as follows:

Financial Year Ending	Audit Fees (1)	Audit Related Fees (2)	Tax Fees (3)	All Other Fees (4)
December 31, 2018	$303	Nil	Nil	$30
December 31, 2017	$296	Nil	$8	Nil

Notes:

(1) "Audit fees" are the aggregate fees billed by Ernst & Young LLP for the audit of our consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements. During 2017, the services also consisted of fees related to the filing of a base shelf prospectus and a prospectus financing.

(2) "Audit-related fees" are fees charged by Ernst & Young LLP for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees."

(3) "Tax fees" are fees billed by Ernst & Young LLP for tax compliance and tax advice.

(4) "All other fees" are fees billed by Ernst & Young LLP for services not described above.

Pre-Approval Policies and Procedures

The audit committee of our board of directors has adopted an Auditor Services Pre-Approval Policy, or the Policy with respect to the pre-approval of audit and permitted non-audit services to be provided by Ernst & Young LLP, our independent auditor. Pursuant to the Policy, the audit committee on an annual basis may approve the provision of a specified list of audit and permitted non-audit services that the audit committee believes to be typical, reoccurring or otherwise likely to be provided by the external auditor during the then current fiscal year. All pre-approvals granted under this Policy shall be sufficiently detailed as to the particular services being provided that it will not be necessary for our management to exercise any discretion in determining whether a particular service has been pre-approved.

In addition, pursuant to the Policy the audit committee has delegated its pre-approval authority to the Chair of the audit committee for services where the aggregate fees are estimated to be less than or equal to $50. The Chair of the audit committee is required to report any such granted pre-approvals to the audit committee at its next scheduled meeting. The audit committee shall not delegate to management the audit committee's responsibilities for pre-approving audit and non-audit services to be performed by the external auditor.

Pursuant to the Policy, there is an exception to the pre-approval requirements for permitted non-audit services, provided all such services were not recognized at the time of the engagement to be non-audit services and, once recognized, are promptly brought to the attention of the audit committee and approved prior to the completion of the audit. The aggregate amount of all services approved in this manner may not constitute more than five percent of the total fees paid to the external auditor during the fiscal year in which the services are provided.

Of the fees reported in this annual report under the heading “Principal Accountant Fees and Services”, none of the fees billed by Ernst & Young LLP were approved by our audit committee pursuant to the de minimus exception provided by Section (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not Applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not Applicable.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

As a Canadian corporation listed on NASDAQ, we are not required to comply with most of the NASDAQ corporate governance standards, so long as we comply with Canadian corporate governance practices. In order to claim such an exemption, however, we must disclose the significant differences between our corporate governance practices and those required to be followed by US domestic issuers under NASDAQ’s corporate governance standards.

Our corporate governance practices meet or exceed all applicable Canadian requirements. They also incorporate some best practices derived from the NASDAQ rules and comply with applicable rules adopted by the Securities and Exchange Commission to give effect to the provisions of the United States Sarbanes-Oxley Act of 2002.

The following is a summary of the significant ways in which our corporate governance practices differ from those required to be followed by US domestic issuers under NASDAQ's corporate governance standards. Except as described in this summary, we are in compliance with the NASDAQ corporate governance standards in all significant respects.

Shareholder Approval

Section 5635 of the NASDAQ Marketplace Rules requires shareholder approval to be obtained in connection with the undertaking of certain actions. The circumstances under which shareholder approval is required under the NASDAQ Marketplace Rules are not identical to the circumstances under which shareholder approval is required under Canadian corporate and securities laws and TSX requirements. For example, but without limitation, Section 5635 requires shareholder approval of most equity compensation plans and material revisions to such plans. This requirement covers plans that provide for the delivery of both newly issued and treasury securities. The TSX rules provide that only the creation of or certain material amendments to equity compensation plans that provide for new issuances of securities are subject to shareholder approval. We follow the TSX rules with respect to the requirements for shareholder approval of potential transactions, including, without limitation, shareholder approval of equity compensation plans and material revisions to such plans.

ITEM 16H. MINE SAFETY DISCLOSURE

Not Applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18. See the Index to the Financial Statements on page F-1 following the signature page of this Form 20-F.

ITEM 18. FINANCIAL STATEMENTS

The following financial statements and notes thereto (as applicable) in Canadian dollars are filed with and incorporated herein as part of this Form 20-F, beginning on page F-1 following the signature page of this Form 20-F:

- audited consolidated financial statements of the Company for the years ended December 31, 2018 and 2017, prepared in accordance with IFRS as issued by the IASB, including: consolidated statements of financial position, consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements.

- audited consolidated financial statements of the Company for the years ended December 31, 2017 and 2016, prepared in accordance with IFRS as issued by the IASB, including: consolidated statements of financial position, consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements.

ITEM 19. EXHIBITS

Exhibit Number	Description
1.1	By-law No.1 of Trillium Therapeutics Inc. amended and restated as of May 27, 2014 (incorporated by reference to Exhibit 1.7 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on August 12, 2014 (File No. 1-36596)).
1.2	Articles of Amalgamation dated January 1, 2017 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., furnished on January 6, 2017 (File No. 1-36596)).
4.1	Second Amended and Restated License Agreement between Trillium Therapeutics Inc., the University Health Network and The Hospital for Sick Children dated as of May 14, 2018 dated as of May 14, 2018.
4.2 *	GPEx -Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 for TTI-621 (incorporated by reference to Exhibit 4.3 to Amendment No. 1 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on October 3, 2014 (File No. 1-36596)).
4.3 *	GPEx -Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 for TTI-622 (incorporated by reference to Exhibit 4.4 to Amendment No. 1 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on October 3, 2014 (File No. 1-36596)).
4.4	2014 Stock Option Plan amended and restated as of May 27, 2014 (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on August 12, 2014 (File No. 1-36596)).
4.5	2018 Stock Option Plan amended and restated as of March 8, 2018.
4.6	2016 Cash-Settled Deferred Share Unit Plan dated November 9, 2016 (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on March 10, 2017 (File No. 1-36596)).
4.7	Share purchase agreement among Trillium Therapeutics Inc., Fluorinov and Fluorinov shareholders dated January 26, 2016 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., furnished on February 5, 2017 (File No. 1-36596)).
4.8	Royalty agreement among the Trillium Therapeutics Inc., Fluorinov and Fluorinov shareholders dated January 26, 2016 (incorporated by reference to Exhibit 99.2 to the Report on 6-K of Trillium Therapeutics Inc., furnished on February 5, 2017 (File No. 1-36596)).
4.9	S ales Agreement, by and between Trillium Therapeutics Inc. and Cowen and Company, LLC, dated as of June 19, 2018 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., furnished on June 20, 2018 (File No. 1-36596)).
12.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
12.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
13.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350

13.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350
15.1	Consent of Ernst & Young LLP
16.1	Chief Medical Officer Employment Agreement dated April 23, 2018

* Confidential treatment granted as to portions of this exhibit.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf on March 11, 2019.

TRILLIUM THERAPEUTICS INC.

/s/ Niclas Stiernholm

Niclas Stiernholm

President & Chief Executive Officer

INDEX TO THE FINANCIAL STATEMENTS

Trillium Therapeutics Inc.

For the years ended December 31, 2018 and 2017

Trillium Therapeutics Inc.

For the years ended December 31, 2017 and 2016

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017

2488 Dunwin Drive
Mississauga, Ontario L5L 1J9
www.trilliumtherapeutics.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of **Trillium Therapeutics Inc.**

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of **Trillium Therapeutics Inc.** (the Company) as of December 31, 2018 and 2017, the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows for each of the two years in the period ended December 31, 2018, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2018, in conformity with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2004.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 7, 2019

TRILLIUM THERAPEUTICS INC.

Consolidated Statements of Financial Position

Amounts in thousands of Canadian dollars

	Note	As at December 31, 2018 $	As at December 31, 2017 $
ASSETS			
Current			
Cash and cash equivalents		**20,832**	28,361
Marketable securities	3	**24,577**	53,430
Amounts receivable	4	**1,101**	669
Prepaid expenses		**1,031**	960
Total current assets		**47,541**	83,420
Property and equipment	5	**2,155**	2,882
Intangible assets	6	**5,652**	7,990
Other assets		**111**	111
Total non-current assets		**7,918**	10,983
Total assets		**55,459**	94,403
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7,9	**12,896**	14,092
Other current liabilities	8	**460**	428
Total current liabilities		**13,356**	14,520
Loan payable	8	**-**	98
Deferred lease inducement	8	**375**	407
Other liabilities	8	**127**	801
Total non-current liabilities		**502**	1,306
Total liabilities		**13,858**	15,826
EQUITY			
Common shares	9	**154,017**	145,920
Series I preferred shares	9	**2,489**	7,586
Series II preferred shares	9	**45,120**	45,120
Warrants	9	**-**	6,871
Contributed surplus		**24,572**	15,191
Deficit		**(184,597)**	(142,111)
Total equity		**41,601**	78,577
Total liabilities and equity		**55,459**	94,403

Commitments and contingencies *[note 13]*

Events after the balance sheet date *[note 18]*

Approved by the board and authorized for issue on March 7, 2019:

(signed) Luke Beshar, Director (signed) Robert Kirkman, Director

See accompanying notes to the consolidated financial statements

TRILLIUM THERAPEUTICS INC.

Consolidated Statements of Loss and Comprehensive Loss

Amounts in thousands of Canadian dollars, except per share amounts

	Note	**Year ended December 31, 2018 $**	Year ended December 31, 2017 $
EXPENSES			
Research and development	11	**43,426**	37,135
General and administrative	12	**3,582**	3,861
Operating expenses		**47,008**	40,996
Finance income		**(1,084)**	(722)
Finance costs		**43**	68
Net foreign currency loss (gain)		**(3,489)**	4,742
Net finance costs (income)		**(4,530)**	4,088
Loss before income taxes		**42,478**	45,084
Current income tax expense	10	**8**	4
Net loss and comprehensive loss for the year		**42,486**	45,088
Basic and diluted loss per common share	9 (c)	**3.06**	4.61

See accompanying notes to the consolidated financial statements

TRILLIUM THERAPEUTICS INC.

Consolidated Statements of Changes in Equity

Amounts in thousands of Canadian dollars

	Common shares		Series I preferred shares		Series II preferred shares		Warrants	Contributed surplus	Deficit	Total
	#	$	#	$	#	$	$	$	$	$
		(note 9)		(note 9)		(note 9)	(note 9)	(note 9)		
Balance, December 31, 2017	13,147,404	145,920	52,325,827	7,586	4,368,403	45,120	6,871	15,191	(142,111)	78,577
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(42,486)	(42,486)
Transactions with owners of the Company, recognized directly in equity										
Shares issued, net of issue costs	369,621	3,000	-	-	-	-	-	-	-	3,000
Expiry of warrants	-	-	-	-	-	-	(6,871)	6,871	-	-
Conversion of preferred shares	1,171,806	5,097	(35,154,286)	(5,097)	-	-	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	2,510	-	2,510
Total transactions with owners of the Company	1,541,427	8,097	(35,154,286)	(5,097)	-	-	(6,871)	9,381	-	5,510
Balance, December 31, 2018	**14,688,831**	**154,017**	**17,171,541**	**2,489**	**4,368,403**	**45,120**	**-**	**24,572**	**(184,597)**	**41,601**

	Common shares		Series I preferred shares		Series II preferred shares		Warrants	Contributed surplus	Deficit	Total
	#	$	#	$	#	$	$	$	$	$
		(note 9)		(note 9)		(note 9)	(note 9)	(note 9)		
Balance, December 31, 2016	7,845,184	103,819	53,226,191	7,716	1,077,605	24,369	6,888	12,350	(97,023)	58,119
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(45,088)	(45,088)
Transactions with owners of the Company, recognized directly in equity										
Shares issued, net of issue costs	4,899,674	38,073	-	-	3,650,000	24,473	-	-	-	62,546
Conversion of DSUs from equity to cash settlement	-	-	-	-	-	-	-	(414)	-	(414)
Exercise of warrants	13,332	176	-	-	-	-	(17)	-	-	159
Conversion of preferred shares	389,214	3,852	(900,364)	(130)	(359,202)	(3,722)	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	3,255	-	3,255
Total transactions with owners of the Company	5,302,220	42,101	(900,364)	(130)	3,290,798	20,751	(17)	2,841	-	65,546
Balance, December 31, 2017	13,147,404	145,920	52,325,827	7,586	4,368,403	45,120	6,871	15,191	(142,111)	78,577

See accompanying notes to the consolidated financial statements

TRILLIUM THERAPEUTICS INC.

Consolidated Statements of Cash Flows

Amounts in thousands of Canadian dollars

	Note	**Year ended December 31, 2018 $**	Year ended December 31, 2017 $
OPERATING ACTIVITIES			
Net loss for the year		**(42,486)**	(45,088)
Adjustments for items not affecting cash			
Share-based compensation	9	**2,510**	3,255
Interest accretion	8	**22**	50
Amortization of intangible assets	6,11	**2,338**	3,860
Depreciation of property and equipment	5,11	**808**	849
Deferred lease inducement	8	**(30)**	2
Change in fair value of contingent consideration	8	**(674)**	(1,158)
Unrealized foreign exchange loss (gain)		**(3,108)**	3,748
Share issuance related to license amendment	9 (b)	**3,000**	-
		(37,620)	(34,482)
Changes in non-cash working capital balances			
Amounts receivable	4	**(432)**	(142)
Prepaid expenses		**(71)**	(558)
Accounts payable and accrued liabilities	7	**(1,196)**	8,165
Other current liabilities		**24**	(21)
Cash used in operating activities		**(39,295)**	(27,038)
INVESTING ACTIVITIES			
Net maturities (purchases) of marketable securities		**30,713**	(56,994)
Purchase of property and equipment	5	**(81)**	(471)
Cash provided by (used in) investing activities		**30,632**	(57,465)
FINANCING ACTIVITIES			
Repayment of loan payable	8	**(115)**	(125)
Recognition of deferred lease inducement		**-**	(5)
Issuance of share capital, net of issuance costs	9	-	62,705
Cash provided by (used in) financing activities		**(115)**	62,575
Impact of foreign exchange rate on cash and cash equivalents		**1,249**	(184)
Net decrease in cash and cash equivalents during the year		**(7,529)**	(22,112)
Cash and cash equivalents, beginning of year		**28,361**	50,473
Cash and cash equivalents, end of year		**20,832**	28,361
Supplemental cash flow information			
Preferred shares converted to common shares (note 9)		**5,097**	3,852

See accompanying notes to the consolidated financial statements

1. Corporate information

Trillium Therapeutics Inc. (the "Company" or "Trillium") is a clinical-stage immuno-oncology company developing innovative therapies for the treatment of cancer. The Company is a corporation existing under the laws of the Province of Ontario. The Company's head office is located at 2488 Dunwin Drive, Mississauga, Ontario, L5L 1J9, and it is listed on the Toronto Stock Exchange and on the NASDAQ Stock Market.

2. Basis of presentation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Company's board of directors on March 7, 2019.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for cash-settled deferred share units ("DSUs") and contingent consideration, which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities. Actual results could differ materially from these estimates and assumptions. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

Management has applied significant estimates and assumptions to the following:

Intangible assets

The Company estimates the useful lives of intangible assets from the date they are available for use in the manner intended by management and periodically reviews the useful lives to reflect management's intent about developing and commercializing the assets.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the asset may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or cash-generating unit). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Management evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Valuation of contingent consideration

The fair value of contingent consideration on the acquisition of Fluorinov Pharma Inc. ("Fluorinov") was calculated using a discounted cash flow approach, where a risk-adjusted discount rate was applied to future cash flows. The discount rates used require significant estimates of probabilities of future preclinical and clinical success that are inherently uncertain. The estimate of the potential timing of future events is also uncertain. Changes in these estimates affect the fair value estimates of other liabilities.

2. Basis of presentation (continued)

Valuation of share-based compensation and warrants

Management measures the costs for share-based compensation and warrants using market-based option valuation techniques. Assumptions are made and estimates are used in applying the valuation techniques. These include estimating the future volatility of the share price, expected dividend yield, expected risk-free interest rate, future employee turnover rates, future exercise behaviours and corporate performance. Such estimates and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates of share-based compensation and warrants.

Functional currency

Management considers the determination of the functional currency of the Company a significant judgment. Management has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and considered various factors including the currency of historical and future expenditures and the currency in which funds from financing activities are generated. A Company's functional currency is only changed when there is a material change in the underlying transactions, events and conditions.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Fluorinov Pharma Inc. ("Fluorinov") from the date of its acquisition on January 26, 2016 to the date of its amalgamation on January 1, 2017, and Trillium Therapeutics USA Inc. from its date of incorporation on March 26, 2015.

Subsidiaries are fully consolidated from the date at which control is determined to have occurred and are deconsolidated from the date that the Company no longer controls the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balances, and gains and losses on transactions between subsidiaries are eliminated.

(b) Foreign currency

Transactions in foreign currencies are translated to the functional currency at the rate on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange as at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

(c) Cash and cash equivalents, and marketable securities

Cash and cash equivalents

Cash equivalents include guaranteed investment certificates (as at December 31, 2018 and 2017 of $0 and $8,800 respectively) with a maturity of 90 days or less. The Company has classified its cash and cash equivalents as amortized cost.

Marketable securities

Marketable securities consist of guaranteed investment certificates with a maturity of greater than 90 days and less than one year. The Company has classified its marketable securities as amortized cost.

3. Significant accounting policies (continued)

(d) Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in profit or loss.

Depreciation

The estimated useful lives and the methods of depreciation are as follows:

Asset	Basis
Lab equipment	20% declining balance
Computer equipment	30% declining balance
Office equipment	20% declining balance
Leaseholds	Straight-line over expected lease term

Estimates for depreciation methods, useful lives and residual values are reviewed at each reporting period-end and adjusted if appropriate. Depreciation expense is recognized in research and development expenses.

(e) Intangible assets

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

Intangible assets

Intangible assets that consist of intellectual property acquired separately, have finite useful lives, and are measured at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use in the manner intended by management. The Company is amortizing the intangible assets acquired on the acquisition of Fluorinov over five years. The remaining life at December 31, 2018 is 29 months.

The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in research and development expenses.

3. Significant accounting policies (continued)

(f) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount is estimated. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or cash-generating units. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses for intangible assets are recognized in research and development expenses.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are assessed by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount on provisions is recognized in finance costs.

A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(h) Government assistance

Government assistance relating to research and development is recorded as a reduction of expenses when the related expenditures are incurred.

(i) Share-based compensation

The grant-date fair value of share-based payment awards granted to employees is recognized as personnel costs, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that met the related service and non-market performance conditions at the vesting date.

For equity-settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in contributed surplus, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it measures their value by reference to the fair value of the equity instruments granted. Transactions measured by reference to the fair value of the equity instruments granted have their fair values remeasured at each vesting and reporting date until fully vested.

(j) Income taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss.

3. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Investment tax credits earned from scientific research and development expenditures are recorded when collectability is reasonably assured.

(k) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options, warrants, and conversion of preferred shares, if dilutive. The number of additional shares is calculated by assuming that outstanding preferred shares would convert to common shares and that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. The inclusion of the Company's stock options, warrants and preferred shares in the computation of diluted loss per share has an antidilutive effect on the loss per share and has therefore been excluded from the calculation of diluted loss per share.

(l) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date fair value. Acquisition costs incurred are expensed and included in general and administrative expenses in the consolidated statements of loss and comprehensive loss. When the Company acquires a business, it assesses the assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognized in accordance with IFRS 9 *Financial Instruments* in the consolidated statements of loss and comprehensive loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statements of loss and comprehensive loss.

(m) New standards, amendments and interpretations adopted during 2018

IFRS 9 *Financial Instruments*

As at January 1, 2018, the Company adopted IFRS 9 *Financial Instruments* (“IFRS 9”). The Company has elected to not restate comparative periods in the year of initial application of IFRS 9 relating to the transition for classification, measurement and impairment. As a result, the comparative information provided continues to be accounted for on a basis consistent with those followed in the December 31, 2017 consolidated financial statements.

IFRS 9 replaces the provisions of IAS 39 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 *Financial Instruments: Disclosures* .

3. Significant accounting policies (continued)

Classification and measurement of financial instruments

The Company assessed the classification and measurement of the financial instruments it held at the date of initial application of IFRS 9 (January 1, 2018) and has classified its financial instruments into the appropriate IFRS 9 categories. There were no changes to the carrying value of the Company's financial instruments resulting from this reclassification and, accordingly, there was no impact to the Company's opening balance of deficit as at January 1, 2018 as a result of the adoption of IFRS 9.

At initial recognition, the Company measures a financial instrument at its fair value plus, in the case of a financial instrument not at fair value through profit (loss) ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial instrument. Transaction costs of financial instruments carried at fair value through FVTPL are expensed in profit (loss).

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in which the Company classifies its financial instruments:

Amortized cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Finance income from these financial instruments is recorded in net income (loss) using the effective interest rate method.

Fair value through other comprehensive income ("FVOCI"): Financial instruments that are held for collection of contractual cash flows and for selling the financial instruments, where the financial instruments' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in net income (loss). When the financial instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to net income (loss).

FVTPL: Financial instruments that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a financial instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in net income (loss) and presented net in comprehensive income (loss) in the period in which it arises.

Financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. Financial liabilities are subsequently measured as FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) it is designated as FVTPL if eligible.

Reclassifications of financial instruments on adoption of IFRS 9

On the date of initial application, January 1, 2018, the financial instruments of the Company were as follows, with any reclassifications noted:

	Measurement Category	
	Original (IAS 39)	**New (IFRS 9)**
Financial Assets		
Cash and cash equivalents	FVTPL	Amortized cost
Marketable securities	FVTPL	Amortized cost
Amounts receivable (excluding amounts due from the federal government)	Amortized cost	Amortized cost
Financial Liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost
Other liabilities	FVTPL	FVTPL

The Company's marketable securities include guaranteed investment certificates ("GICs") held by the Company which were reclassified from the FVTPL measurement category to amortized cost. At the date of initial application, the Company's business model meets the criteria for amortized cost. The Company intends to hold the GICs to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

3. Significant accounting policies (continued)

Impairment of financial assets

The Company's cash and cash equivalents, marketable securities and amounts receivable are subject to IFRS 9's new expected credit loss model which results in a revision to its impairment methodology. Marketable securities at amortized cost are considered to be low risk, and therefore the impairment provision is determined using a 12-month expected credit loss basis. There was no impact to the Company's opening balance of deficit as a result of the change in impairment methodology.

IFRS 15 *Revenue from Contracts with Customers*

As at January 1, 2018, the Company adopted IFRS 15 *Revenue from Contracts with Customers* which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this standard did not have an impact on the consolidated financial statements.

(n) New standards and interpretations not yet effective

IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16") which replaces IAS 17 *Leases.* IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, with certain exemptions. The standard includes two recognition exemptions for lessees – leases of "low-value" assets and short-term leases with a lease term of 12 months or less. At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees are also required to remeasure the lease liability upon the occurrence of certain events such as a change in lease term. The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The new standard will be effective for annual periods beginning on or after January 1, 2019.

The Company plans to adopt IFRS 16 using the modified retrospective transition approach and will elect to use the exemption proposed by the standard on lease contracts for which the lease terms end within 12 months as of the lease commencement date and the lease contracts where the underlying asset is of low value. The Company has leases of certain office equipment (i.e. photocopying machines) that are considered of low value. Management are in the process of assessing the impact of IFRS 16. Management's preliminary assessment is that the impact on the financial statements is unlikely to be significant.

4. Amounts receivable

	December 31, 2018	December 31, 2017
	$	$
Government receivable	**869**	412
Interest receivable	**232**	257
	1,101	669

Amounts in thousands of Canadian dollars, except per share amounts and where noted

5. Property and equipment

	Lab equipment $	Computer equipment $	Office equipment and leaseholds $	Total $
Cost				
Balance, December 31, 2016	1,544	245	2,260	4,049
Additions	356	41	74	471
Balance, December 31, 2017	1,900	286	2,334	4,520
Additions	23	43	15	81
Disposals	(3)	-	-	(3)
Balance, December 31, 2018	**1,920**	**329**	**2,349**	**4,598**
Accumulated depreciation				
Balance, December 31, 2016	333	97	359	789
Depreciation	278	61	510	849
Balance, December 31, 2017	611	158	869	1,638
Depreciation	260	52	496	808
Disposals	(3)	-	-	(3)
Balance December 31, 2018	**868**	**210**	**1,365**	**2,443**
Net carrying amounts				
December 31, 2017	1,289	128	1,465	2,882
December 31, 2018	**1,052**	**119**	**984**	**2,155**

6. Intangible assets

	Total $
Cost	
Balance, December 31, 2017 and 2018	**16,458**
Accumulated amortization	
Balance, December 31, 2016	4,608
Amortization	3,860
Balance, December 31, 2017	8,468
Amortization	2,338
Balance, December 31, 2018	**10,806**
Net carrying amounts	
December 31, 2017	7,990
December 31, 2018	**5,652**

During the year ended December 31, 2018, the Company extended its estimate of the life of its small molecule platform intangible asset. This change in estimate resulted in a reduction to the amortization charge of $1,522 for the year ended December 31, 2018.

The Company's intangible asset relating to SIRPαFc technology is fully amortized.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

7. Accounts payable and accrued liabilities

	December 31, 2018 $	December 31, 2017 $
Trade and other payables	**649**	2,335
Accrued liabilities	**11,344**	10,363
Due to related parties	**903**	1,394
	12,896	14,092

Amounts due to related parties include cash-settled DSUs and expense reimbursements.

8. Other liabilities

(a) Trillium is indebted to the Federal Economic Development Agency for Southern Ontario under a non-interest-bearing contribution agreement and is making monthly repayments of $10 through November 2019. As at December 31, 2018 and 2017, the balance repayable was $96 and $211, respectively. The loan payable was discounted using an estimated market interest rate of 15%. Interest expense accretes on the discounted loan amount until it reaches its face value at maturity.

(b) As at December 31, 2018 and 2017, the Company had a long-term deferred lease inducement of $375 and $407 respectively, for a facility lease. The inducement benefit is being recognized over the expected term of the lease.

(c) As at December 31, 2018 and 2017, the Company had a long-term liability of $127 and $801, respectively, related to contingent consideration on the acquisition of Fluorinov. The fair value of the contingent consideration was calculated using a discounted cash flow approach, where a risk-adjusted discount rate was applied to future cash flows. For the year ended December 31, 2018, the remeasurement of the fair value of the contingent consideration recognized an increase in the time estimate and increased risk of reaching the potential milestones, resulting in a net expense reduction of $674, which is included in research and development expenses.

9. Share capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares, Class B shares and First Preferred Shares, in each case without nominal or par value. Common shares are voting and may receive dividends as declared at the discretion of the board of directors. Class B shares are non-voting and convertible to common shares at the holder's discretion, on a one-for-one basis. Upon dissolution or wind-up of the Company, Class B shares participate rateably with the common shares in the distribution of the Company's assets. First Preferred Shares have voting rights as decided upon by the board of directors at the time of grant. Upon dissolution or wind-up of the Company, First Preferred Shares are entitled to priority over common and Class B shares.

The Company has Series I First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the board of directors, and are convertible to common shares at the holder's discretion, on the basis of 30 Series I First Preferred Shares for one common share.

The Company has Series II First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the board of directors, and are convertible to common shares at the holder's discretion, on the basis of one Series II First Preferred Share for one common share.

Holders may not convert Series I or Series II First Preferred Shares into common shares if, after giving effect to the exercise of conversion, the holder would have beneficial ownership or direction or control over common shares in excess of 4.99% of the then outstanding common shares. This limit may be raised at the option of the holder on 61 days' prior written notice: (i) up to 9.99%, (ii) up to 19.99%, subject to clearance of a personal information form submitted by the holder to the Toronto Stock Exchange; and (iii) above 19.99%, subject to approval by the Toronto Stock Exchange and shareholder approval.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

9. Share capital (continued)

(b) Share capital issued – year ended December 31, 2018

In a June 2018 amendment to the license agreement for SIRPαFc, the sublicense revenue sharing provisions were removed in return for a payment to the licensors of $3,000 in the form of 369,621 common shares, which was recorded in research and development expenses.

During the year ended December 31, 2018, 35,154,286 Series I First Preferred Shares were converted into 1,171,806 common shares.

Share capital issued – year ended December 31, 2017

In June 2017, the Company completed an underwritten public offering of common shares and non-voting convertible preferred shares in the United States. In the offering, the Company sold 2,949,674 common shares and 3,250,000 Series II Non-Voting Convertible First Preferred Shares at a price of U.S. $5.00 per share. The gross proceeds from this offering were $41,847 (U.S. $30,998) before deducting offering expenses of $2,856.

Concurrently with the closing of the offering, the Company amended the terms of certain common share purchase warrants held by an existing institutional investor. The warrants were previously exercisable to acquire up to 1,190,476 common shares at an exercise price of $8.40 per common share until December 13, 2018 (in each case after giving effect to the 30:1 consolidation previously effected by the Company). Pursuant to the amendment, each warrant (the "Preferred Warrants") will now be exercisable, at the discretion of the holder, to acquire either one common share or one Series II Non-Voting Convertible First Preferred Share. All other terms of the warrants (including the aggregate number of shares issuable on exercise of the warrants, the exercise price and the expiry date) remain unchanged.

In December 2017, the Company completed a non-brokered private placement financing and sold 1,950,000 common shares and 400,000 Series II Non-Voting Convertible Preferred Shares at a price of U.S. $8.50 per share yielding gross proceeds of $25,338 (U.S. $19,975) before deducting offering expenses of $1,784.

During the year ended December 31, 2017, 13,332 common shares were issued on the exercise of 399,980 warrants for proceeds of $159; 900,364 Series I First Preferred Shares were converted into 30,012 common shares; and 359,202 Series II First Preferred Shares were converted into 359,202 common shares.

(c) Weighted average number of common shares

The weighted average number of common shares outstanding for the years ended December 31, 2018 and 2017 were 13,906,074 and 9,771,021, respectively. The Company has not adjusted its weighted average number of common shares outstanding in the calculation of diluted loss per share, as any adjustment would be antidilutive.

(d) Warrants

Changes in the number of outstanding warrants that are exercisable into common shares during the years ended December 31 were as follows:

	2018		2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of year	**69,073,031**	**$0.29**	105,187,297	$0.29
Warrant amendment	-	-	(35,714,286)	0.28
Exercised	-	-	(399,980)	0.40
Expired	**(69,073,031)**	**0.29**	-	-
Balance, end of year	-	**$ -**	69,073,031	$0.29

Amounts in thousands of Canadian dollars, except per share amounts and where noted

9. Share capital (continued)

There were 1,190,476 Preferred Warrants that were exercisable at $8.40 per warrant for one common share or one Series II First Preferred Share that expired in December 2018.

(e) Stock option plan

The 2018 Stock Option Plan was approved by the Company's shareholders at the annual meeting held on June 1, 2018. Stock options granted are equity-settled, have a vesting period of four years and have a maximum term of ten years. The total number of common shares available for issuance under the Company's 2018 Stock Option Plan is 3,894,501. As at December 31, 2018, the Company was entitled to issue an additional 1,195,296 stock options under the 2018 Stock Option Plan.

Changes in the number of options outstanding during the years ended December 31 were as follows:

	2018		2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	**1,746,982**	**$12.87**	1,380,237	$13.38
Granted	**1,082,600**	**4.95**	377,078	11.00
Forfeited	**(128,356)**	**12.98**	(10,000)	12.01
Expired	**(2,021)**	**14.08**	(333)	30.00
Balance, end of year	**2,699,205**	**$9.69**	1,746,982	$12.87
Options exercisable, end of year	**1,193,486**	**$12.96**	845,336	$12.80

The following table reflects stock options outstanding as at December 31, 2018:

	Stock options outstanding			Stock options exercisable	
Exercise prices	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$3.90 - $4.23	870,600	9.9	$4.23	-	-
$6.36 - $9.89	698,634	7.3	$8.16	381,168	$8.27
$10.35 - $12.22	497,356	7.0	$11.20	330,793	$10.70
$13.98 - $15.30	294,563	7.4	$14.02	196,695	$14.03
$17.00 - $23.44	309,052	6.7	$20.22	258,851	$20.41
$28.05	29,000	6.4	$28.05	25,979	$28.05
	2,699,205	8.0	$9.69	1,193,486	$12.96

Amounts in thousands of Canadian dollars, except per share amounts and where noted

9. Share capital (continued)

Share-based compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes option pricing model with the weighted average assumptions for the years ended December 31 as follows:

	2018	2017
Expected option life	**6 years**	6 years
Risk-free interest rate	**2.4%**	1.6%
Dividend yield	**0%**	0%
Expected volatility	**82%**	87%

The Black-Scholes option pricing model was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differs from the Company's stock option awards. This model also requires highly subjective assumptions, including future stock price volatility and average option life, which significantly affect the calculated values.

The risk-free interest rate is based on the implied yield on a Government of Canada zero-coupon issue with a remaining term equal to the expected term of the option. Expected volatility for 2017 and the first six months of 2018 was determined using a combination of historical volatilities of a peer group of biotechnology companies and the Company's own historical volatility. Thereafter there was sufficient historical data solely for the Company on which to base the expected volatility. The life of the options is estimated considering the vesting period at the grant date, the life of the option and the average length of time similar grants have remained outstanding in the past. The forfeiture rate is an estimate based on historical evidence and future expectations. The dividend yield was excluded from the calculation since it is the present policy of the Company to retain all earnings to finance operations and future growth.

For the years ended December 31, 2018 and 2017, the Company issued 1,082,600 and 377,078 stock options with a fair value of $3,812 and $3,030 and a weighted average grant date fair value of $3.52 and $8.03, respectively.

(f) Deferred Share Unit Plan

The board of directors approved a Cash-Settled DSU Plan on November 9, 2016. On March 9, 2017, the board of directors amended the terms of all outstanding equity-settled DSUs to be settled in cash. The 2014 Equity DSU Plan was subsequently terminated resulting in a reclassification of $414 from contributed surplus to accrued liabilities and the Cash-Settled DSU Plan continues as the only DSU plan of the Company.

For the years ended December 31, 2018 and 2017, there were 189,393 and 46,187 DSUs issued, respectively. The fair values of DSUs under this plan as at December 31, 2018 and 2017 were $806 and $1,349, respectively. The number of DSUs outstanding as at December 31, 2018, and 2017 were 334,982 and 145,589, respectively.

10. Income taxes

Income taxes recoverable have not been recognized in the consolidated statements of loss and comprehensive loss, as the Company has been incurring losses since inception, and it is not probable that future taxable profits will be available against which the accumulated tax losses can be utilized.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

10. Income taxes (continued)

(a) Unrecognized deferred tax assets

As at December 31, 2018 and 2017, deferred tax assets have not been recognized with respect to the following items:

	2018 **$**	2017 $
Non-capital losses carried forward	**33,896**	25,078
Tax credits carried forward	**6,781**	5,908
Accounting basis of property and equipment and intangible assets in excess of tax basis	**1,803**	48
Scientific research and experimental development expenditures	**10,830**	9,441
Share issue costs and other	**685**	1,182
	53,995	41,657

(b) As at December 31, 2018 and 2017, the Company had available research and development expenditures of approximately $40,867 and $35,628, respectively, for income tax purposes, which may be carried forward indefinitely to reduce future years' taxable income. As at December 31, 2018 and 2017, the Company also had unclaimed Canadian scientific research and development tax credits of $8,594 and $7,483, respectively, which are available to reduce future taxes payable with expiries from 2019 through 2038. The benefit of these expenditures and tax credits has not been recorded in the accounts.

(c) As at December 31, 2018, the Company has accumulated non-capital losses for federal and provincial income tax purposes in Canada that are available for application against future taxable income. The benefit of these losses has not been recorded in the accounts.

The non-capital tax losses expire as follows:

	Federal $
2025	3,213
2026	6,457
2027	4,662
2028	4,169
2029	3,784
2030	1,905
2031	1,624
2032	2,883
2033	2,132
2034	5,708
2035	9,172
2036	20,724
2037	32,779
2038	28,700
	127,912

Amounts in thousands of Canadian dollars, except per share amounts and where noted

10. Income taxes (continued)

(d) The reconciliation of the Canadian statutory income tax rate applied to the net loss for the year to the income tax expense is as follows:

	2018	2017
	$	$
Statutory income tax rate	**26.5%**	26.5%
Income tax recovery based on statutory income tax rate	**(11,279)**	(11,966)
Investment tax credits	**(884)**	(1,567)
Share-based compensation and other	**(165)**	213
Change in unrecognized tax assets	**12,336**	13,324
Income tax expense	**8**	4

11. Research and development

Components of research and development expenses for the years ended December 31 were as follows:

	2018	2017
	$	$
Research and development programs, excluding the below items	**27,493**	22,831
Salaries, fees and short-term benefits	**8,510**	7,969
License agreement amendment (note 9(b))	**3,000**	-
Share-based compensation	**2,148**	2,911
Amortization of intangible assets	**2,338**	3,860
Change in fair value of contingent consideration	**(674)**	(1,158)
Depreciation of property and equipment	**808**	849
Tax credits	**(197)**	(127)
	43,426	37,135

12. General and administrative

Components of general and administrative expenses for the years ended December 31 were as follows:

	2018	2017
	$	$
General and administrative expenses, excluding the below items	**1,905**	1,469
Salaries, fees and short-term benefits	**2,716**	2,038
Change in fair value of deferred share units	**(1,401)**	10
Share-based compensation	**362**	344
	3,582	3,861

Amounts in thousands of Canadian dollars, except per share amounts and where noted

13. Commitments and contingencies

As at December 31, 2018, the Company had obligations to make future payments, representing significant research and development contracts and other commitments that are known and committed in the amount of approximately $30,694. Most of these agreements are cancelable by the Company with notice. These commitments include agreements related to the conduct of the phase 1 clinical trials, sponsored research, manufacturing and preclinical studies. The Company also has minimum lease payments for operating lease commitments, primarily for its office and laboratory lease, in the amount of $398 over the next 12 months, $1,538 from 12 to 60 months, and $46 thereafter. The facility lease contains options for early termination and for lease extension.

The Company enters into research, development and license agreements in the ordinary course of business where the Company receives research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which are uncertain. Under the license agreement for SIRPαFc, the Company has future contingent milestones payable of $25 related to successful patent grants, $200 and $300 on the first patient dosed in phase 2 and 3 trials respectively, regulatory milestones on their first achievement totalling $5,000, and royalties on commercial sales.

In connection with the acquisition of Fluorinov, the Company is obligated to pay up to $35,000 of additional future payments that are contingent upon achieving certain clinical and regulatory milestones with an existing Fluorinov compound. The Company also has an obligation to pay royalty payments on future sales of such compounds. At Trillium's discretion, up to 50% of the future contingent payments can be satisfied through the issuance of common shares of Trillium provided that the aggregate number of common shares issuable under such payments will not exceed 1,558,447 common shares unless shareholder approval has first been obtained. In addition, any such future share issuance remains subject to final approval from Trillium's board of directors and receipt of any requisite approvals under the applicable rules of the Toronto Stock Exchange and the NASDAQ Stock Market. Trillium has also committed to use commercially reasonable efforts to monetize Fluorinov's central nervous system assets and share 50% of the net proceeds with Fluorinov shareholders.

The Company has two agreements with Catalent Pharma Solutions pursuant to which Trillium acquired the right to use a proprietary expression system for the manufacture of two SIRPαFc constructs. Consideration for each license includes potential pre-marketing approval milestones of up to U.S. $875 and aggregate sales milestone payments of up to U.S. $28,750.

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by or on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the consolidated financial statements with respect to these indemnification obligations.

14. Related parties

For the years ended December 31, 2018 and 2017, the key management personnel of the Company were the board of directors, Chief Executive Officer, Chief Medical Officer, Chief Scientific Officer, Chief Financial Officer and the Chief Development Officer.

Compensation for key management personnel of the Company for the years ended December 31 was as follows:

	2018 **$**	2017 $
Salaries, fees and short-term benefits	**4,201**	3,805
Share-based compensation	**1,171**	2,595
Total	**5,372**	6,400

Amounts in thousands of Canadian dollars, except per share amounts and where noted

14. Related parties (continued)

Executive officers and directors participate in the 2018 Stock Option Plan and the Cash-Settled DSU Plan, and officers participate in the Company's benefit plans. Directors receive annual fees for their services. As at December 31, 2018, the key management personnel controlled approximately 1% of the voting shares of the Company.

Outstanding balances with related parties at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2018, $75 was paid to a director for consulting fees (2017 – nil).

15. Operating segment

The Company has a single operating segment, the research and development therapies for the treatment of cancer. Substantially all of the Company's operations, assets and employees are in Canada.

16. Management of capital

The Company defines its capital as share capital, warrants and contributed surplus. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded primarily through the sale of equity securities and the exercise of common share purchase warrants. The Company also sources non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

17. Financial instruments

Fair value

IFRS 13 *Fair Value Measurement* provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1	Quoted prices in active markets for identical instruments that are observable.
Level 2	Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.
Level 3	Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

The Company has classified cash and cash equivalents as Level 1. The marketable securities and loan payable have been classified as Level 2. The Fluorinov contingent consideration in other liabilities has been classified as Level 3. The fair value of the contingent consideration increases as the time to the expected milestones decreases assuming the probability of achieving the milestones remains unchanged.

Cash and cash equivalents, marketable securities, amounts receivable, accounts payable and accrued liabilities, and other current liabilities, due within one year, are all short-term in nature and, as such, their carrying values approximate fair values. Marketable securities, which primarily include GICs held by the Company, are valued at amortized cost.

Risks

The Company has exposure to credit risk, liquidity risk, interest rate risk and currency risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee of the board of directors is responsible for reviewing the Company's risk management policies.

17. Financial instruments (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, marketable securities and amounts receivable. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash is on deposit with major Canadian chartered banks and the Company invests in high-grade short-term instruments.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The board of directors reviews and approves the Company's operating and capital budgets, as well as any material transactions not in the ordinary course of business.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds its cash in bank accounts or high-interest savings accounts that have a variable rate of interest. The Company manages its interest rate risk by holding highly liquid short-term instruments and by holding its investments to maturity, where possible. The Company earned interest income for the years ended December 31, 2018 and 2017 of $1,084 and $722, respectively. Therefore, a 100 basis points change in the average interest rate for the years ended December 31, 2018 and 2017 would have a net impact on finance income of $11 and $7, respectively.

(d) Currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar, which are primarily expenses in U.S. dollars. As at December 31, 2018 and 2017, the Company held U.S. dollar cash and cash equivalents and marketable securities in the amount of U.S. $30,208 and U.S. $58,627, and had U.S. dollar denominated accounts payable and accrued liabilities in the amount of U.S. $7,404 and U.S. $6,778, respectively. Therefore, a 1% change in the foreign exchange rate would have a net impact on finance costs as at December 31, 2018 and December 31, 2017 of $296 and $673, respectively.

U.S. dollar expenses for the years ended December 31, 2018 and 2017 were approximately U.S. $18,050 and U.S. $15,040, respectively. Varying the U.S. exchange rate for the years ended December 31, 2018 and 2017 to reflect a 1% strengthening of the Canadian dollar would have decreased the net loss by approximately $234 and $199, respectively, assuming that all other variables remained constant.

18. Events after the balance sheet date

In February 2019, the Company completed an underwritten public offering for gross proceeds of U.S. $15 million comprised of 6,550,000 common share units and 12,200,000 Series II Non-Voting Convertible First Preferred Share units, each issued at U.S. $0.80 per unit. Each common share units is comprised of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will be exercisable for one common share at a price of U.S. $0.96 per common share purchase warrant for sixty months. Each preferred share unit is comprised of one Series II First Preferred Share of the Company and one Series II First Preferred Share purchase warrant. Each Series II First Preferred Share purchase warrant will be exercisable for one Series II First Preferred Share at a price of U.S. $0.96 per Series II First Preferred Share purchase warrant for sixty months.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

2488 Dunwin Drive
Mississauga, Ontario L5L 1J9
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of **Trillium Therapeutics Inc.**

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Trillium Therapeutics Inc.** (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information collectively referred to as the "consolidated financial statements".

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2017 and December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

Basis for Opinion

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) (PCAOB). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to error or fraud. Those standards also require that we comply with ethical requirements, including independence. We are required to be independent with respect to the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We are a public accounting firm registered with the PCAOB.

An audit includes performing procedures to assess the risks of material misstatements of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included obtaining and examining, on a test basis, audit evidence regarding the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies and principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a reasonable basis for our audit opinion.

We have served as the Company's auditor since 2004.

Toronto, Canada
March 8, 2018

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

TRILLIUM THERAPEUTICS INC.
Consolidated Statements of Financial Position
Amounts in thousands of Canadian dollars

	Note	As at December 31, 2017 $	As at December 31, 2016 $
ASSETS			
Current			
Cash and cash equivalents		**28,361**	50,473
Marketable securities	3	**53,430**	-
Amounts receivable	4	**669**	527
Prepaid expenses		**960**	402
Total current assets		**83,420**	51,402
Property and equipment	5	**2,882**	3,260
Intangible assets	6	**7,990**	11,850
Other assets		**111**	111
Total non-current assets		**10,983**	15,221
Total assets		**94,403**	66,623
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7,9	**14,092**	5,513
Other current liabilities	8	**428**	403
Total current liabilities		**14,520**	5,916
Loan payable	8	**98**	191
Deferred lease inducement	8	**407**	438
Other liabilities	8	**801**	1,959
Total non-current liabilities		**1,306**	2,588
Total liabilities		**15,826**	8,504
EQUITY			
Common shares	9	**145,920**	103,819
Series I preferred shares	9	**7,586**	7,716
Series II preferred shares	9	**45,120**	24,369
Warrants	9	**6,871**	6,888
Contributed surplus		**15,191**	12,350
Deficit		**(142,111)**	(97,023)
Total equity		**78,577**	58,119
Total liabilities and equity		**94,403**	66,623

Commitments and contingencies *[note 13]*

Approved by the Board and authorized for issue on March 8, 2018:

(signed) Luke Beshar, Director (signed) Henry Friesen, Director

See accompanying notes to the consolidated financial statements

TRILLIUM THERAPEUTICS INC.
Consolidated Statements of Loss and Comprehensive Loss
Amounts in thousands of Canadian dollars, except per share amounts

	Note	**Year ended December 31, 2017 $**	Year ended December 31, 2016 $
EXPENSES			
Research and development	11	**37,135**	29,789
General and administrative	12	**3,861**	3,933
Operating expenses		**40,996**	33,722
Finance income		**(722)**	(417)
Finance costs		**68**	82
Net foreign currency loss		**4,742**	2,027
Net finance costs		**4,088**	1,692
Net loss before income taxes		**45,084**	35,414
Current income tax expense	10	**4**	9
Deferred income tax recovery	10	**-**	(3,690)
Total income tax expense (recovery)		**4**	(3,681)
Net loss and comprehensive loss for the year		**45,088**	31,733
Basic and diluted loss per common share	9(c)	**4.61**	4.06

See accompanying notes to the consolidated financial statements

TRILLIUM THERAPEUTICS INC.
Consolidated Statements of Changes in Equity
Amounts in thousands of Canadian dollars

	Common shares		Series I preferred shares		Series II preferred shares		Warrants	Contributed surplus	Deficit	Total
	Number #	Amount $	Number #	Amount $	Number #	Amount $	$	$	$	$
		(note 9)		(note 9)		(note 9)	(note 9)	(note 9)		
Balance, December 31, 2016	7,845,184	103,819	53,226,191	7,716	1,077,605	24,369	6,888	12,350	(97,023)	58,119
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(45,088)	(45,088)
Transactions with owners of the Company, recognized directly in equity										
Shares issued, net of issue costs	4,899,674	38,073	-	-	3,650,000	24,473	-	-	-	62,546
Conversion of DSUs from equity to cash settlement	-	-	-	-	-	-	-	(414)	-	(414)
Exercise of warrants	13,332	176	-	-	-	-	(17)	-	-	159
Conversion of preferred shares	389,214	3,852	(900,364)	(130)	(359,202)	(3,722)	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	3,255	-	3,255
Total transactions with owners of the Company	5,302,220	42,101	(900,364)	(130)	3,290,798	20,751	(17)	2,841	-	65,546
Balance, December 31, 2017	**13,147,404**	**145,920**	**52,325,827**	**7,586**	**4,368,403**	**45,120**	**6,871**	**15,191**	**(142,111)**	**78,577**

	Common shares		Series I preferred shares		Series II preferred shares		Warrants	Contributed surplus	Deficit	Total
	Number #	Amount $	Number #	Amount $	Number #	Amount $	$	$	$	$
		(note 9)		(note 9)		(note 9)	(note 9)	(note 9)		
Balance, December 31, 2015	7,796,137	103,340	53,788,579	7,798	1,077,605	24,369	6,926	8,660	(65,290)	85,803
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(31,733)	(31,733)
Transactions with owners of the Company, recognized directly in equity										
Exercise of warrants	30,301	397	-	-	-	-	(38)	-	-	359
Conversion of preferred shares	18,746	82	(562,388)	(82)	-	-	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	3,690	-	3,690
Total transactions with owners of the Company	49,047	479	(562,388)	(82)	-	-	(38)	3,690	-	4,049
Balance, December 31, 2016	7,845,184	103,819	53,226,191	7,716	1,077,605	24,369	6,888	12,350	(97,023)	58,119

See accompanying notes to the consolidated financial statements

TRILLIUM THERAPEUTICS INC.
Consolidated Statements of Cash Flows
Amounts in thousands of Canadian dollars

	Note	**Year ended December 31, 2017 $**	Year ended December 31, 2016 $
OPERATING ACTIVITIES			
Net loss for the year		**(45,088)**	(31,733)
Adjustments for items not affecting cash			
Share-based compensation	9	**3,255**	3,690
Interest accretion	8	**50**	65
Amortization of intangible assets	6,11	**3,860**	3,684
Depreciation of property and equipment	5,11	**849**	604
Non-cash change in deferred lease inducement	8	**2**	3
Change in fair value of contingent consideration	8	**(1,158)**	209
Deferred income tax recovery		**-**	(3,690)
Unrealized foreign exchange loss		**3,748**	1,249
		(34,482)	(25,919)
Changes in non-cash working capital balances			
Amounts receivable	4	**(142)**	485
Prepaid expenses		**(558)**	779
Accounts payable and accrued liabilities	7	**8,165**	1,815
Other current liabilities		**(21)**	(23)
Decrease in other assets		-	11
Cash used in operating activities		**(27,038)**	(22,852)
INVESTING ACTIVITIES			
Net purchases of marketable securities		**(56,994)**	**-**
Purchase of property and equipment	5	**(471)**	(2,966)
Acquisition of Fluorinov, net of cash acquired		**-**	(9,575)
Cash used in investing activities		**(57,465)**	(12,541)
FINANCING ACTIVITIES			
Repayment of loan payable	8	**(125)**	(105)
Receipt of deferred lease inducement		**-**	90
Recognition of deferred lease inducement		**(5)**	-
Issuance of share capital, net of issuance costs	9	**62,705**	359
Cash provided by financing activities		**62,575**	344
Impact of foreign exchange rate on cash and cash equivalents		**(184)**	(1,249)
Net decrease in cash and cash equivalents during the year		**(22,112)**	(36,298)
Cash and cash equivalents, beginning of year		**50,473**	86,771
Cash and cash equivalents, end of year		**28,361**	50,473
Supplemental cash flow information			
Preferred shares converted to common shares (note 9)		**3,852**	82

See accompanying notes to the consolidated financial statements

1. Corporate information

Trillium Therapeutics Inc. (the "Company" or "Trillium") is a clinical-stage immuno-oncology company developing innovative therapies for the treatment of cancer. The Company is a corporation existing under the laws of the Province of Ontario. The Company's head office is located at 2488 Dunwin Drive, Mississauga, Ontario, L5L 1J9, and it is listed on the Toronto Stock Exchange and on the NASDAQ Stock Market.

2. Basis of presentation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Company's Board of Directors on March 8, 2018.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for held-for-trading financial assets, cash-settled deferred share units ("DSUs") and contingent consideration, which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities, and the determination of the Company's ability to continue as a going concern. Actual results could differ materially from these estimates and assumptions. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

Management has applied significant estimates and assumptions to the following:

Intangible assets

The Company estimates the useful lives of intangible assets from the date they are available for use in the manner intended by management and periodically reviews the useful lives to reflect management's intent about developing and commercializing the assets.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the asset may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or cash-generating unit). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Management evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

2. Basis of presentation (continued)

Valuation of contingent consideration

The fair value of contingent consideration on the acquisition of Fluorinov was calculated using a discounted cash flow approach, where a risk-adjusted discount rate was applied to future cash flows. The discount rates used require significant estimates of probabilities of future preclinical and clinical success that are inherently uncertain. The estimate of the potential timing of future events is also uncertain. Changes in these estimates affect the fair value estimates of other liabilities.

Valuation of share-based compensation and warrants

Management measures the costs for share-based compensation and warrants using market-based option valuation techniques. Assumptions are made and estimates are used in applying the valuation techniques. These include estimating the future volatility of the share price, expected dividend yield, expected risk-free interest rate, future employee turnover rates, future exercise behaviours and corporate performance. Such estimates and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates of share-based compensation and warrants. The fair value of the cash-settled DSU liability is remeasured at each reporting date, with the change in liability recognized in general and administrative expenses.

Functional currency

Management considers the determination of the functional currency of the Company a significant judgment. Management has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and considered various factors including the currency of historical and future expenditures and the currency in which funds from financing activities are generated. A Company's functional currency is only changed when there is a material change in the underlying transactions, events and conditions.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Fluorinov from the date of its acquisition on January 26, 2016 to the date of its amalgamation on January 1, 2017, and Trillium Therapeutics USA Inc. from its date of incorporation on March 26, 2015.

Subsidiaries are fully consolidated from the date at which control is determined to have occurred and are deconsolidated from the date that the Company no longer controls the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balances, and gains and losses on transactions between subsidiaries are eliminated.

(b) Foreign currency

Transactions in foreign currencies are translated to the functional currency at the rate on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange as at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

3. Significant accounting policies (continued)

(c) Financial instruments

Financial assets

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

Cash and cash equivalents
Cash equivalents include guaranteed investment certificates (as at December 31, 2017 and 2016 of $8,800 and $21,529, respectively) with a maturity of 90 days or less. The Company has classified its cash and cash equivalents as fair value through profit or loss.

Marketable Securities
Marketable securities consist of guaranteed investment certificates with a maturity of greater than 90 days and less than one year. The Company has classified its marketable securities as fair value through profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses. The Company has classified its amounts receivable as loans and receivables.

Derecognition
A financial asset is derecognized when the rights to receive cash flows from the asset have expired or when the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, and subsequently at amortized cost using the effective interest rate method. The Company has classified its accounts payable and accrued liabilities and loan payable as financial liabilities.

Derecognition
A financial liability is derecognized when its contractual obligations are discharged, cancelled or expired.

Equity

Common shares, preferred shares and warrants to purchase common shares are classified as equity. Incremental costs directly attributable to the issue of common shares, preferred shares and warrants are recognized as a deduction from equity, net of any tax effects.

(d) Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in profit or loss.

3. Significant accounting policies (continued)

Depreciation
The estimated useful lives and the methods of depreciation are as follows:

Asset	Basis
Lab equipment	20% declining balance
Computer equipment	30% declining balance
Office equipment	20% declining balance
Leaseholds	Straight-line over expected lease term

Estimates for depreciation methods, useful lives and residual values are reviewed at each reporting period-end and adjusted if appropriate. Depreciation expense is recognized in research and development expenses.

(e) Intangible assets

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

Intangible assets

Intangible assets that consist of intellectual property are acquired separately and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use in the manner intended by management. The Company is amortizing the intangible assets acquired on the acquisition of Fluorinov Pharma Inc. (“Fluorinov”) over four years.

The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in research and development expenses.

3. Significant accounting policies (continued)

(f) Impairment

Financial assets

A financial asset not carried as fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment test is performed, on an individual basis, for each material financial asset. Other individually non-material financial assets are tested as groups of financial assets with similar risk characteristics. Impairment losses are recognized in profit or loss.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the respective financial asset. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount is estimated.

The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash- generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or cash-generating units. An impairment loss is recognized if the carrying amount of an asset or its related cash- generating unit exceeds its estimated recoverable amount. Impairment losses for intangible assets are recognized in research and development expenses. The Company is currently a single cash-generating unit.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are assessed by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount on provisions is recognized in finance costs.

A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(h) Government assistance

Government assistance relating to research and development is recorded as a reduction of expenses when the related expenditures are incurred.

3. Significant accounting policies (continued)

(i) Share-based compensation

The grant-date fair value of share-based payment awards granted to employees is recognized as personnel costs, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that met the related service and non-market performance conditions at the vesting date.

For equity-settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in contributed surplus, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it measures their value by reference to the fair value of the equity instruments granted. Transactions measured by reference to the fair value of the equity instruments granted have their fair values remeasured at each vesting and reporting date until fully vested.

(j) Income taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Investment tax credits earned from scientific research and development expenditures are recorded when collectability is reasonably assured.

(k) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average number of shares outstanding are increased to include additional shares for the assumed exercise of stock options, warrants, and conversion of preferred shares, if dilutive. The number of additional shares is calculated by assuming that outstanding preferred shares would convert to common shares and that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. The inclusion of the Company's stock options, warrants and preferred shares in the computation of diluted loss per share has an antidilutive effect on the loss per share and have therefore been excluded from the calculation of diluted loss per share.

(l) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date fair value. Acquisition costs incurred are expensed and included in general and administrative expenses in the consolidated statements of loss. When the Company acquires a business, it assesses the assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognized in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* in the consolidated statements of loss.

3. Significant accounting policies (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statements of loss.

(m) New standards, amendments and interpretations adopted during 2017

IAS 7, *Statement of Cash Flows*

In February 2016 the IASB issued amendments to IAS 7 *Statement of Cash Flows* ("IAS 7") which requires entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The IAS 7 amendments are effective for annual periods beginning on or after January 1, 2017. The adoption of this amendment had no impact on the Company's consolidated financial statements.

(n) New standards and interpretations not yet effective

IFRS 9, *Financial Instruments*

In October 2010 the IASB published amendments to IFRS 9 *Financial Instruments* ("IFRS 9") which provides added guidance on the classification and measurement of financial assets and liabilities. In July 2014, the IASB issued its final version of IFRS 9, which completes the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* . The final standard is mandatorily effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company believes that the adoption of this standard will not have a material impact in the measurement and classification of financial instruments on the consolidated financial statements.

IFRS 15, *Revenue from Contracts with Customers*

In May 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company has determined that the adoption of this standard will not have an impact on the consolidated financial statements.

IFRS 16, *Leases*

In January 2016 the IASB issued IFRS 16 *Leases* ("IFRS 16") which requires lessees to recognize assets and liabilities for most leases on their balance sheets. Lessees applying IFRS 16 will have a single accounting model for all leases, with certain exemptions. The new standard will be effective for annual periods beginning on or after January 1, 2019 with limited early application permitted. The Company has not yet determined the impact of this standard on its consolidated financial statements.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

4. Amounts receivable

	December 31, 2017 $	December 31, 2016 $
Government receivable	**412**	503
Interest receivable	**257**	24
	669	527

5. Property and equipment

	Lab equipment $	Computer equipment $	Office equipment and leaseholds $	Total $
Cost				
Balance, December 31, 2015	710	97	285	1,092
Additions	834	148	1,984	2,966
Disposals	-	-	(9)	(9)
Balance, December 31, 2016	1,544	245	2,260	4,049
Additions	356	41	74	471
Balance, December 31, 2017	**1,900**	**286**	**2,334**	**4,520**
Accumulated depreciation				
Balance, December 31, 2015	135	50	10	195
Depreciation	198	47	358	603
Disposals	-	-	(9)	(9)
Balance, December 31, 2016	333	97	359	789
Depreciation	278	61	510	849
Balance December 31, 2017	**611**	**158**	**869**	**1,638**
Net carrying amounts				
December 31, 2016	1,211	148	1,901	3,260
December 31, 2017	**1,289**	**128**	**1,465**	**2,882**

Amounts in thousands of Canadian dollars, except per share amounts and where noted

6. Intangible assets

	Total $
Cost	
Balance, December 31, 2015	1,018
Fluorinov acquisition	15,440
Balance, December 31, 2016 and 2017	**16,458**
Accumulated amortization	
Balance, December 31, 2015	924
Amortization	3,684
Balance, December 31, 2016	4,608
Amortization	3,860
Balance, December 31, 2017	**8,468**
Net carrying amounts	
December 31, 2016	11,850
December 31, 2017	**7,990**

On January 26, 2016, Trillium purchased all the issued and outstanding shares of Fluorinov, a private oncology company, to access its proprietary medicinal chemistry platform. The acquisition date fair value of consideration transferred and the fair value of identifiable assets acquired and liabilities assumed were as follows:

	$
Fair value of consideration paid:	
Cash	10,000
Working capital deficiency	(134)
Contingent consideration	1,750
	11,616
Assets acquired:	
Cash	291
Amount due from Fluorinov shareholders	37
Acquired technology	15,440
	15,768
Liabilities assumed:	
Accounts payable and accrued liabilities	462
Deferred tax liabilities	3,690
	4,152
Net identifiable assets acquired	11,616

The upfront consideration for Fluorinov was $10,000 less the working capital deficiency of $134. The Company may also incur up to $35,000 of future payments contingent on Trillium achieving certain clinical and regulatory milestones with an existing Fluorinov compound. The amount of contingent consideration recognized by the Company as of the acquisition date was $1,750 and has been classified as other liabilities on the consolidated statement of financial position. The fair value of the contingent consideration was calculated using a discounted cash flow approach, where a risk-adjusted discount rate was applied to future cash flows. Trillium also has an obligation to pay royalty payments on future sales of such compounds.

At Trillium's discretion, up to 50% of the future contingent payments can be satisfied through the issuance of common shares of Trillium provided that the aggregate number of common shares issuable under such payments will not exceed 1,558,447 common shares unless shareholder approval has first been obtained. In addition, any such future share issuance remains subject to final approval from Trillium's board of directors and receipt of any requisite approvals under the applicable rules of the Toronto Stock Exchange and the NASDAQ Stock Market. Trillium has also committed to use commercially reasonable efforts to monetize Fluorinov's central nervous system assets and share 50% of the net proceeds with Fluorinov shareholders.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

6. Intangible assets (continued)

Cash used in the acquisition was determined as follows:

	$
Cash consideration	9,866
Less cash acquired	291
	9,575

Acquisition costs incurred by the Company and included in general and administrative expenses for the year ended December 31, 2016, was $107.

In connection with the acquisition, the Company established deferred tax liabilities related to the acquired identifiable intangible assets and determined that these deferred tax liabilities exceeded the acquired deferred tax assets. This allowed the Company to realize a deferred tax benefit of $3,690 by releasing the valuation allowance associated with the Company's overall deferred tax assets.

The acquisition of Fluorinov was considered a related party transaction as two Company directors were determined to be related parties of Fluorinov. One Company director was a director of Fluorinov and had an ownership position in Fluorinov at the time of acquisition of less than 2%, and the second director was a director of an entity that was a beneficiary of a trust that was a shareholder and debenture holder of Fluorinov. The two directors declared their conflict of interest and abstained from all discussions and decisions concerning the Fluorinov acquisition. Accordingly, the Company determined that the consideration paid on the acquisition was made on terms equivalent to those that prevail in arm's-length transactions.

7. Accounts payable and accrued liabilities

	December 31, 2017 $	December 31, 2016 $
Trade and other payables	**2,335**	1,086
Accrued liabilities	**10,363**	3,978
Due to related parties	**1,394**	449
	14,092	5,513

Amounts due to related parties include expense reimbursements, and cash-settled Deferred Share Units.

8. Non-current liabilities

(a) Trillium is indebted to the Federal Economic Development Agency for Southern Ontario under a non-interest bearing contribution agreement and is making monthly repayments of $10 through November 2019. As at December 31, 2017 and 2016, the balance repayable was $211 and $335, respectively. The loan payable was discounted using an estimated market interest rate of 15%. Interest expense accretes on the discounted loan amount until it reaches its face value at maturity.

(b) As at December 31, 2017 and 2016, the Company had a deferred lease inducement of $407 and $438 respectively, for a facility lease. The inducement benefit is being recognized over the expected term of the lease.

8. Non-current liabilities (continued)

(c) As at December 31, 2017 and 2016, the Company had a long-term liability of $801 and $1,959, respectively, related to contingent consideration on the acquisition of Fluorinov. For the year ended December 31, 2017, the remeasurement of the fair value of the contingent consideration recognized an increase in the time estimate and increased risk of reaching the potential milestones, resulting in a net expense reduction of $1,158 which is included in research and development expenses.

The current portions of the loan payable and deferred lease inducement are included in other current liabilities in the condensed consolidated statements of financial position.

9. Share capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares, Class B shares and First Preferred Shares, in each case without nominal or par value. Common shares are voting and may receive dividends as declared at the discretion of the board of directors. Class B shares are non-voting and convertible to common shares at the holder's discretion, on a one-for-one basis. Upon dissolution or wind-up of the Company, Class B shares participate rateably with the common shares in the distribution of the Company's assets. First Preferred Shares have voting rights as decided upon by the board of directors at the time of grant. Upon dissolution or wind-up of the Company, First Preferred Shares are entitled to priority over common and Class B shares.

The Company has Series I First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the board of directors, and are convertible to common shares at the holder's discretion, on the basis of 30 Series I First Preferred Shares for one common share.

The Company has Series II First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the board of directors, and are convertible to common shares at the holder's discretion, on the basis of one Series II First Preferred Share for one common share.

Holders may not convert Series I or Series II First Preferred Shares into common shares if, after giving effect to the exercise of conversion, the holder would have beneficial ownership or direction or control over common shares in excess of 4.99% of the then outstanding common shares. This limit may be raised at the option of the holder on 61 days' prior written notice: (i) up to 9.99%, (ii) up to 19.99%, subject to clearance of a personal information form submitted by the holder to the Toronto Stock Exchange, and (iii) above 19.99%, subject to approval by the Toronto Stock Exchange and shareholder approval.

(b) Share capital issued – year ended December 31, 2017

In June 2017, the Company completed an underwritten public offering of common shares and non-voting convertible preferred shares in the United States. In the offering, the Company sold 2,949,674 common shares and 3,250,000 Series II Non-Voting Convertible First Preferred Shares at a price of U.S. $5.00 per share. The gross proceeds from this offering were $41,847 (U.S. $30,998) before deducting offering expenses of $2,856.

Concurrently with the closing of the offering, the Company amended the terms of certain common share purchase warrants held by an existing institutional investor. The warrants were previously exercisable to acquire up to 1,190,476 common shares at an exercise price of $8.40 per common share until December 13, 2018 (in each case after giving effect to the 30:1 consolidation previously effected by the Company). Pursuant to the amendment, each warrant (the "Preferred Warrants") will now be exercisable, at the discretion of the holder, to acquire either one common share or one Series II Non-Voting Convertible First Preferred Share. All other terms of the warrants (including the aggregate number of shares issuable on exercise of the warrants, the exercise price and the expiry date) remain unchanged.

In December 2017, the Company completed a non-brokered private placement financing and sold 1,950,000 common shares and 400,000 Series II Non-Voting Convertible Preferred Shares at a price of U.S. $8.50 per share yielding gross proceeds of $25,338 (U.S. $19,975) before deducting offering expenses of $1,784.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

9. Share capital (continued)

During the year ended December 31, 2017, 13,332 common shares were issued on the exercise of 399,980 warrants for proceeds of $159; 900,364 Series I First Preferred Shares were converted into 30,012 common shares; and 359,202 Series II First Preferred Shares were converted into 359,202 common shares.

Share capital issued – year ended December 31, 2016

During the year ended December 31, 2016, 30,301 common shares were issued on the exercise of 909,059 warrants for proceeds of $359; and 562,388 Series I First Preferred Shares were converted into 18,746 common shares.

(c) Weighted average number of common shares

The weighted average number of common shares outstanding for the years ended December 31, 2017 and 2016 were 9,771,021 and 7,820,196, respectively. The Company has not adjusted its weighted average number of common shares outstanding in the calculation of diluted loss per share, as any adjustment would be antidilutive.

(d) Warrants

The following table shows the number of common share purchase warrants outstanding, the exercise prices, the number of common shares issuable on exercise of the warrants and the exercise price per common share for 30 warrants as at December 31, 2017:

Expiry dates	Number of warrants	Exercise price	Number of common shares issuable on exercise	Exercise price per common share (30 warrants)
March 2018	8,240,455	$ 0.40	274,682	$ 12.00
December 2018	60,832,576	$ 0.28	2,027,753	$ 8.40
	69,073,031		2,302,435	

Changes in the number of outstanding warrants that are exercisable into common shares during the years ended December 31 were as follows:

	2017		2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of year	**105,187,297**	**$ 0.29**	106,096,356	$ 0.29
Warrant amendment	**(35,714,286)**	**0.28**	-	-
Exercised	**(399,980)**	**0.40**	(909,059)	0.40
Balance, end of year	**69,073,031**	**$ 0.29**	105,187,297	$ 0.29

Amounts in thousands of Canadian dollars, except per share amounts and where noted

9. Share capital (continued)

The following table shows the number of Preferred Warrants outstanding and their exercise price to acquire either one common share or one Series II Preferred Share at the option of the warrant holder as at December 31, 2017:

Expiry date	Number of Preferred Warrants	Exercise Price
December 2018	1,190,476	$ 8.40
	1,190,476	

(e) Stock option plan

Stock options granted are equity-settled, have a vesting period of four years and have a maximum term of ten years. The total number of common shares available for issuance under the Company's 2016 Stock Option Plan is 1,894,501. As at December 31, 2017, the Company was entitled to issue an additional 147,519 stock options under the 2016 Stock Option Plan.

Changes in the number of options outstanding during the years ended December 31 were as follows:

	2017		2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	**1,380,237**	**$ 13.38**	927,834	$ 14.07
Granted	**377,078**	**11.00**	470,321	12.60
Forfeited	**(10,000)**	**12.01**	(12,500)	28.52
Expired	**(333)**	**30.00**	(5,418)	30.00
Balance, end of year	**1,746,982**	**$ 12.87**	1,380,237	$ 13.38
Options exercisable, end of year	**845,336**	**$ 12.80**	509,750	$ 12.18

The following table reflects stock options outstanding as at December 31, 2017:

	Stock options outstanding			Stock options exercisable	
Exercise prices	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$6.36 - $9.89	547,961	7.6	$8.44	291,977	$8.23
$10.35 - $12.22	526,705	8.0	$11.26	223,794	$10.36
$13.98 - $15.30	311,125	8.4	$14.02	124,446	$14.04
$17.00 - $23.44	332,191	7.7	$20.33	186,390	$20.54
$28.05	29,000	7.4	$28.05	18,729	$28.05
	1,746,982	7.9	$12.87	845,336	$12.80

Amounts in thousands of Canadian dollars, except per share amounts and where noted

9. Share capital (continued)

Share-based compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes option pricing model with the weighted average assumptions for the years ended December 31 as follows:

	2017	2016
Expected option life	**6 years**	6 years
Risk-free interest rate	**1.6%**	0.7%
Dividend yield	**0%**	0%
Expected volatility	**87%**	84%

The Black-Scholes option pricing model was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differs from the Company's stock option awards. This model also requires highly subjective assumptions, including future stock price volatility and average option life, which significantly affect the calculated values.

The risk-free interest rate is based on the implied yield on a Government of Canada zero-coupon issue with a remaining term equal to the expected term of the option. Expected volatility was determined using a combination of historical volatilities of a peer group of biotechnology companies and the Company's own historical volatility. The life of the options is estimated considering the vesting period at the grant date, the life of the option and the average length of time similar grants have remained outstanding in the past. The forfeiture rate is an estimate based on historical evidence and future expectations. The dividend yield was excluded from the calculation since it is the present policy of the Company to retain all earnings to finance operations and future growth.

For the years ended December 31, 2017 and 2016, the Company issued 377,078 and 470,321 stock options with a fair value of $3,030 and $4,163 and a weighted average grant date fair value of $8.03 and $8.85, respectively.

(f) Deferred Share Unit Plan

The shareholders of the Company approved the 2014 Deferred Share Unit Plan (the "2014 DSU Plan") on May 27, 2014 and the reservation for issuance of up to 66,667 common shares under the plan. DSUs granted under the 2014 DSU Plan were equity-settled. There were no DSUs issued during the year ended December 31, 2016. A total of 51,788 DSUs were outstanding under this plan as at December 31, 2016 and March 8, 2017.

The board of directors approved a new cash-settled DSU plan (the "Cash-Settled DSU Plan") on November 9, 2016 and granted 47,614 DSUs for the payment of directors' fees that will ultimately be cash-settled. On March 9, 2017, the board of directors amended the terms of all outstanding equity-settled DSUs to be settled in cash. The 2014 DSU Plan was subsequently terminated resulting in a reclassification of $414 from contributed surplus to accrued liabilities and the Cash- Settled DSU Plan continues as the only DSU plan of the Company. On November 9, 2017, 46,187 DSUs were granted for payment of directors' fees. The fair values of DSUs under this plan as at December 31, 2017 and 2016 were $1,349 and $362, respectively. As at December 31, 2017, there were 145,589 DSUs outstanding under this plan.

10. Income taxes

Income taxes recoverable have not been recognized in the consolidated statements of loss, as the Company has been incurring losses since inception, and it is not probable that future taxable profits will be available against which the accumulated tax losses can be utilized.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

10. Income taxes (continued)

(a) Unrecognized deferred tax assets

As at December 31, 2017 and 2016, deferred tax assets have not been recognized with respect to the following items:

	2017 **$**	2016 $
Non-capital losses carried forward	**25,078**	17,604
Tax credits carried forward	**5,908**	4,318
Accounting basis of property and equipment and intangible assets in excess of tax basis	**48**	(1,288)
Scientific research and experimental development expenditures	**9,441**	7,353
Share issue costs and other	**1,182**	346
	41,657	28,333

(b) As at December 31, 2017 and 2016, the Company had available research and development expenditures of approximately $35,628 and $27,746, respectively, for income tax purposes, which may be carried forward indefinitely to reduce future years' taxable income. As at December 31, 2017 and 2016, the Company also had unclaimed Canadian scientific research and development tax credits of 7,483 and $5,458, respectively, which are available to reduce future taxes payable with expiries from 2018 through 2037. The benefit of these expenditures and tax credits has not been recorded in the accounts.

(c) As at December 31, 2017, the Company has accumulated non-capital losses for federal and provincial income tax purposes in Canada that are available for application against future taxable income. The benefit of these losses has not been recorded in the accounts.

The non-capital tax losses expire as follows:

	Federal $
2025	3,213
2026	6,457
2027	4,659
2028	4,169
2029	3,784
2030	1,905
2031	1,624
2032	2,883
2033	2,132
2034	5,708
2035	9,172
2036	20,724
2037	28,203
	94,633

Amounts in thousands of Canadian dollars, except per share amounts and where noted

10. Income taxes (continued)

(d) The reconciliation of the Canadian statutory income tax rate applied to the net loss for the year to the income tax expense is as follows:

	2017	2016
	$	$
Statutory income tax rate	**26.5%**	26.5%
Income tax recovery based on statutory income tax rate	**(11,966)**	(9,388)
Investment tax credits	**(1,567)**	(1,204)
Share-based compensation and other	**213**	4,705
Change in unrecognized tax assets	**13,324**	2,206
Income tax expense	**4**	(3,681)

11. Research and development

Components of research and development expenses for the years ended December 31 were as follows:

	2017	2016
	$	$
Research and development programs, excluding the below items	**22,831**	16,084
Salaries, fees and short-term benefits	**7,969**	6,256
Share-based compensation	**2,911**	3,192
Amortization of intangible assets	**3,860**	3,684
Change in fair value of contingent consideration	**(1,158)**	209
Depreciation of property and equipment	**849**	604
Tax credits	**(127)**	(240)
	37,135	29,789

12. General and administrative

Components of general and administrative expenses for the years ended December 31 were as follows:

	2017	2016
	$	$
General and administrative expenses, excluding the below items	**1,469**	1,790
Salaries, fees and short-term benefits	**2,038**	1,824
Change in fair value of deferred share units	**10**	**(** 178)
Share-based compensation	**344**	497
	3,861	3,933

13. Commitments and contingencies

As at December 31, 2017, the Company had obligations to make future payments, representing significant research and development contracts and other commitments that are known and committed in the amount of approximately $9,709. These commitments include agreements related to the conduct of the Phase I clinical trials, sponsored research, manufacturing and preclinical studies. The Company also has minimum lease payments for operating lease commitments, primarily for its office and laboratory lease, in the amount of $257 over the next 12 months, $1,021 from 12 to 60 months, and $770 thereafter. The facility lease contains options for early termination and for lease extension.

13. Commitments and contingencies (continued)

The Company enters into research, development and license agreements in the ordinary course of business where the Company receives research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which are uncertain. Under the license agreement for SIRPαFc, the Company has future contingent milestones payable of $25 related to successful patent grants, $200 and $300 on the first patient dosed in phase II and III trials respectively, and regulatory milestones on their first achievement totalling $5,000.

In connection with the acquisition of Fluorinov, the Company is obligated to pay up to $35,000 of additional future payments that are contingent upon achieving certain clinical and regulatory milestones with an existing Fluorinov compound. The Company also has an obligation to pay royalty payments on future sales of such compounds. At Trillium's discretion, up to 50% of the future contingent payments can be satisfied through the issuance of common shares of Trillium provided that the aggregate number of common shares issuable under such payments will not exceed 1,558,447 common shares unless shareholder approval has first been obtained. In addition, any such future share issuance remains subject to final approval from Trillium's board of directors and receipt of any requisite approvals under the applicable rules of the Toronto Stock Exchange and the NASDAQ Stock Market. Trillium has also committed to use commercially reasonable efforts to monetize Fluorinov's central nervous system assets and share 50% of the net proceeds with Fluorinov shareholders.

The acquisition of Fluorinov was considered a related party transaction as two Company directors were determined to be related parties of Fluorinov. One Company director was a director of Fluorinov and had an ownership position in Fluorinov at the time of acquisition of less than 2%, and the second director was a director of an entity that was a beneficiary of a trust that was a shareholder and debenture holder of Fluorinov. The two directors declared their conflict of interest and abstained from all discussions and decisions concerning the Fluorinov acquisition. Accordingly, the Company determined that the consideration paid on the acquisition was made on terms equivalent to those that prevail in arm's length transactions.

The Company has two agreements with Catalent Pharma Solutions pursuant to which Trillium acquired the right to use a proprietary expression system for the manufacture of two SIRPαFc constructs. Consideration for each license includes potential pre-marketing approval milestones of up to U.S. $875 and aggregate sales milestone payments of up to U.S. $28,750.

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by or on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the consolidated financial statements with respect to these indemnification obligations.

14. Related parties

For the years ended December 31, 2017 and 2016, the key management personnel of the Company were the Board of Directors, Chief Executive Officer, Chief Medical Officer, Chief Scientific Officer, Chief Financial Officer and the Chief Development Officer.

Amounts in thousands of Canadian dollars, except per share amounts and where noted

14. Related parties (continued)

Compensation for key management personnel of the Company for the years ended December 31 was as follows:

	2017	2016
	$	$
Salaries, fees and short-term benefits	**3,805**	3,108
Share-based compensation	**2,595**	3,512
Total	**6,400**	6,620

Executive officers and directors participate in the 2014 Stock Option Plan, the 2014 DSU Plan and the Cash-Settled DSU Plan, and officers participate in the Company's benefit plans. Directors receive annual fees for their services. As at December 31, 2017, the key management personnel controlled approximately 1% of the voting shares of the Company.

Outstanding balances with related parties at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

15. Operating segment

The Company has a single operating segment, the research and development therapies for the treatment of cancer. Substantially all of the Company's operations, assets and employees are in Canada.

16. Management of capital

The Company defines its capital as share capital, warrants and contributed surplus. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded primarily through the sale of equity securities and the exercise of common share purchase warrants. The Company also sources non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

17. Financial instruments

Fair value

IFRS 13 *Fair Value Measurement* provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1 Quoted prices in active markets for identical instruments that are observable.
Level 2 Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.
Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

The Company has classified cash and cash equivalents as Level 1. The marketable securities and loan payable has been classified as Level 2.

Cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and other current liabilities, due within one year, are all short-term in nature and, as such, their carrying values approximate fair values. Marketable securities, which primarily include guaranteed investment certificates held by the Company, are valued at fair value. The fair value of the non-current loan payable is estimated by discounting the expected future cash flows at the cost of money to the Company, which is equal to its carrying value.

17. Financial instruments (continued)

Risks

The Company has exposure to credit risk, liquidity risk, interest rate risk and currency risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee of the board of directors is responsible for reviewing the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, marketable securities and amounts receivable. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash is on deposit with major Canadian chartered banks and the Company invests in high grade short-term instruments. Amounts receivable are primarily comprised of amounts due from the federal government.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The board of directors reviews and approves the Company's operating and capital budgets, as well as any material transactions not in the ordinary course of business.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds its cash in bank accounts or high interest savings accounts that have a variable rate of interest. The Company manages its interest rate risk by holding highly liquid short-term instruments and by holding its investments to maturity, where possible. For the year ended December 31, 2017, the Company earned interest income of $722. Therefore, a 100 basis points change in the average interest rate for the year would have a net impact on finance income of $7.

(d) Currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar, which are primarily expenses in U.S. dollars. As at December 31, 2017, the Company held U.S. dollar cash and cash equivalents and marketable securities in the amount of U.S. $58,627, and had U.S. dollar denominated accounts payable and accrued liabilities in the amount of U.S. $6,778. Therefore, a 1% change in the foreign exchange rate would have a net impact on finance costs as at December 31, 2017 of $673.

U.S. dollar expenses for the years ended December 31, 2017 was approximately U.S. $15,040. Varying the U.S. exchange rate for the year ended December 31, 2017 to reflect a 1% strengthening of the Canadian dollar would have decreased the net loss by approximately $195 assuming that all other variables remained constant.

EXHIBIT INDEX

Exhibit Number	Description
1.1	By-law No.1 of Trillium Therapeutics Inc. amended and restated as of May 27, 2014 (incorporated by reference to Exhibit 1.7 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on August 12, 2014 (File No. 1-36596)).
1.2	Articles of Amalgamation dated January 1, 2017 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., furnished on January 6, 2017 (File No. 1-36596)).
4.1	Second Amended and Restated License Agreement between Trillium Therapeutics Inc., the University Health Network and The Hospital for Sick Children dated as of May 14, 2018 dated as of May 14, 2018.
4.2 *	GPEx -Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 for TTI-621 (incorporated by reference to Exhibit 4.3 to Amendment No. 1 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on October 3, 2014 (File No. 1-36596)).
4.3 *	GPEx -Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 for TTI-622 (incorporated by reference to Exhibit 4.4 to Amendment No. 1 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on October 3, 2014 (File No. 1-36596)).
4.4	2014 Stock Option Plan amended and restated as of May 27, 2014 (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on August 12, 2014 (File No. 1-36596)).
4.5	2018 Stock Option Plan amended and restated as of March 8, 2018.
4.6	2016 Cash-Settled Deferred Share Unit Plan dated November 9, 2016 (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on March 10, 2017 (File No. 1-36596)).
4.7	Share purchase agreement among Trillium Therapeutics Inc., Fluorinov and Fluorinov shareholders dated January 26, 2016 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., furnished on February 5, 2017 (File No. 1-36596)).
4.8	Royalty agreement among the Trillium Therapeutics Inc., Fluorinov and Fluorinov shareholders dated January 26, 2016 (incorporated by reference to Exhibit 99.2 to the Report on 6-K of Trillium Therapeutics Inc., furnished on February 5, 2017 (File No. 1-36596)).
4.9	S ales Agreement, by and between Trillium Therapeutics Inc. and Cowen and Company, LLC, dated as of June 19, 2018 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., furnished on June 20, 2018 (File No. 1-36596)).
12.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
12.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934

13.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350
13.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350
15.1	Consent of Ernst & Young LLP
16.1	Chief Medical Officer Employment Agreement dated April 23, 2018

* Confidential treatment granted as to portions of this exhibit.

SECOND AMENDED & RESTATED LICENSE AGREEMENT

This second amended and restated license agreement (" **Agreement** ", as further defined herein) is amended as of May 31, 2018 (" **Execution Date** ") and made effective as of February 1, 2010 (the " **Effective Date** ") unless otherwise noted, and is between:

UNIVERSITY HEALTH NETWORK an Ontario corporation incorporated by special statute under the *University Health Network Act* , *1997* , having a principal office at 190 Elizabeth Street, R. Fraser Elliott Building – Room 1S-417, Toronto, Ontario M5G 2C4 (" **UHN** ")

-AND-

THE HOSPITAL FOR SICK CHILDREN , an Ontario not -for profit corporation having an address at 555 University Avenue, Toronto, Ontario, M5G 1X8 (" **HSC** ")

-AND-

TRILLIUM THERAPEUTICS INC ., an Ontario corporation, having a principal office at 2488 Dunwin Drive, Toronto, ON, L5L 1J9 (" **TTI** ")

(Herein this Agreement, (i) UHN, HSC and TTI may be referred to individually as a " **Party** ", or collectively as the " **Parties** ", and (ii) UHN, and HSC may be referred to collectively as the " **Institutions** ".)

BACKGROUND:

A. TTI exists as a result of an amalgamation between Stem Cell Therapeutics Corp. and its wholly-owned subsidiary Trillium Therapeutics Inc. (" **Trillium** "). Trillium had entered into the Original Agreement (as hereinafter defined) with the Institutions.

B. UHN and HSC own and/or control certain intellectual property developed by UHN or HSC researchers Drs. John E. Dick and Jean Wang (of UHN) and Dr. Jayne S. Danska (of HSC) (collectively the " **Principal Investigators** ") relating to methods and compounds for the modulation of the SIRPα-CD47 interaction for therapeutic cancer applications (the " **Licensed Patents** ", as further defined herein).

C. The Parties entered into the Original Agreement, which was amended and restated as of June 1, 2012 and subsequently further amended as of September 23, 2014 (the Original Agreement, as amended by the foregoing two amendments, being collectively referred to as the " **Existing Agreement** ").

D. Pursuant to the Research Program(s), UHN and/or HSC previously conducted or are in the process of currently conducting, with financial and other support from TTI, research and development of the aforementioned methods and compounds.

E. UHN and HSC have entered into an inter-institutional agreement dated April 22, 2009, and as amended February 1, 2010 whereby UHN is deemed responsible for managing the commercialization of the Licensed Patents on behalf of UHN and HSC.

F. Institutions desire to license certain rights in the Licensed Patents and the intellectual property arising from the aforementioned SRA #2 and SRA #3 and SRA#4 and SRA#5A and #SRA5B Research Programs to TTI, and TTI desires to obtain said rights from Institutions.

G. The Parties now wish to further amend and restate the Existing Agreement in accordance with the terms outlined herein.

THEREFORE, in consideration for the mutual promises, representations, covenants and agreements of the Parties contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE 1 - INTERPRETATION

1.1 **Defined Terms** . For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

(a) " **Affiliate** " means, with respect to any Party, an entity directly or indirectly controlled by, controlling, or under common control with such Party. For the purposes of this definition, except as otherwise expressly set out in this Agreement, "control" means (a) direct or indirect beneficial ownership of at least fifty percent (50%) of the voting stock of such entity or (b) the power to direct the management and policies of such entity;

(b) **"Agreement"** means this second amended and restated license agreement; and all Schedules attached hereto, and the terms "herein", "hereunder", "hereto" and such similar expressions shall refer to this Agreement;

(c) **“BLA”** means a Biologic License Application further to the U.S. FDA Regulations (as amended), and its foreign equivalents;

(d) **“Basic Royalty”** shall have the meaning provided in Section 3.5;

(e) “ **Collaboration Agreement** ” means the collaboration agreement between the Parties made as of July 16, 2015;

(f) **“Confidential Information”** of a Party means any and all information of and disclosed by, said Party and/or any of its Affiliates (a “ **Disclosing Party** ”) which has or will come into the possession or knowledge of another Party and/or any of its Affiliates (a “ **Receiving Party** ”) in connection with or as a result of entering into this Agreement and which is marked as confidential or is identified as confidential at the time of disclosure, including information concerning the Disclosing Party's past, present and future business, research and development, technology, customers and suppliers. Information shall not be considered “Confidential Information” to the extent that, when considered as a whole and in the context disclosed, the information:

(i) is part of the public domain at the time of disclosure,

(ii) subsequently becomes part of the public domain through no act or fault of the Receiving Party or its agents or employees,

(iii) can be demonstrated by the Receiving Party’s written records to have been known or otherwise available to the receiving party prior to the disclosure by the Disclosing Party,

(iv) can be demonstrated by the Receiving Party’s written records to have been subsequently provided to the receiving Party, without restriction, by a third party who is not under a duty of confidentiality respecting the information disclosed and who has a legal right to disclose it,

(v) can be demonstrated by the Receiving Party’s written records was subsequently and independently developed by employees or consultants of the Receiving Party who had no knowledge of or access to the information disclosed,

(vi) is required to be disclosed by law or an order of a court, tribunal, or government agency or by an applicable securities regulatory authority (including a stock exchange or trading authority), provided that (to the extent reasonable and practicable in the circumstances) the Receiving Party gives to the Disclosing Party prompt notice of the required disclosure in order to allow the Disclosing Party reasonable opportunity to seek a confidentiality order or the like, or

(vii) is identified in writing by the Disclosing Party as no longer constituting Confidential Information;

(g) **"Contract Year"** means each successive twelve calendar month period during the term of this Agreement. The first Contract Year shall begin on the Effective Date; the last Contract Year shall end on the day that this Agreement expires or is otherwise earlier terminated;

(h) " **Effective Date** " has the meaning set out and described in the recitals hereto;

(i) " **Execution Date** " has the meaning set out and described in the recitals hereto;

(j) " **Existing Agreement** " has the meaning set out and described in the "Background";

(k) **"FDA"** means the United States Food and Drug Administration, or any successor agency thereof;

(l) **"Field"** means use in, and applications for, therapeutic cancer applications;

(m) **"Gross Revenue"** means the gross amount received by each of TTI, its Affiliate(s), Sublicensee(s), and any others on behalf of TTI and its Affiliates and the Sublicensee(s), in each case in respect of the sale or other disposition of Products and Services. Any Products and Services used by TTI and its Affiliates or Sublicensee(s) or others on their behalf or sold or otherwise transferred by TTI and its Affiliates, Sublicensee(s) or others on their behalf in other than an arms -length transaction shall be deemed to be invoiced for the fair market value of the Product or Service;

(n) **"Including"** means including without limitation;

(o) **"Improvements by Institutions"** means any improvement to the Licensed Technology developed at UHN or HSC by or under the direction of the Principal Investigators during the two (2) year period immediately following the expiration (but not earlier termination) of the SRA #3 (the **"Post Research Term"**), the commercialization of which, but for the License, would constitute an infringement of the Licensed Patents, and for purposes of certainty and clarity does not include (i) any improvement to the Licensed Technology developed at Institutions not by or under the direction of Principal Investigators after the Effective Date, and (ii) any improvement to the Licensed Technology developed at Institutions by or under the direction of Principal Investigators after the Post Research Term;

(p) **"Improvements by TTI"** means any improvement to the Licensed Technology made by TTI, its employees, agents and consultants during the Post Research Term, the commercialization of which, but for the License, would constitute an infringement of the Licensed Patents;

(q) **“Institutions”** has the meaning set out and described in the recitals hereto;

(r) **“Institutions Research Program IP”** means any and all Intellectual Property conceived or developed solely by either or both of UHN and HSC (which includes its personnel, staff members, employees, students, agents and consultants) pursuant to activities conducted specifically in respect of any one of more of the Research Programs, as further described and listed in Section 2 of Schedule A (as amended from time-to-time);

(s) **"Intellectual Property"** or **“IP”** mean inventions (whether patentable or unpatentable), discoveries, written material, compounds, information, know-how, trade secrets, copyright, designs, plant breeders’ rights, integrated circuit topographies, ideas (including but not limited to any computer software), formulae, algorithms, concepts, proprietary data, techniques, instructions, processes, expert opinions, information, materials, program listings, flow charts, logic diagrams, manuals, specifications, instructions, or any copies of the foregoing in any medium, or the expression thereof;

(t) **Intellectual Property Rights"** or **“IP Rights”** means any rights in Intellectual Property which a Party owns or is seeking to own, including any regular or provisional patent applications filed in the U.S., Canada or any other jurisdiction, and any divisions, continuations, patents issuing thereon or renewals, or reissues, or extensions and any and all patents and patent applications in other countries corresponding thereto, for the Licensed Technology;

(u) **“Joint Research Program IP”** means any and all Intellectual Property conceived or developed with contributions by (i) at least one of either UHN and HSC, and (ii) TTI (which includes their respective personnel, staff members, employees, students, agents and consultants) pursuant to activities conducted in respect of any one or more of the Research Programs as further described and listed in Section 3 of Schedule A (as amended from time- to-time);

(v) **"License"** shall have the meaning provided in Section 2.1;

(w) **"Licensed Patents"** means the patents and patent applications further described and listed in Section 1 of Schedule A;

(x) **“Licensed Technology”** means: (i) the Licensed Patents, (ii) the Institutions Research Program IP, and (iii) all of the right, title and interest of each of the Institutions in the Joint Research Program IP, all as further described and listed in Schedule A (as amended);

(y) **"Net Revenues"** means the Gross Revenue, excluding standard industry discounts, refunds and taxes, all as determined from the books and records of TTI and its Affiliates, and Sublicensees, maintained in accordance with generally accepted accounting principles maintained by such persons, consistently applied (provided, for greater certainty, "Net Revenues" in respect of amounts received by Sublicensees shall not be considered to be Net Revenues for the purposes of this Agreement unless and until such Sublicensee(s) have remitted royalties to TTI or its Affiliates in respect of such Gross Revenue of the Sublicensee(s));

(z) **"Notice"** shall have the meaning provided in Section 13.1;

(aa) **"Original Agreement"** means the License Agreement dated as of February 1, 2010 executed by the Parties;

(bb) " **PCT** " has the meaning ascribed thereto in the definition of "Valid Claim";

(cc) " **Principal Investigators** " has the meaning set out and described in the "Background";

(dd) **"Product"** means any product the manufacture, sale or use of which either (a) exploits Licensed Technology, or (b) would, but for the License, infringe a Valid Claim;

(ee) **"Publication"** means any means of making available to the public information by way of speech, talk, paper, drawing, photograph, printed work, tape, video recording or other electronic means, or any other disclosure given or distributed;

(ff) **"Quarter Yearly Period"** means each successive three calendar month period during the term of this Agreement ending March 31 st , June 30 tht , September 30 th and December 31 st of each Contract Year. The first and last Quarter Yearly Periods may be less than three calendar months and will commence on the Effective Date of this Agreement and terminate on the date this Agreement expires or is earlier terminated respectively;

(gg) **"Research Program(s)"** means the sponsored research relating to the research and development of methods and compounds for the modulation of the SIRPα-CD47 interaction for therapeutic cancer applications undertaken by one or both of the Institutions under the SRA #2, SRA #3, SRA #4 and SRA #5A, SRA #5B, and the Collaboration Agreement;

(hh) **"Service"** means any service provided using, or otherwise encompasses or is premised on, in whole or in part, the Licensed Technology;

(ii) **"SRA #2"** means the second sponsored research agreement between the Parties pertaining to the conduct of a portion of the Research Program dated as of February 1, 2010;

(jj) **"SRA #3"** means the third sponsored research agreement between the Parties pertaining to the conduct of a portion of the Research Program, dated as of June 1, 2012;

(kk) " **SRA #4"** means the fourth sponsored research agreement between UHN and TTI pertaining to the conduct of a portion of the Research Program, dated as of July 8, 2013, as amended;

(ll) " **SRA #5A** " means the fifth sponsored research agreement between UHN and TTI pertaining to the conduct of a portion of the Research Program, dated as of December 1, 2014;

(mm) " **SRA #5B** " means the fifth sponsored research agreement between HSC and TTI pertaining to the conduct of a portion of the Research Program, dated as of March 31, 2014;

(nn) " **Sublicensee"** shall have the meaning provided in Section 2.5;

(oo) **"Term"** shall have the meaning provided in Section 9.1;

(pp) **"Territory"** means the World;

(qq) **"TTI Research Program IP"** means any and all Intellectual Property solely conceived or developed by TTI or its Affiliates (which includes its personnel, staff members, employees, students, agents and consultants and otherwise any other person conducting activities on their behalf) without any contribution from Institutions (which includes their respective personnel, staff members, employees, students, agents and consultants except to the extent that such persons are engaged by TTI or its Affiliates to perform such contributions), pursuant to activities conducted specifically in respect of the Research Program under the SRA #2, SRA #3, and SRA #4 and SRA#5A and SRA#5B.

(rr) **" Valid Claim "** means a claim in an issued, unexpired patent or in a pending patent application within or in respect of the Licensed Technology that (a) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, (b) has not been revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, (c) has not been rendered unenforceable through disclaimer or otherwise, and (d) is not lost through an interference proceeding. Notwithstanding the foregoing, if a claim of a pending patent application within or in respect of the Licensed Technology has not issued as a claim of a patent within seven (7) years after the Patent Cooperation Treaty (" **PCT** ") filing date (or the first national filing date if no PCT was filed), such claim shall not be a Valid Claim for the purposes of this Agreement unless and until such claim issues as a claim of an issued patent. Once issued, such claim shall be retroactively applied and such claim be deemed to have always been a Valid Claim subject to subsections (a) and (b) above).

(ss) All other defined terms in this Agreement shall have the meanings as otherwise specifically set out within the body of this Agreement.

1.2 **Sections and Headings** . The division of this Agreement into articles, sections and subsections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference herein to a particular article, section, subsection or Schedule refers to the specified article, section or subsection of or Schedule to this Agreement.

1.3 **Number, Gender and Persons** . In this Agreement, words importing the singular number shall include the plural and vice versa, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

1.4 **Currency** . All monetary amounts in this Agreement are in Canadian funds.

1.5 **Schedules** . The following Schedules are annexed to and form part of this Agreement:

Schedule A – Licensed Technology

1.6 **Accounting Principles** . Any reference in this Agreement to "generally accepted accounting principles" for the purposes of TTI refers to generally accepted accounting principles as approved from time to time by the Canadian Institute of Chartered Accountants or any successor institute for use by a publicly-traded entity. Any such reference for any other person shall refer to generally accepted accounting principles as approved by the appropriate accounting body having jurisdiction over the financial statements prepared by such person.

1.7 **Best of Knowledge** . "To the best of the knowledge" or "to the knowledge", unless otherwise qualified hereunder means a statement of the declaring Party's knowledge of the actual facts or circumstances to which such phrase relates without having made any inquiries or investigations in connection with such facts and circumstances.

ARTICLE 2 - GRANT OF RIGHTS

2.1 **License.** Subject to the terms and conditions of this Agreement, Institutions grant to TTI an exclusive, royalty-bearing license, with the further right to grant sublicenses subject to Section 2.5, in any and all of their rights in and to the Licensed Technology to commercialize said Licensed Technology for the Field in the Territory, which includes the right to research, develop, manufacture, have manufactured, use, have used, sell or have sold, offer for sale, import and export Product(s) and Service(s) (the " **License** ").

2.2 **Restriction** . The License granted to TTI under Section 2.1 is subject to Institutions' retention of their rights to use the Licensed Technology without charge for research, scholarly publication, educational or other non-commercial use, with a further retention of its right to grant licenses to third parties for similar such purposes, subject to the Confidential Information and Publication provisions of this Agreement.

2.3 **Improvements by Institutions** . TTI is granted a right of first refusal to negotiate an exclusive, royalty bearing license to any Improvements by Institutions. TTI will have thirty (30) days after receiving written notice of an Improvement by Institutions to indicate its intent in writing (to UHN on behalf of Institutions) to license said Improvement by Institutions (" **Notice of Intent** "). If UHN (on behalf of Institutions) does not receive a Notice of Intent within this thirty (30) day period, TTI's right of first refusal in respect of the improvements referred to in the written notice of an improvement will lapse and Institutions will be free to dispose of such Improvement by Institutions as they see fit. Upon UHN's receipt of a Notice of Intent, the Parties shall engage in good faith negotiations in respect of any such prospective license. Any such license shall be on terms and conditions that are consistent with other such licenses within the industry and satisfactory to Institutions. If a license agreement has not been signed within one hundred-and- twenty (120) days of said receipt of a Notice of Intent (or such other period of time as the Parties may agree to), Institutions will be free to exploit and/or dispose of the Improvement by Institutions as they see fit.

2.4 **Sublicenses** . TTI shall have a right to grant sublicenses to the Licensed Technology to a third party sublicensee ("Sublicensee") with the prior consent of UHN and HSC, which consent shall not be unreasonably withheld and can be withheld only on the basis of (a) reasonable concerns expressed by the Institutions having regard to the identity of the Sublicensee, or (b) for ethical reasons having regard to the identity or operations of the Sublicensee. UHN and HSC shall provide consent within thirty (30) days of a request from TTI.

Notwithstanding, TTI shall ensure that any such sublicense contains terms and conditions that are not inconsistent with this Agreement. Notwithstanding the foregoing, TTI shall have an unfettered right to grant Sublicenses to Affiliates or to persons for the purposes of providing goods or services to TTI and/or its Affiliates. For greater certainty, a sublicense by TTI or an Affiliate may grant the Sublicensee a right to grant sublicenses subject to the foregoing limitations.

ARTICLE 3 - CONSIDERATION

3.1 **Payment of Funds** . UHN shall be responsible for the receipt of payments on behalf of Institutions, and for the transferring to HSC of HSC's share of revenues received under this Agreement. Payment to be made by TTI to Institutions hereunder shall be made by cheque payable to the order of "University Health Network" and sent to the following address:

University Health Network

Technology Development & Commercialization
College Street - Suite 150
Heritage Building - MaRS Centre
Toronto, Ontario, Canada, M5G 1L7

Attention: Cheryl Szombati - Compliance Specialist

3.2 **Up-Front License Fee** . The Institutions acknowledge that TTI has previously paid to Institutions an up-front, non- refundable and non-creditable license fee of $150,000 on execution of the First License Agreement.

3.3 **R&D Maintenance Fee** . TTI shall pay to Institutions a yearly non-refundable and non- creditable maintenance fee of $25,000 (the " **R&D Maintenance Fee** "). The R&D Maintenance Fee shall be due on the yearly anniversary of the Effective Date; yearly payments of the R&D Maintenance Fee shall end on the sale of a first Product for which royalties are owed to Institutions further to this Agreement.

3.4 **Milestone Payments.** In partial consideration of the License, TTI shall pay to Institutions the following milestone payments:

(a) Patent Issuance Milestones :

(i) $25,000 for a first patent issued in the U.S.,

(ii) $25,000 for a first patent issued in Europe, and

(iii) $10,000 for a first patent issued in Asia (which includes without limitation, China, Japan and India);

(b) Product Development Milestones (payable for a first indication only):

(i) $100,000 for the dosing of a first patient in a first FDA-approved (or alternatively, foreign equivalent) Phase- I clinical trial,

(ii) $200,000 for the dosing of a first patient in a first FDA-approved (or alternatively, foreign equivalent) Phase- II clinical trial, and

(iii) $300,000 for the dosing of a first patient in a first FDA-approved (or alternatively, foreign equivalent) Phase- III clinical trial;

(c) Regulatory Milestones :

(i) $1,000,000 for the submission of a first BLA in the U.S.,

(ii) $1,000,000 for the submission of a first BLA in the European Union,

(iii) $500,000 for the submission of a first BLA in Asia (which includes without limitation, China, Japan and India),

(iv) $1,000,000 for receipt of a first regulatory approval in the U.S.,

(v) $1,000,000 for receipt of a first regulatory approval in the European Union,

(vi) $500,000 for receipt of a first regulatory approval in Asia (which includes without limitation, China, Japan and India), and

(vii) fifty percent (50%) of the milestone payments noted in Subsections 3.4(c)(i) - (vi) for each subsequent additional BLA submission(s) and regulatory approval(s) in any particular jurisdiction.

The Institutions acknowledge that TTI has previously paid to Institutions the milestone payments set out above in 3.4(a)(ii), 3.4(a)(iii) and 3.4(b)(i) .

3.5 Basic Royalty. TTI shall pay a royalty of

(a) **three percent (3%)** of Net Revenues from Product covered by a Valid Claim; or

(b) one percent (1%) of Net Revenues from Product that is not covered by a Valid Claim but uses Licensed Technology.

Royalty payments shall be made on Net Revenues received by TTI in each Quarter Yearly Period (" **Basic Royalty"**). Payment(s) shall be made within thirty (30) days of the end of each Quarter Yearly Period (and, for greater certainty, shall only be payable in respect of Net Sales by Sublicensees to the extent that the Sublicensees have remitted royalty payments in respect of such Net Sales to TTI or its Affiliates). In the event that TTI obtains a license from one or more third parties in respect of intellectual property rights of said third party which are reasonably useful for the development or manufacturing of a Product or Service or further essentially required for the sale of a Product or Services, Basic Royalty payments under this Section 3.3 shall be reduced by the amount payable by TTI to such third parties that is allocable to the sale of Product or Service (whether such payments take the form of royalties, milestone payments or otherwise); provided however , that in no event will a deduction, or deductions, under this Section 3.5 reduce any royalty payment to Institutions in respect of Net Revenues of Product or Service by more than fifty percent (50%). If, but for the proviso in the preceding sentence, the deduction under this Section 3.5 would have reduced a royalty payment to Institutions by more than fifty percent (50%), the amount of such deduction that exceeds fifty percent (50%) shall not be carried over to subsequent or future royalty payments owed by TTI to Institutions.

3.6 **Date of Sale** . Products and Services will be deemed sold and revenue received when Product is shipped, or Service provided by, the TTI, the TTI Affiliate or Sublicensee as appropriate.

3.7 **Sublicensing Royalty.** This Section 3.7 outlines obligations taking effect as of the Execution Date and replaces previous obligations as outlined in the Existing Agreement in respect of that section. Upon the Execution Date, or as soon thereafter as practicable, but no later than thirty (30) days after the Execution Date, TTI shall issue: (a) to UHN a one-time allocation of TTI common shares, in an amount equal to $2,000,000.00 and (b) to HSC, a one-time allocation of TTI common shares in an amount equal to $1,000,000.00 (collectively the " **TTI Equity** "). The price per share of TTI Equity shall be determined as a volume weighted average price of the TTI common shares on the Toronto Stock Exchange over the fourteen (14) day period preceding the date of issuance. For clarity, this one time allocation of TTI Equity to each of the Institutions shall be non-refundable and non-creditable against future royalties (including the Basic Royalty) or milestones payable under this Agreement.

3.8 **(intentionally left blank)**

3.9 **Interest** . All monies payable to Institutions by TTI hereunder and not paid when due bear interest at the prime rate of interest quoted by the Bank of Canada, plus 5% (five percent) per annum until the date paid to Institutions. Institutions will be entitled to that interest in addition to any other rights or remedies available to it in respect of TTI's payment default.

3.10 **Withholdings** . In the event that TTI is required by any law to withhold and/or make payments to tax authorities in respect of any payments payable by TTI to Institutions under this Agreement, the liability of TTI under this Agreement shall be to that extent satisfied, and such amounts shall be deemed to have been paid to Institutions on their due dates, provided that TTI shall furnish to Institutions acceptable evidence of such payments.

3.11 **Royalty Report** . TTI shall prepare a report (the " **Royalty Report** "), setting out the Gross Revenue, the number of Products manufactured and Services rendered, an itemized statement of all costs and disbursements and the Net Revenues, if any, for the relevant period. For so long as the Gross Revenue is less than $10,000 in any consecutive 12 month period, TTI shall prepare one Royalty Report for every 12 month period. If no payments are due for any reporting period, then the Royalty Report shall so state. Once the Gross Revenue is at least $10,000 in any consecutive 12-month period, TTI shall prepare a Royalty Report for each Quarter Yearly Period. Royalty Reports shall be due within thirty (30) days of the end of the relevant reporting period (provided that such Royalty Report shall only include information in respect of Gross Revenue generated by Sublicensees upon receipt of such information by TTI from the Sublicensees, which shall not be later than 75 days following the end of a particular quarterly period).

3.12 **Complete Records** . TTI and its Affiliates shall keep true and accurate records and books of account containing all data reasonably required for the computing and verification of all payments owed by TTI to Institutions, including records for Gross Revenue, the number of Products manufactured and Services rendered, costs/disbursements, and Net Revenues in accordance with applicable generally accepted accounting principles. Such records shall be maintained by TTI and its Affiliates for at least six (6) years from the date of the payment to which such records are relevant. In addition, TTI shall contractually require all Sublicensees to provide TTI with audit rights to permit TTI to verify amounts owing to TTI and its Affiliates, which rights shall be on terms and conditions, and based upon such scope of access, as TTI shall determine in its sole and absolute discretion.

3.13 **Inspection of Records** . The records of TTI and its Affiliates specified in this Agreement shall be available for inspection by Institutions or their duly appointed auditor, upon reasonable notice and during normal business hours at the principal place of business of TTI or its Affiliates, as applicable, for the sole purpose of verifying payments owed under this Agreement. The costs of any such inspection shall be borne by Institutions unless the report of an auditor shows that the Royalty Report(s) in respect of the period under review were understated by more than five percent (5%) in the aggregate, in which case the costs of the examination shall be paid by TTI.

3.14 **Discrepancy in Records** . In the event that the records inspection conducted under Section 3.13 reveals any underpayment of royalties due to Institutions, TTI will promptly pay Institutions the full amount of that underpayment together with interest thereon at the rate of interest referred to in Section 3.9 herein.

ARTICLE 4 – REPRESENTATIONS, WARRANTIES AND LIABILITY

4.1 **UHN/HSC Warranties** . UHN and HSC each represent and warrant to TTI that:

(a) each is duly incorporated and organized and validly existing under the laws of Ontario and have all requisite corporate power and authority to enter into and perform their obligations under this Agreement;

(b) each has taken all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement; and

(c) UHN and HSC are together or independently owners of the Licensed Patents.

4.2 TTI Warranties . TTI represents and warrants to Institutions that:

(a) TTI is duly incorporated and organized and validly existing under the laws of Ontario and has all the requisite corporate power and authority to enter into and perform its obligations under this Agreement;

(b) TTI has taken all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement and the performance of its obligations hereunder and to cause all necessary meetings of directors and shareholders of TTI to be held for such purposes;

(c) the execution and delivery of this Agreement by TTI and the performance of its obligations hereunder shall not result in either a breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of TTI under:

(i) any agreement to which TTI is a party or is otherwise bound by;

(ii) any of the terms and provisions of the constating documents or by- laws, or resolutions of the board of directors (or any committee thereof), of TTI;

(iii) any judgement, decree, order or award of any court, governmental body or arbitrator having jurisdiction over TTI;

(iv) any license, permit, approval, consent or authorization held by TTI; or

(v) any applicable law, statute, ordinance, regulation or rule.

(d) the common shares forming part of the TTI Equity will be validly issued, in compliance with the constating documents of TTI and all applicable laws, including the requirements of applicable securities laws, and will be issued fully paid, tradeable and non- assessable.

4.3 EXCEPT AS OTHERWISE EXPRESSLY SET OUT IN THIS AGREEMENT:

(A) INSTITUTIONS EXPRESSLY DISCLAIM ANY AND ALL IMPLIED OR EXPRESS WARRANTIES AND MAKE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, SAFETY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE LICENSED TECHNOLOGY;

(B) INSTITUTIONS DO NOT WARRANT OR REPRESENT THAT ISSUED PATENTS ARE VALID, OR PENDING PATENT APPLICATIONS WILL ISSUE, OR WHEN ISSUED WILL BE VALID, OR THAT THE PRACTICE OR EXPLOITATION OF ANY LICENSED TECHNOLOGY, TECHNICAL INFORMATION OR KNOW-HOW DISCLOSED TO TTI PURSUANT TO THIS AGREEMENT DOES NOT, OR WILL NOT, CONSTITUTE INFRINGEMENT OF RIGHTS OF PERSONS NOT PARTIES HERETO. NOTWITHSTANDING THE FOREGOING, INSTITUTIONS WARRANT THAT THEY HAVE NOT KNOWINGLY GRANTED RIGHTS ESSENTIALLY SIMILAR TO THOSE OF THIS AGREEMENT TO THIRD PARTIES;

(C) INSTITUTIONS SHALL NOT BE LIABLE TO TTI FOR ANY DAMAGE, INCLUDING ANY DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE SUFFERED BY TTI RESULTING FROM THE USE OR OTHER EXPLOITATION OF THE LICENSED TECHNOLOGY, INCLUDING WITHOUT LIMITATION THE SALE OF ANY PRODUCT AND SERVICE. FURTHER, INSTITUTIONS MAKE NO REPRESENTATION THAT THE LICENSED TECHNOLOGY IS FREE FROM DEFECT OR LIABILITY OF INTELLECTUAL PROPERTY INFRINGEMENT.

4.4 **LIMITED LIABILITY.** SUBJECT TO SECTION 4 .3, INSTITUTIONS' ENTIRE LIABILITY TO TTI FOR DAMAGES OR ALLEGED DAMAGES HEREUNDER, WHETHER IN CONTRACT, TORT OR ANY OTHER LEGAL THEORY, IS LIMITED TO, AND WILL NOT EXCEED AN AMOUNT EQUAL TO THE SUM OF TOTAL ROYALTIES PAID BY TTI TO INSTITUTIONS UNDER SECTION 3.5 IN THE MOST RECENT FOUR (4) CONSECUTIVE QUARTER YEARLY PERIODS.

ARTICLE 5 – FURTHER TTI COVENANTS .

5.1 TTI covenants and agrees for the benefit of Institutions that it shall:

(a) exercise the License granted herein in accordance with all applicable laws, statutes, ordinances, regulations, guidelines and rules, including, all applicable statutes and regulations and applicable guidelines set forth by the Canadian Institutes of Health Research (CIHR), National Institutes of Health (NIH) or other governmental agencies where applicable;

(b) ensure that all employees, consultants, Affiliates, Sublicensees, and any other persons having access to the subject matter of this Agreement are aware of any and all obligations under this Agreement, including any and all confidentiality obligations, and have agreed to be legally bound by them;

(c) cause to be applied to pertinent papers denoting any Products or Services that same are produced or rendered under license from Institutions;

(d) cause to be applied to Products and Services where appropriate any markings required by applicable government statutes and laws to maintain continued validity and enforcement of Intellectual Property Rights and will confirm to Institutions that such markings are required and if so, will confirm that same are being adhered to;

(e) include terms and conditions in any agreement with its customers in connection with the Products and/or Services relating to the Licensed Technology limitations of representations, warranties and conditions, limits of liability and indemnities from its customers and users which extend the benefit of such provisions to Institutions;

(f) notify Institutions of the development of any TTI Research IP and Improvements by TTI;

(g) per Section 2.5, ensure that the terms and conditions of any sublicenses are consistent with this Agreement; and

(h) use commercially reasonable efforts to develop and commercialize Product(s) or Service(s).

ARTICLE 6 - MANAGEMENT OF INTELLECTUAL PROPERTY RIGHTS

6.1 **Institutions Ownership.** UHN and HSC shall own all applications and registrations for Intellectual Property Rights in the Licensed Technology (subject to Section 6.4, and with the caveat that UHN and/or HSC are co- owners with TTI of any Joint Research Program IP) and Improvements by Institutions.

6.2 **TTI Ownership.** TTI shall own and have carriage of applications and registrations for Intellectual Property Rights for Improvements by TTI, including with respect to the preparation, filing, prosecution and maintenance of patent applications.

6.3 **Information to Institutions.** TTI will keep Institutions promptly informed of all patent applications and registrations by TTI filed in accordance with Section 6.2 hereof.

6.4 **Patent Prosecution.** With appropriate reasonable input from Institutions, TTI shall have the right to control preparing, filing, prosecuting, obtaining and maintaining, at its sole cost and expense, and using patent counsel reasonably acceptable to Institutions, all Intellectual Property Rights to Licensed Technology for the Field throughout the Territory. TTI (a) will provide Institutions with a copy of any proposed patent application in respect of the Licensed Technology for review and comment reasonably in advance of filing, and (b) will keep Institutions reasonably informed of the status of such filing, prosecution and maintenance, including (i) by providing Institutions with copies of all material communications received from or filed in patent office(s) with respect to such filing, and (ii) by providing Institutions a reasonable time prior to taking or failing to take any action that would materially affect the scope or validity of any such filing, with prior written notice of such proposed action or inaction so that Institutions have a reasonable opportunity to review and comment. In the event that TTI decides to (x) forego or cease prosecution, or (y) cease maintenance, of any Intellectual Property Rights in the Licensed Technology (in whole or in part) in any jurisdiction, Institutions may (in their sole discretion and expense) continue such prosecution or maintenance and TTI shall have no further obligations and rights in respect of Institutions rights in such Intellectual Property.

6.5 **Cooperation and Notice** . As provided for in this Article 6, a Party shall cooperate with the other Parties in the preparation, filing, prosecution and maintenance of any applications and registrations for Intellectual Property Rights, including executing all papers and instruments required in order to enable the Party to apply for, to prosecute and to maintain applications and registrations in any country. Each Party shall provide to the others prompt notice as to all matters which come to its attention and which may affect the preparation, filing, prosecution or maintenance of any such applications or registrations, and shall at all times keep the other fully and promptly informed of all developments in the preparation, filing, prosecution and maintenance of any such applications or registrations.

6.6 **Infringement** . If any infringement or threatened infringement of the Licensed Technology is perceived by Institutions or TTI, said Party will immediately notify the other Parties. The Parties shall co-operate fully in the enforcement of any Intellectual Property Rights in the Licensed Technology. TTI and its Sublicensee(s) shall have initial carriage of any such action(s), and TTI or its Sublicensee(s) shall be responsible for all reasonable costs, including legal fees, disbursements and awards by the Court against Institutions or TTI pertaining to the enforcement of any Intellectual Property Rights in the Licensed Technology. If after two (2) years of been notified of any material alleged infringement, TTI and/or Sublicensee(s) are unsuccessful in persuading the alleged infringer to desist or have not brought and have not diligently prosecuted an infringement action, then HSC and/or UHN shall have the right, but not the obligation, under their own control and at their own expense to prosecute such infringement of the Intellectual Property Rights in the Licensed Technology. Any monies awarded to the Parties as a result of any action or settlement shall first go to reimburse the prosecuting Parties for reasonable costs incurred in the action. The party bringing the action shall be entitled to any amount recovered as a result of such action.

6.7 **No Actions.** TTI agrees to not knowingly take any action which would jeopardize the obtaining or maintaining of Institutions' Intellectual Property Rights in the Licensed Technology.

6.8 **No Challenges** . Except in those jurisdictions where such covenant is otherwise prohibited under applicable law, TTI agrees and shall cause its Affiliates to agree (and shall use reasonable commercial efforts to get its Sublicensee(s) to agree) that such persons shall not challenge the validity of any of Institutions' Intellectual Property Rights in the Licensed Technology or otherwise under this Agreement.

6.9 **Communications with Institutions.** UHN shall be responsible on behalf of Institutions for the receipt of any notices and communications, and shall enage in any required discussions with TTI, in respect of IP-related matters further to this Article 6.

ARTICLE 7 - CONFIDENTIAL INFORMATION

7.1 **Confidentiality** . The Parties shall take all proper measures, and at least the same measures as it takes in respect of its own Confidential Information, to keep confidential the Confidential Information of the other Parties. A Receiving Party will ensure that everyone having access to the Confidential Information of another Party is under a legal or contractual obligation to maintain such Confidential Information in confidence and is duly informed of this obligation. A Receiving Party will neither use nor disclose to any other party any of the Confidential Information of the other Parties except as expressly permitted hereunder. For greater certainty, any information which the Institutions provide to TTI with respect to the Licensed Technology or in connection with the Research Programs may be used by TTI and its Affiliates and Sublicensees in furtherance of the commercialization of products and services.

ARTICLE 8 - PUBLICATION

8.1 **Publications** . At the request of UHN, HSC or TTI (as appropriate), TTI, HSC or UHN (as appropriate) shall acknowledge the contribution and ownership of the other Parties to the Licensed Technology, Improvements by Institutions or Improvements by TTI, as the case may be. No Publication by a Party shall disclose the Confidential Information of another Party without the prior written consent of that other Party.

ARTICLE 9 - TERM & TERMINATION

9.1 **" Term "** . Unless earlier terminated pursuant to Sections 9.2 or 9.3, the Term of the License Agreement shall expire,

(a) on a country-by-country basis, in countries wherein a Valid Claim exists, when the last Valid Claim expires in any such country, and

(b) in countries wherein a Valid Claim does not exist, when the last Valid Claim in the United States expires.

Upon expiration of the Term, TTI shall be granted a fully paid up, irrevocable license to the rights licensed in the Licensed Technology.

9.2 **Earlier Termination** . This Agreement shall earlier terminate:

(a) at the discretion of TTI upon forty five (45) days notice to Institutions;

(b) at least one (1) day prior to the occurrence of any of the following events:

(i) TTI files a voluntary petition in bankruptcy or insolvency or shall petition for reorganization under any bankruptcy law, or makes a general assignment for the benefit of creditors, or otherwise acknowledges insolvency or is adjudged bankrupt;

(ii) TTI shall consent to an involuntary petition in bankruptcy or if a receiving order is given against it under the *Bankruptcy and Insolvency Act* (or such other equivalent Act in the respective jurisdiction); or

(iii) the appointment of a receiver or other similar representative for TTI by a court of competent jurisdiction;

(c) at the discretion of Institutions and upon notice to TTI, if TTI breaches any material obligations under this Agreement (including the payment of any monies as required under Sections 3.2, 3.3, 3.4, 3.5, and 3.7 and curable breaches of Article 11) and fails to, refuses to, or cannot remedy the breach within thirty (30) days after being given written notice thereof by Institutions;

(d) at the discretion of Institutions, immediately upon notice to TTI (and/or Affiliates/Sublicensee, as appropriate) for a failure to have or maintain adequate insurance per Article 11 where such failure is not curable; or

(e) by mutual consent of the Parties pursuant to Section 9.3.

Notwithstanding anything contained herein, if the Institutions allege that TTI has breached a provision of this Agreement which entitles the Institutions to terminate this Agreement, and if TTI disputes that entitlement, then the cure period(s) contemplated herein shall commence on the date when an arbitrator has determined, in a final and non-appealable decision, that TTI has so breached this Agreement.

9.3 **Termination by Mutual Consent** . The Parties may terminate this Agreement at any time by mutual consent, which consent shall be evidenced by a written agreement duly executed by the Parties.

9.4 **Obligations on Insolvency** . Subject to the provisions of Section 9.5(c), in the event that this Agreement is terminated for insolvency further to Section 9.2, the License and any sublicenses granted in accordance with this Agreement will be automatically terminated, and as such all rights to the Licensed Technology granted by Institutions to TTI, or granted by TTI to sublicensees, shall revert to Institutions. Licensed Technology shall not in any manner form part of the assets of TTI, Affiliate or any Sublicensee.

9.5 **Post-Termination** . In the event of the earlier termination of this Agreement (and notwithstanding any other provision of this Agreement):

(a) TTI (and Affiliate(s)) shall cease and desist any further use or exploitation of, and otherwise cease to derive any benefit from, the Licensed Technology, and within thirty (30) days either destroy or return to Institutions (at the request of Institutions in their sole discretion) all of Institutions' property, including all Licensed Technology and UHN and HSC Confidential Information;

(b) TTI (and Affiliate(s)) shall within thirty (30) days of the date of such earlier termination, pay Institutions all current amounts then owed to Institutions pursuant to Article 3; for purposes of certainty and clarity , no term or provision of this Agreement shall be construed to waive the payment of any monies to Institutions accrued at the date of said earlier termination, or arising thereafter;

(c) With the exception of termination for insolvency pursuant to Section 9.2, no termination of this Agreement shall be construed as a termination of any valid sublicense of any Sublicensee hereunder, and thereafter each such Sublicensee shall be considered a direct licensee of Institutions, provided that (i) such Sublicensee is then in full compliance with all terms and conditions of its sublicense, and (ii) such Sublicensee agrees in writing to assume all material obligations (including, without limitation, those of a financial nature), hereunder this Agreement;

(d) the Parties shall take all necessary steps in a prudent business manner to effect the orderly termination of this Agreement; and

(e) TTI, its Affiliate(s) and their respective Sublicensees may continue to sell any existing stock of any Products at fair market value and TTI/Affiliate(s) shall pay Institutions all royalties owed pursuant to Article 3; and

(f) TTI and its Affiliates shall be entitled to continue to be entitled to the rights granted hereunder to the extent necessary to perform any obligations then existing (including, without limitation, the performance of any Services then committed to).

ARTICLE 10 - INDEMNIFICATION

10.1 **Indemnification** . TTI, for and in consideration of and as a condition to the granting of the License, agrees to indemnify, save harmless, and defend Institutions, their directors, officers, research staff, employees, research trainees, students, and agents, against any and all claims, suits, losses, damages, costs, fees, and expenses (including reasonable legal expenses), resulting from and arising out of this Agreement including but not limited to any product liability and any third party Intellectual Property infringement or alleged infringement claims and any damages, losses, or liabilities, whatsoever with respect to death or injury to any person and damage to any property arising from this Agreement and the License granted herein, including, without limitation, the manufacture, design, distribution, and offer for sale of Products and Services or otherwise arising from any exploitation of the Licensed Technology, except to the extent caused by the negligence or willful misconduct of Institutions or any of the indemnified parties thereof.

ARTICLE 11 – INSURANCE

11.1 **TTI Insurance** . No later than thirty (30) days prior to the first use of Licensed Technology in humans, TTI, at TTI's expense, shall obtain and maintain appropriate general liability and product liability insurance (the " **TTI Insurance** ") at an overall level, incident level, and deductible amount as are standard in the industry at such time, naming TTI and Institutions as co-insured. TTI shall provide to Institutions a Certificate of Insurance evidencing compliance with this provision within thirty (30) days prior to such first use and, in no event, shall TTI use the Licensed Technology in humans prior to the delivery to Institutions of the Certificate of Insurance. TTI shall, at its own expense, obtain and maintain the TTI Insurance from the date required by this Section 11.1 until the end of the Term of this Agreement (as described in Article 9 hereof) and for a period of six (6) years thereafter.

11.2 **"Affiliate/ Sublicensee Insurance "** . TTI shall ensure that, in the event of the sale of Products/Services by TTI's Affiliate(s), such Affiliate(s) shall, at their expense, obtain and maintain appropriate liability insurance at a level commensurate with the TTI Insurance, naming TTI and Institutions as co-insured. TTI shall provide to Institutions a Certificate of Insurance evidencing compliance with this provision, within thirty (30) days prior to the first use of the Licensed Technology in humans. TTI shall ensure that in no event shall the Affiliate(s) use the Licensed Technology in humans under this Agreement prior to the delivery to Institutions of the Certificate of Insurance. TTI shall ensure that Affiliate(s) (at no expense to Institutions) obtain and maintain from the date required by this Section 11.2 until the end of the Term of this Agreement and for a period of six (6) years thereafter, a policy of appropriate liability insurance at a level commensurate with the TTI Insurance. In the case of a Sublicensee, TTI shall ensure that the sublicense agreement contains contractual covenants by the Sublicensee whereby the Sublicensee is subject to similar obligations as those imposed above upon an Affiliate. Where the Sublicensee has a market capitalization or enterprise value of greater than $1 billion and has a policy of self-insuring, then Sublicensee may self-insure.

11.3 **Qualified Insurance** . All insurance policies required in accordance with this Article 11 shall be obtained from a qualified insurance company licensed to do business in the jurisdictions governed by this Agreement.

11.4 **Notice** . All insurance policies required in accordance with this Article 11 shall provide for fifteen (15) business days written notice by the insurer to TTI and Institutions by registered or certified mail in the event of any modification, cancellation or termination of such insurance policy.

11.5 **Copy of Policy** . TTI shall, on written request, provide Institutions with a copy of the insurance policy in force at the time of the request and this provision shall survive the termination or expiration of this Agreement.

11.6 **Incomplete Insurance** . In the event TTI (or Affiliate or Sublicensee, as appropriate) is unable to obtain the insurance coverage required by this Article 11, or if any portion of the TTI Insurance or Affiliate/Sublicensee insurance or other required coverage is cancelled and not immediately replaced, TTI shall promptly inform Institutions and Institutions shall be free to terminate this Agreement upon notice to TTI/Affiliate/Sublicensee in accordance with Section 9.2(c) and 9.2(d).

ARTICLE 12 - DISPUTE RESOLUTION

12.1 **Best Efforts.** The Parties agree to use reasonable best efforts to resolve amicably among themselves any dispute arising out of this Agreement.

12.2 **Referral for Resolution.** If the Parties are unable to resolve the dispute under Section 12.1, the dispute shall be referred to the Vice President, Research of UHN (or designate), Vice-President, Research of HSC (or designate) and the CEO (or designate) of TTI for their discussion and resolution. The Parties may agree to mediation of the dispute.

12.3 **Arbitration** . Any dispute which cannot be settled amicably between the Parties as provided in Sections 12.1 and 12.2 shall be submitted to arbitration, by an arbitrator to be mutually agreed upon by the Parties, in accordance with the provisions of the *Arbitration Act, 1991* , S.O. 1991, c.17, as amended from time to time. The arbitration will take place in the City of Toronto.

12.4 Termination under Section 9.2 and/or for inadequate or lack of insurance under Article 11, shall not be subject to this Article 12.

ARTICLE 13 – NOTICE

13.1 **Notice** . All notices which are required or permitted to be given hereunder (" **Notices** ") including judicial payment notices must be in writing. All such Notices must be sent as follows:

to UHN:

Attention: John Reid, PhD, MBA
Director, Technology Development & Commercialization
University Health Network
101 College Street – Suite 150
Heritage Building – MaRS Centre
Toronto, Ontario, Canada M5G 1L7

Telephone No.: (416) 581-7408
Facsimile No.: (416) 977-4765

to HSC:

Attention: Director, Industry Partnerships & Commercialization
The Hospital for Sick Children
555 University Avenue
Toronto, Ontario, Canada M5G 1X8

Telephone No.: (416) 813-8858
Facsimile No.: (416) 813-5968

to TTI:

Attention: Dr. Niclas Stiernholm
Chief Executive Officer

Trillium Therapeutics Inc.
2488 Dunwin Drive, Toronto, Ontario, L5L 1J9

Canada

Direct: (416) 595- 9491
Phone: (416) 595- 0627 x222
Fax: (416) 595-5835
E-mail: niclas@trilliumtherapeutics.com

or to such other address as a Party may designate by Notice given in accordance with this Article 13. Any such Notice may be delivered by hand, by registered mail, or sent by facsimile and will be deemed to have been delivered on the date of delivery if delivered by hand, five (5) days after mailing if sent by registered mail, or on the first business day following the date of sending, if sent by telecopy.

ARTICLE 14 – GENERAL

14.1 **Entire Agreement** . The Parties hereto acknowledge that this Agreement and its Schedule set forth the entire agreement and understanding of the Parties hereto as to the subject matter hereof, and supersedes all prior discussions, agreements and writings in respect hereto.

14.2 **General Assurances** . The Parties agree to do all such things and to execute such instruments and documents as may be necessary or desirable in order to carry out the provisions and intent of this Agreement.

14.3 **Enure to Benefit** . This Agreement shall enure to the benefit of and be binding upon the respective Parties and, where the context admits or requires, their respective permitted successors or assigns.

14.4 **Assignment** .

(a) This Agreement cannot be assigned, sold, transferred or encumbered in any manner by TTI without the expressed written consent of Institutions, which consent will not be unreasonably withheld.

(b) Notwithstanding Subsection 14.4(a), in the event TTI sells all or substantially all of its assets to another entity, TTI may assign its rights and obligations hereunder to the surviving or acquiring entity if: (i) TTI is not then in breach of this Agreement; (ii) the proposed assignee has or will have sufficient available resources, including liquid financial resources, management experience, and sufficient scientific, business and other expertise comparable or superior to TTI, that will be committed in order to satisfy its obligations hereunder; (iii) TTI provides written notice of the assignment to Institutions, together with documentation satisfactory to Institutions, acting reasonably, sufficient to demonstrate the requirements set forth in subparagraphs (i) through (ii) above, at least thirty (30) days prior to the effective date of the assignment; and (iv) Institutions receive from the assignee, in writing, at least thirty (30) days prior to the effective date of the assignment: (w) reaffirmation of the terms of this Agreement; (x) an agreement to be bound by the terms of this Agreement; (y) an agreement to perform the obligations of Licensee under this Agreement, and (z) details satisfactory to Institutions concerning subparagraphs (iii) of this Subsection 14.4(b).

(c) In the event of the sale, transfer or other disposition of the whole of TTI's business to a third party, or that part encompassing or otherwise associated with the development and commercialization of the Licensed Technology, TTI shall pay to Institutions a " **License Transfer Fee** " equal to two percent (2%) of the (monetized) amount received by TTI in respect of said sale/transfer/disposition, to a maximum of $3,000,000, such payment to be made by TTI to UHN (on behalf of Institutions) within thirty (30) days of the closing of such sale/transfer/disposition. For purposes of certainty and clarity, only a single License Transfer Fee shall be owed and payable in the event of the aforementioned sale, transfer or other disposition of TTI's business encompassing the Licensed Technology and/or the analogous sale, transfer or other disposition of TTI's business encompassing the licensed technology of the Original Agreement.

(d) Notwithstanding any other term or provision of this Agreement, no assignment of the Agreement (and any License thereunder) shall be finalized and executed absent the receipt by Institutions of the License Transfer Fee.

14.5 **No Use of Names** . Except as contemplated herein, TTI shall not use the name, logo, trade-mark or trade-name of Institutions in connection with any products, publicity, promotion news release, advertising or similar public statements or otherwise without the prior written consent of Institutions. Notwithstanding the foregoing, TTI may use the names or trade-names of the Institutions in press releases or public filings made pursuant to disclosure obligations under applicable securities and regulatory requirements.

14.6 **No Joint Venture** . Each Party is and will remain at all times independent of each other. The Parties are not and shall not be considered to be joint venturers, partners or agents of each other and neither of them shall have the power to bind or obligate the other except as set forth in this Agreement. The Parties mutually covenant and agree that neither shall they, in any way, incur any contractual or other obligation in the name of the other, nor shall they have liability for any debts incurred by the other. No representation will be made or acts taken by any of the Parties which could establish any apparent relationship of agency, joint venture, partnership or employment.

14.7 **Waiver** . No amendment, supplement or waiver of any provision of this Agreement shall be binding on any Party unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided. Further, no failure or delay by any Party in exercising any right or remedy shall operate as a waiver thereof, nor shall any single or partial exercise or waiver of any right or remedy preclude its further exercise or the exercise of any other right or remedy.

14.8 **Time of the Essence** . Time is of the essence in this Agreement and of each and every term and condition hereof.

14.9 **Joint Preparation** . This Agreement shall be deemed to be jointly prepared by the Parties, and any ambiguity herein shall not be construed for or against any single Party.

14.10 **Governing Law** . This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada and shall be treated as an Ontario contract. Subject to Article 12, the Parties irrevocably and unconditionally submits to the non-exclusive jurisdiction the courts of such Province and all courts competent to hear appeals therefrom in connection with any matters arising under this Agreement.

14.11 **Severability of Provisions** . In the event that any provisions of this Agreement are determined to be invalid or unenforceable by a court of competent jurisdiction in any jurisdiction, the remainder of the Agreement shall remain in full force and effect without said provision in said jurisdiction and such determination shall not affect the validity or enforceability of such provision or the Agreement in any other jurisdiction. The Parties shall in good faith negotiate a substitute clause for any provision declared invalid or unenforceable, which shall most nearly approximate the intent of the Parties in entering this Agreement.

14.12 **Force Majeure** . In the event that any one of the Parties is prevented from fulfilling any of its obligations herein by acts of God, war, terrorism, strikes, riots, storms, fires, governmental orders or restrictions or any other cause beyond its control, the payment of royalties, or the applicable pro rata portion thereof, shall be suspended during the full period of any such prevention, but payment of royalties which has accrued for payment prior to, or after such cause shall not be excused. Institutions will have the right to terminate this Agreement in the event that the TTI is unable to fulfill its obligations herein for a period of at least three (3) months.

14.13 **Survival** . Articles 1, 3, 7, 8, 10, 11 (in support of post termination sales of Products and Services as authorized pursuant to this Agreement), 12, 13, 14 in their entirety and Sections 2.4, 4.3, 4.4, 5.1(b) through (e), 6.1, 6.2, 6.6 (with regards to any payment obligations) 9.4 and 9.5 shall remain in force and effect after the expiration or earlier termination of this Agreement until such time as specifically noted in a particular Article or Section, or the Parties mutually agree to the release (singly or collectively) of the obligations contained therein.

14.14 **Counterparts** . This Agreement may be executed in counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the Effective Date.

UNIVERSITY HEALTH NETWORK Per: /s/ Dr. Bradly G. Wouters Name: Dr. Bradly G. Wouters Title: Executive Vice President Science and Research	**HOSPITAL FOR SICK CHILDREN** Per: /s/ Dr. Michael Apkon Name: Dr. Michael Apkon Title: President and Chief Executive Officer
TRILLIUM THERAPEUTICS INC. Per: /s/ Dr. Niclas Stiernholm Name: Dr. Niclas Stiernholm Title: Chief Executive Officer	 Per: /s/ Laurie Harrison Name: Laurie Harrison Title: Vice President, Finance and Chief Financial Officer

SCHEDULE A
Licensed Technology

1. Licensed Patents

A. Filed Patent Applications:

(i) Patent family entitled: “Compositions and methods for treating hematologic cancers targeting the SIRPalpha - CD47 interaction.” (J.C.Y. Wang, J. E. Dick, T. Prasolova, L. Jing, A. Theocharides & J.S. Danska (inventors)) including:

Application Number	Country	Type	Status	Patent Number
US61/178,553	United States	Provisional	Expired	
US61/178,559	United States	Provisional	Expired	
PCT/CA2010/000743	PCT	PCT	Expired	
US13/320,629	United States	Utility	Patent - pending	
CA2,761,438	Canada	Utility	Patent - pending	
CA	Canada	Utility - Divisional	Patent - pending	
CN201080021398.7	China	Utility	Patent - pending	
IN9580/DELNP/2011	India	Utility	Patent - pending	
EP10774475.7	Europe	Utility	Expired	EP2429574
EP10774475.7	Austria	Utility	Patent - revoked	EP2429574(AT)
EP10774475.7	Turkey	Utility	Patent - revoked	EP2429574(TR)
EP10774475.7	Slovenia	Utility	Patent - revoked	EP2429574(SI)
EP10774475.7	Sweden	Utility	Patent - revoked	EP2429574(SE)
EP10774475.7	Romania	Utility	Patent - revoked	EP2429574(RO)
EP10774475.7	Portugal	Utility	Patent - revoked	EP2429574(PT)
EP10774475.7	Poland	Utility	Patent - revoked	EP2429574(PL)
EP10774475.7	Norway	Utility	Patent - revoked	EP2429574(NO)
EP10774475.7	Netherlands	Utility	Patent - revoked	EP2429574(NL)
EP10774475.7	Monaco	Utility	Patent - revoked	EP2429574(MC)
EP10774475.7	Latvia	Utility	Patent - revoked	EP2429574(LV)
EP10774475.7	Luxembourg	Utility	Patent - revoked	EP2429574(LU)
EP10774475.7	Lithuania	Utility	Patent - revoked	EP2429574(LT)
EP10774475.7	Italy	Utility	Patent - revoked	EP2429574(IT)
EP10774475.7	Ireland	Utility	Patent - revoked	EP2429574(IE)
EP10774475.7	Bulgaria	Utility	Patent - revoked	EP2429574(BG)
EP10774475.7	Switzerland	Utility	Patent - revoked	EP2429574(CH)
EP10774475.7	Czech Republic	Utility	Patent - revoked	EP2429574(CZ)
EP10774475.7	Germany	Utility	Patent - revoked	EP2429574(DE)
EP10774475.7	Denmark	Utility	Patent - revoked	EP2429574(DK)
EP10774475.7	Spain	Utility	Patent - revoked	EP2429574(ES)
EP10774475.7	Finland	Utility	Patent - revoked	EP2429574(FI)
EP10774475.7	France	Utility	Patent - revoked	EP2429574(FR)
EP10774475.7	Greece	Utility	Patent - revoked	EP2429574(GR)

EP10774475.7	Hungary	Utility	Patent - revoked	EP2429574(HU)
EP10774475.7	Belgium	Utility	Patent - revoked	EP2429574(BE)
EP10774475.7	United Kingdom	Utility	Patent - revoked	EP2429574(UK)
EP10774475.7	Slovak Republic	Utility	Patent - revoked	EP2429574(SK)
EP10774475.7	Croatia	Utility	Patent - revoked	EP2429574(HR)
EP15160169.7	Europe	Utility - Divisional	Patent - pending	
AU2010246872	Australia	Utility	Patent - issued	AU2010246872
AU2015201757	Australia	Utility - Continuation	Abandoned	
AU2017200201	Australia	Utility - Continuation	Patent - pending	
JP2012-510083	Japan	Utility	Patent - issued	JP6091891
JP2015-160462	Japan	Utility - Divisional	Patent - pending	
CN201080021398.7	China	Utility	Patent - pending	
CN2017104760534	China	Utility – Divisional	Patent - pending	
9580/DELNP/2011	India	India - Utility	Patent - pending	

B. Foreign Dependent Applications:

Any patent application(s) claiming priority to the applications listed in Part 1 of this Schedule A.

C. Continuations, Divisionals, Renewals, Extensions:

For greater certainty, the Licensed Patents shall further include:

(a) any issued patent(s) or patent application(s) described or listed in this Schedule A;

(b) all continuations and continuations-in-part applications to the issued patent or patent application described in Part 1 of this Schedule A (solely to the extent such continuations-in-part applications contain subject matter on which claims issuing obtain the benefit of a priority date of any patent or patent application described in Part 1 of this Schedule A);

(c) all divisions, patents of addition, reissues, renewals and extensions of any of the patent, patent application, continuations and continuations-in-part applications set out in the foregoing paragraphs (a) and (b) of Part 1(C) of this Schedule A; and

(d) all foreign counterparts of any of the foregoing (including, without limitation, European Supplementary Protection Certificates or its equivalent).

2. Institutions Research Program IP

To be amended from time-to-time, as required.

3. Joint Research Program IP:

To be amended from time-to-time, as required.

TRILLIUM THERAPEUTICS INC.
STOCK OPTION PLAN

Amended and Restated
as of March 8, 2018

1. Purpose of Plan

The purpose of the Trillium Therapeutics Inc. (the " **Corporation** ") Stock Option Plan (the " **Plan** ") is to assist the Corporation in attracting, retaining and motivating directors, officers, consultants and employees of the Corporation and its subsidiaries and to closely align the personal interests of such directors, officers, employees and consultants with those of the shareholders of the Corporation by providing them with the opportunity, through options (" **Options** "), to acquire common shares (" **Common Shares** ") in the capital of the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation which shall have full and final authority and discretion, subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan, subject to the rules and policies of any exchange or quotation system upon which the Corporation's Common Shares are listed or quoted including the Toronto Stock Exchange (" **TSX** ") and the NASDAQ Stock Market (the " **Exchange Rules** "). The Board of Directors may delegate any or all of its authority and discretion with respect to the administration of the Plan to the committee of the Board of Directors to which responsibility for executive compensation is delegated and when used hereafter in the Plan, " **Board of Directors** " shall be deemed to include such committee.

3. Number of Shares Under Plan

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time, plus the number of Common Shares reserved for issuance under outstanding Options otherwise granted by the Corporation (collectively, the " **Optioned Shares** ") shall not exceed 3,894,501 Common Shares.

Any exercise of Options will not make new grants available under the Plan. However, if Options granted to an individual under the Plan in respect of certain Optioned Shares expire or terminate for any reason with or without having been exercised, such Optioned Shares may be made available for other Options to be granted under the Plan.

The following additional restrictions apply:

(i) in no event shall Options be granted to an individual to purchase in excess of 5% of the total of the number of then issued and outstanding Common Shares and the number of Common Shares issuable upon due conversion of the issued and outstanding Preferred Shares of the Corporation in any 12 month period; and

(ii) the aggregate number of Common Shares issued to "reporting insiders" (as such term is defined in National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*) under the Plan or any other security-based compensation arrangement of the Corporation and its affiliates (" **Security Based Compensation Arrangement"**) within a one-year period, may not exceed 10% of the total combined number of issued and outstanding Common Shares and the number of Common Shares issuable upon due conversion of the issued and outstanding Preferred Shares

4. Eligibility

Options may be granted under the Plan to such directors, officers, employees of, or consultants to, the Corporation or its subsidiaries as the Board of Directors may from time to time designate as participants (the " **Participants** ") under the Plan. Subject to the provisions of the Plan, the total number of Optioned Shares to be made available under the Plan and to each Participant, the time or times and price or prices at which Options shall be granted, the time or times at which such Options are exercisable and any conditions or restrictions on the exercise of Options shall be in the full and final discretion of the Board of Directors.

No Options shall be granted to any Participant that is a non-employee director if such grant could result, at any time, in (i) the aggregate number of Common Shares issuable to non-employee directors under the Plan, or any other Security-Based Compensation Arrangement, exceeding 1% of the issued and outstanding Common Shares and the number of Common Shares issuable upon due conversion of the issued and outstanding Preferred Shares; or (ii) an annual grant per non-employee director exceeding $100,000 worth of Options.

Notwithstanding the expiration date applicable to any Option, if an Option would otherwise expire during or immediately after a Black-out Period, then the expiration date of such Option shall be the tenth business day following the expiration of the Black-out Period. Where used herein, " **Black-out Period** " means the period during which the Corporation has imposed trading restrictions on its insiders and certain other persons pursuant to its insider trading and disclosure policies.

5. Terms and Conditions

All Options under the Plan shall be granted upon and subject to the terms and conditions hereinafter set forth.

(a) Exercise Price

The exercise price payable in respect of each Optioned Share may not be lower than the closing trading price of the Common Shares on the TSX or the NASDAQ Stock Market, as specified by the committee in the Option award (the " **Exchange** ") on the trading day immediately preceding the date of grant.

(b) Option Agreement

All Options granted under the Plan shall be evidenced by means of an agreement (the " **Option Agreement** ") between the Corporation and each Participant in a form as may be approved by the Board of Directors, such approval to be conclusively evidenced by the execution of the Option Agreement by any senior officer or director of the Corporation other than the Participant. The Corporation shall represent in each Option Agreement that the Participant is a bona fide director, officer, or employee of, or consultant to, the Corporation.

(c) Length of Grant and Vesting

Subject to Section 4, each Option granted under the Plan shall expire not later than the 10th anniversary of the date such Option was granted and may be exercised by the Participant subject to such vesting (if any), during the term thereof as the Board of Directors shall determine (" **Option Period** ").

(d) Non-Assignability of Options

An Option granted under the Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by a Participant other than to "permitted assigns" as such term is defined in National Instrument 45-106 - *Prospectus Exemptions* or by will or other testamentary instrument or the laws of succession and may be exercisable during the lifetime of the Participant only by such Participant.

(e) Right to Postpone Exercise

Each Participant, upon becoming entitled to exercise an Option in respect of any Optioned Shares in accordance with an Option Agreement, shall thereafter be entitled to exercise the Option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement or the Option rights granted thereunder in accordance with such agreement.

(f) Exercise and Payment

Any Option granted under the Plan may be exercised by a Participant or the legal representative of a Participant by giving notice to the Corporation specifying the number of Common Shares in respect of which such Option is being exercised, accompanied by payment (by cash or certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of Common Shares specified in the notice. Upon any such exercise of an Option by a Participant, the Corporation shall promptly deliver to such Participant or the legal representative of such Participant, as the case may be, a share certificate in the name of such Participant or the legal representative of such Participant, as the case may be, representing the number of Common Shares specified in the notice.

If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise or disposition of Options by a Participant, then the Participant shall, concurrently with the exercise or disposition:

(i) pay to the Corporation, in addition to the exercise price for the Options, if applicable, sufficient cash as is determined by the Corporation to be the amount necessary to fund the required tax remittance;

(ii) where the Corporation so agrees, authorize the Corporation, on behalf of the Participant, to sell in the market on such terms and at such time or times as the Corporation determines such portion of the Common Shares being issued upon exercise of the Options as is required to realize cash proceeds in the amount necessary to fund the required tax remittance; or

(iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

(g) Rights of Participants

The Participants shall have no rights whatsoever as shareholders in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions therefrom, voting rights, warrants or rights under any rights offering) other than in respect of Optioned Shares for which Participants have exercised their Option to purchase and which have been issued by the Corporation.

(h) Change of Control

The term " **Change of Control** " shall mean any one or a combination of:

(i) any transaction at any time and by whatever means pursuant to which (A) the Corporation goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of Corporation voting securities immediately prior to such corporate transaction or reorganization or (B) any Person or any group of two or more Persons acting jointly or in concert (other than the Corporation, a wholly-owned Subsidiary (as defined in the *Securities Act* (Ontario)) of the Corporation, an employee benefit plan of the Corporation or of any of its wholly-owned Subsidiaries, including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the *Business Corporations Act* (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the Corporation's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a Person other than a wholly-owned Subsidiary of the Corporation;

(iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Persons which were wholly-owned Subsidiaries of the Corporation immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any Person other than a wholly-owned Subsidiary of the Corporation (and other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of the Corporation); or

(v) the Board of Directors passes a resolution to the effect that, for the purposes of some or all of the Option Agreements, an event set forth in (i), (ii), (iii) or (iv) above has occurred.

Notwithstanding any other provision of the Plan, in the event of a Change of Control, any surviving, successor or acquiring entity will assume any outstanding Options or will substitute similar awards for the outstanding Options. If the surviving, successor or acquiring entity does not assume the outstanding Options or substitute similar awards for the outstanding Options, as determined by the Board of Directors in its sole discretion, the Corporation will give written notice to all Participants advising that the Plan will be terminated effective immediately prior to the Change of Control and all Options will be deemed to be vested Options and may make provision for the exercise of Options and tender of Common Shares in connection with the Change of Control and may otherwise make provision for the cash out or termination of Options that are not exercised within a specified period of time.

(i) Alterations in Shares

In the event of a share dividend, share split, issuance of Common Shares or instruments convertible into Common Shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of Common Shares, recapitalization, amalgamation, merger, consolidation, corporate continuance, reorganization, liquidation or the like of or by the Corporation, the Board of Directors may make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Participants under the Plan. In any such event, the maximum number of Common Shares available under the Plan may be appropriately adjusted by the Board of Directors.

Subject to Section 5(h) (in respect of a Change of Control), if because of a proposed merger, amalgamation or other corporate continuance or reorganization, the exchange or replacement of Common Shares in the Corporation for those in another corporation is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unexercised Option rights granted under the Plan shall be treated including, for example, the time for the fulfilment of any conditions or restrictions on such exercise. All determinations of the Board of Directors under this paragraph (j) shall be full and final,

(j) Termination for Cause

If a Participant is dismissed as a director, officer or employee of, or consultant to, the Corporation or one of its subsidiaries for cause (as such term is interpreted by the courts of Ontario from time to time, " **Cause** "), all unexercised Option rights of that Participant under the Plan shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such Participant under the Plan.

(k) Retirement, Resignation or Termination without Cause

Subject to earlier termination pursuant to Section 5(j) above, if a Participant ceases to be a director, officer or employee of, or consultant to, the Corporation or of one of its subsidiaries as a result of:

(i) retirement at the normal retirement age prescribed by the Corporation pension plan, if any;

(ii) resignation; or

(iii) termination without Cause;

such Participant shall have the right until the earlier of: (i) 120 days (or such other longer period as may be determined by the Board of Directors in its sole discretion or, if longer, the period specified in the Participant's employment contract) following the Participant's last day of active employment which shall not include any period of statutory or reasonable notice or any period of deemed employment or salary continuance (" **Termination Date** "); and (ii) the normal expiry date of the Option rights of such Participant, to exercise the Option under the Plan with respect to all Optioned Shares of such Participant to the extent that they were exercisable on the Termination Date. Upon the expiration of such period, all unexercised Option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such Participant under the Plan.

(l) Disabled Participant

If a Participant ceases to be a director, officer or employee of, or consultant to, the Corporation or of one of its subsidiaries as a result of disability or illness preventing the Participant from performing the duties routinely performed by such Participant, such Participant shall have the right until the earlier of: (i) 180 days following the Termination Date; and (ii) the normal expiry date of the Option rights of such Participant, to exercise the Option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the Termination Date. Upon the expiration of such 180 day period all unexercised Option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such Participant under the Plan.

(m) Deceased Participant

In the event of the death of any Participant, the legal representatives of the deceased Participant shall have the right until the earlier of: (i) one year after the date of death of the Participant; and (ii) the normal expiry date of the Option rights of such Participant, to exercise the deceased Participant's Option with respect to all of the Optioned Shares of the deceased Participant to the extent they were exercisable on the date of death. Upon the expiration of such period all unexercised Option rights of the deceased Participant shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to the deceased Participant under the Plan.

(n) Termination without Cause Following a Change of Control

Notwithstanding anything in the Plan to the contrary, if the employment of a Participant is terminated by the Corporation (or its successor, if applicable) without cause or if the Participant resigns in circumstances constituting constructive dismissal, in each case, within 24 months following a Change of Control all of the Participant's Options, will vest immediately prior to the Termination Date. All vested Options may be exercised until the earlier of: (i) 120 days (or such other longer period as may be determined by the Board of Directors in its sole discretion) following the Termination Date; or (ii)the normal expiry date of the Option rights of such Participant. Upon the expiration of such period, all unexercised Option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such Participant under the Plan.

6. Amendment and Discontinuance of Plan

The Board of Directors has the discretion to make amendments to this Plan and any Options granted hereunder which it may deem necessary, without having to obtain shareholder approval. Such changes include, without limitation:

(i) minor changes of a "housekeeping" nature;

(ii) amending Options under the Plan, including with respect to the Option Period (provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted and does not deal with an extension of the Option Period)), vesting period, exercise method and frequency, and method of determining the exercise price, assignability and effect of termination of a Participant's employment or cessation of the Participant's directorship;

(iii) changing the class of Participants eligible to participate under the Plan;

(iv) except as provided below, changing the terms and conditions of any financial assistance which may be provided by the Corporation to Participants to facilitate the purchase of Common Shares under the Plan; and

(v) adding a cashless exercise feature, payable in cash or securities, provided that a cashless exercise will result in a full deduction of the number of underlying Common Shares from the Plan reserve.

Shareholder approval will be required in the case of: (i) any amendment to the amendment provisions of the Plan; (ii) any increase in the maximum number of Common Shares issuable under the Plan; (iii) amendments that may permit the introduction or re-introduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-employee director participation; (iv) any amendment which would permit Options granted under the Plan to be transferable or assignable other than as set forth in Section 5(d) and for normal estate settlement purposes, (v) the addition of any form of financial assistance, (vi) any amendment to a financial assistance provision that is more favourable to participants, (vii) any amendment to the insider participation limits set forth in Section 3(ii), and (viii) any reduction in the exercise price or extension of the Option Period (other than as a result of a Blackout Period extension), in addition to such other matters that may require shareholder approval under the Exchange Rules.

7. No Further Right

Nothing contained in the Plan nor in any Option granted hereunder shall give any Participant or any other person any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option, nor shall it confer upon the Participants any right to continue as an officer or employee of the Corporation or of its subsidiaries.

8. Compliance with Laws

The obligations of the Corporation to sell Common Shares and deliver share certificates under the Plan are subject to such compliance by the Corporation and the Participants with all applicable corporate and securities laws and Exchange Rules as the Corporation deems necessary or advisable.

Certification by the Principal Executive Officer pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Niclas Stiernholm, certify that:

1. I have reviewed this annual report on Form 20-F of Trillium Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 11, 2019

By: /s/ Niclas Stiernholm
Name: Niclas Stiernholm
Title: Chief Executive Officer
(Principal Executive Officer)

Certification by the Principal Financial Officer pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James Parsons, certify that:

1. I have reviewed this annual report on Form 20-F of Trillium Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 11, 2019

By: /s/ James Parsons
Name: James Parsons
Title: Chief Financial Officer
(Principal Financial Officer)

Certification by the Principal Executive Officer pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Trillium Therapeutics Inc. (the "Company") on Form 20-F for the fiscal year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Niclas Stiernholm, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11, 2019

By: /s/ Niclas Stiernholm
Name: Niclas Stiernholm
Title: Chief Executive Officer
(Principal Executive Officer)

Certification by the Principal Financial Officer pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Trillium Therapeutics Inc. (the "Company") on Form 20-F for the fiscal year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Parsons, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11, 2019

By: /s/ James Parsons
Name: James Parsons
Title: Chief Financial Officer
(Principal Financial Officer)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form F-3 (File 333-224983) and Registration Statement on Form F-10 (File No. 333-222085) of Trillium Therapeutics Inc., of our report dated March 7, 2019, with respect to the consolidated financial statements of Trillium Therapeutics Inc. as at and for the years ended December 31, 2018 and 2017.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 11, 2019

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement"), effective April 23, 2018 ("Effective Date"), is made between Trillium Therapeutics USA Inc., a Delaware corporation ("Employer" or the "Company"), and Dr. Yaping Shou ("Employee"). Employee and the Company are sometimes referred to herein as the "Parties."

RECITALS

A. Employer is an immuno-oncology company in the business of discovering and developing cancer therapies.

B. Employer desires to obtain the services of Employee as its Chief Medical Officer, in which capacity Employee has access to Employer's Confidential Information (as hereinafter defined), and to obtain assurance that Employee will protect Employer's Confidential Information and will not solicit its other employees during the term of employment and for a reasonable period of time after termination of employment pursuant to this Agreement, and Employee is willing to agree to these terms.

C. Employee desires to be assured of the salary, bonus opportunity and other benefits in this Agreement and, as additional consideration, to obtain the stock options that Employer is willing to grant.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, and other good and valuable consideration, the parties agree as follows:

1. Employment . Employer hereby employs Employee, and Employee agrees to be employed as its Chief Medical Officer. Employee will report to Dr. Niclas Stiernholm, the President and Chief Executive Officer of Employer. Employee will devote full time and attention to the Employees duties. Employee will comply with all rules, policies and procedures of Employer as modified from time to time. Employee will perform all of Employee's responsibilities in compliance with all applicable laws and will ensure that the operations that Employee manages are in compliance with all applicable laws. During Employee's employment, Employee will not engage in any other business activity which, in the reasonable judgment of Employer, conflicts with the duties of Employee under this Agreement, whether or not such activity is pursued for gain, profit or other pecuniary advantage. Employee will work primarily from her home office, located at 293 Sargent Road, Boxborough, MA, 01719. Employee understands that regardless of her remote workplace, Employee is required to follow all Employer policies in the course of performing her work and to ensure that the home office is maintained as a safe and professional environment, including the ability to protect the confidentiality of the Company's Confidential Information. Employee is expected and agrees to work two (2) to three (3) days every other week from Employer's office in Mississauga, Canada, the cost of which shall be borne by the Employer. Notwithstanding the foregoing, the Employer acknowledges its' intent to establish a Massachusetts office in the foreseeable future. Employee's obligation to travel to Employer's Canada office, as aforesaid, shall be reviewed annually.

2. Term of Employment . The term of employment (“Term”) will not be for a definite period, but rather continue indefinitely until terminated in accordance with the terms and conditions of this Agreement.

3. Compensation and Stock Options . For the duration of Employee’s employment under this Agreement, the Employee will be entitled to compensation which will be computed and paid pursuant to the following subparagraphs.

3.1 Base Salary . Employer will pay to Employee a base salary (“Base Salary”) at an annual rate of four hundred thousand US dollars (US $400,000), payable in such installments (but in no event less than monthly), subject to withholdings and deductions as required or permitted by law. Employee’s Base Salary will be reviewed annually by the Employer and may be adjusted in the sole discretion of Employer based on such review, but will not be reduced by Employer unless a material adverse change in the financial condition or operations of Employer has occurred.

3.2 Incentive Bonus. Employee will participate in Employer’s annual incentive bonus plan under which Employee may earn an annual incentive bonus. The terms of the annual incentive bonus plan, including the criteria upon which Employee can earn the maximum bonus, will be determined annually by Employer’s Board of Directors or its President if so delegated. Employee may earn an annual incentive of up to thirty-five percent (35%) of Employee’s then Base Salary, based on criteria set by Employer’s Board of Directors, and within Employer’s discretion. Employee may also participate in other bonus or incentive plans adopted by Employer that are applicable to Employee’s position, as they may be changed from time to time, but nothing herein shall require the adoption or maintenance of any such plan.

3.3 Incentive Stock Options. Upon approval by Employer’s Board of Directors, Employee will be eligible for a grant of 200,000 stock options on the first business day of the first month following Employee’s start date. The stock options will vest over four (4) years, with 1/4th of the options vesting after a year following the date of grant, and thereafter in equal monthly installments. In the event that the Company terminates Employee’s employment due to a to a Change of Control, such termination shall be deemed to constitute termination without Cause, and all of the Employee’s options (subject to any performance conditions and all other conditions of the operative Stock Option Plan), will vest immediately prior to the termination date. Such vested options may be exercised until the earlier of a) 120 days following the date of expiry of the notice period in connection with such termination (or, if there is no such notice period, 120 days following the actual termination date); or (b) the normal expiry date of the option rights. Upon the expiration of such period, all unexercised option rights of Employee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to Employee under the Stock Option Plan. For the purposes of this Agreement "Change of Control" shall mean any one or a combination of:

(i) any transaction at any time and by whatever means pursuant to which (A) Trillium Therapeutics Inc. (hereinafter, the "Corporation") goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of Corporation voting securities immediately prior to such corporate transaction or reorganization or (B) any person or any group of two or more persons acting jointly or in concert (other than the Corporation, a wholly-owned subsidiary (as defined in the Securities Act (Ontario)) of the Corporation, an employee benefit plan of the Corporation or of any of its wholly-owned subsidiaries, including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the Business Corporations Act (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the Corporation's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a person other than a wholly-owned subsidiary of the Corporation;

(iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more persons which were wholly-owned subsidiaries of the Corporation immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of the Corporation); or

the Board of Directors passes a resolution to the effect that, for the purposes of some or all of the option agreements issued under the applicable Stock Option Plan, an event set forth in (i), (ii), (iii) or (iv) above has occurred.

3.4 Signing Bonus. Employee shall receive a one-time signing bonus in an amount of Fifty Thousand Dollars ($50,000), less withholdings, on the first payroll following Employee's start date. In the event that Employee voluntarily terminates her employment with the Company before the end of the first year of employment, Employee agrees to repay the Company 100% of the bonus by personal check or other negotiable instrument within 30 days of the termination date. Employee's voluntary termination due to material reduction in salary shall not be a basis for Employee to repay any portion of said signing bonus.

3.5 Retention Bonus. In addition to the compensation set forth elsewhere in this Agreement, the Company will provide Employee with a retention bonus ("Retention Bonus") in the gross amount of $150,000. The Retention Bonus shall be payable as follows: $50,000 to be paid on the twelve (12) month anniversary of Employee's start date; $50,000 to be paid on the eighteen (18) month anniversary of Employee's start date; and $50,000 to be paid on the twenty-four (24) month anniversary of Employee's start date. Employee must remain actively employed as of each payout date in order to earn and receive the Retention Bonus payment. The Retention Bonus payments made under this Agreement are subject to regular tax withholdings and other authorized deductions.

4. Other Benefits .

4.1 Vacations, Holidays and Expenses . For the duration of Employee's employment hereunder, Employee will be provided four weeks of paid vacation. Employer will reimburse Employee in accordance with company policies and procedures for reasonable expenses necessarily incurred in the performance of duties hereunder against appropriate receipts and vouchers indicating the specific business purpose for each such expenditure.

4.2 Health and Welfare Benefits . Until such time as the Employer offers health and welfare benefits to its U.S. employees, Executive's monthly salary will be increased by $2000, less withholdings, or alternatively, Employer will pay up to $2,000 per month directly to the Executive's health plan provider, as directed by the Employee. Employee hereby acknowledges that he will not be eligible participate in any group health, welfare, life insurance or other plans maintained by the Parent Company.

4.3 Right of Set-off . By accepting this Agreement, Employee consents to a deduction from any amounts Employer owes Employee from time to time (including amounts owed to Employee as wages or other compensation, fringe benefits, or vacation pay, as well as any other amounts owed to Employee by Employer), to the extent of the amounts Employee owes to Employer. Whether or not Employer elects to make any setoff in whole or in part, if Employer does not recover by means of set-off the full amount Employee owes it, calculated as set forth above, Employee agrees to pay immediately upon Employer's demand, the unpaid balance to Employer.

5. Termination Or Discharge By Employer .

5.1 For Cause. Employer will have the right to immediately terminate Employee's services and this Agreement for Cause. "Cause" means the Employer's reasonable belief that any of the following has occurred: any breach of this Agreement by Employee, including, without limitation, breach of Employee's covenants in Sections 7, 8, 9 and 10; any failure to competently perform assigned job responsibilities as determined by Employer in its sole reasonable discretion; commission of a felony or misdemeanor or failure to contest prosecution for a felony or misdemeanor; the Employer's reasonable belief that Employee engaged in a violation of any statute, rule or regulation, any of which in the judgment of Employer is harmful to the Business or to Employer's reputation; the Employer's reasonable belief that Employee engaged in unethical practices, dishonesty or disloyalty; Upon termination of Employee's employment hereunder for Cause, Employee will have no rights to any unvested benefits or any other compensation or payments after the termination.

5.2 Without Cause. Employer may terminate Employee's employment under this Agreement without Cause and without advance notice; provided, however, that Employer will continue to pay, as severance pay, Employee's Base Salary at the rate in effect on the termination date through the date that is six (6) months from the termination date. Employee shall only be entitled to such severance pay if Employee signs (and then Employee does not rescind, as may be permitted by law) a general release of claims in favor of Employer in a form acceptable to Employer, provided, however, that such release of claims shall only require Employee to release Employer from claims relating directly to Employee's employment and the termination thereof, and shall not require Employee to release claims relating to vested employee benefits or relating to other matters, including, but not limited to, claims relating to her status as a shareholder of the Company. Such payments will be at usual and customary pay intervals of Employer and will be subject to all appropriate deductions and withholdings. Upon termination, Employee will have no rights to any unvested benefits or any other compensation or payments except as stated in this paragraph and in Section 3.3, other than forgiveness of any signing bonus, as per Section 3.4 above, and a pro-rated portion of the incentive bonus required to be paid to the Employee pursuant to Section 3.2 above for any fiscal year of the Employer that ends on or before the Date of Termination to the extent not previously paid (unpaid bonus). The employee is entitled to reimbursement for a continuation of the health and welfare benefits pursuant to Section 4.2 in substantially the same manner and amount to which the Employee was entitled on the date of termination of employment until six (6) months after termination of Employee's employment by Employer. A material reduction in salary may, at Employee's option, be deemed a termination without cause.

5.3 Death or Disability. Employee's employment shall terminate automatically upon Employee's death during the Employment Period. Either Employer or Employee may terminate Employee's employment in the event of Employee's Disability during the Employment Period. If Employer determines in good faith that the Disability of Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it shall give to Employee a written notice of its intention to terminate Employee's employment. In such event, Employee's employment with Employer shall terminate effective on the 30th day after receipt of such notice by Employee (the Disability Effective Date), provided that, within the 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement, "disability" means the inability of Employee, whether due to accident, sickness or otherwise, as determined by a medical doctor acceptable to the Board of Director of Employer and confirmed in writing by such doctor, to perform the essential functions of Employee's position under this Agreement, with or without reasonable accommodation (provided that no accommodation that imposes undue hardship on Employer will be required) for an aggregate of ninety (90) days during any period of one hundred eighty (180) consecutive days, or such longer period as may be required under disability law. Upon termination in the event of Employee's death or disability, Employer shall pay to Employee's estate or Employee all compensation, inclusive of unpaid bonus, earned through the date of death or the disability effective date, as per Section 3.1 and 3.2 above. Employee's estate or Employee will have no right to any unvested benefits or any other compensation or payments except as stated in this paragraph and in Section 3.3,

6. Termination By Employee. Employee may terminate Employee's employment under this Agreement for any reason provided that Employee gives Employer at least thirty (30) days' notice in writing. Employer may, at its option, accelerate such termination date to any date at least two weeks after Employee's notice of termination. Employer may also, at its option, relieve Employee of all duties and authority after notice of termination has been provided. All compensation, payments and unvested benefits will cease on the termination date.

7. Covenant Not To Solicit Employer's Employees. During Employee's employment by Employer and for a period expiring one (1) year after the termination of Employee's employment for any reason, Employee covenants and agrees that Employee, without Employer's written consent, will not:

7.1 Hire, offer to hire, entice away or in any other manner persuade or attempt to persuade any officer, employee or agent of Employer or any of its affiliates to (a) alter or discontinue a relationship with Employer, or (b) to do any act that is inconsistent with the interests of Employer or any of its affiliates;

7.2 Directly or indirectly solicit, divert, or in any other manner persuade or attempt to persuade any supplier of Employer or any of its affiliates to alter or discontinue its relationship with Employer or any of its affiliates.

8. Confidential Information . Employee recognizes that Employer's Business and continued success depend upon the use and protection of confidential and proprietary business information, including, without limitation, the information and technology developed by or available through licenses to Employer, to which Employee has access (all such information being "Confidential Information"). For purposes of this Agreement, the phrase "Confidential Information" includes, for Employer and its current or future subsidiaries and affiliates, without limitation, and whether or not specifically designated as confidential or proprietary: all business plans and marketing strategies; information concerning existing and prospective markets and customers; financial information; information concerning the development of new products and services; information concerning any personnel of Employer (including, without limitation, skills and compensation information); and technical and non-technical data related to software programs, designs, specifications, compilations, inventions, improvements, methods, processes, procedures and techniques; provided, however, that the phrase does not include information that (a) was lawfully in Employee's possession prior to disclosure of such information by Employer; (b) was, or at any time becomes, available in the public domain other than through a violation of this Agreement; (c) is documented by Employee as having been developed by Employee outside the scope of Employee's employment and independently; or (d) is furnished to Employee by a third party not under an obligation of confidentiality to Employer. Employee agrees that during Employee's employment and after termination of employment irrespective of cause, Employee will use Confidential Information only for the benefit of Employer and will not directly or indirectly use or divulge, or permit others to use or divulge, any Confidential Information for any reason, except as authorized by Employer. Employee's obligation under this Agreement is in addition to any obligations Employee has under state or federal law. Employee agrees to deliver to Employer immediately upon termination of Employee's employment, or at any time Employer so requests, all tangible items containing any Confidential Information (including, without limitation, all memoranda, photographs, records, reports, manuals, drawings, blueprints, prototypes, notes taken by or provided to Employee, and any other documents or items of a confidential nature belonging to Employer) whether in hard copy, electronic, or other format, together with all copies of such material in Employee's possession or control. Employee agrees that in the course of Employee's employment with Employer, Employee will not violate in any way the rights that any entity has with regard to trade secrets or proprietary or confidential information. Employee's obligations under this Section 8 are indefinite in term and shall survive the termination of this Agreement. However, Employee further understands that nothing in this Agreement prohibits Employee from reporting to any governmental authority information concerning possible violations of law or regulation and that Employee may disclose Confidential Information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution or liability, provided Employee files any document containing Confidential Information under seal and does not disclose the Confidential Information, except pursuant to court order. Employee understands that in the event it is determined that the disclosure of Company trade secrets was not done in good faith pursuant to the above, Employee will be subject to substantial damages, including attorneys' fees.

9. Work Product and Copyrights. Employee agrees that all right, title and interest in and to the materials resulting from the performance of Employee's duties at Employer and all copies thereof, including works in progress, in whatever media, (the "Work"), will be and remain in Employer upon their creation. Employee will mark all Work with Employer's copyright or other proprietary notice as directed by Employer. Employee further agrees:

9.1 To the extent that any portion of the Work constitutes a work protectable under the copyright laws of the United States (the "Copyright Law"), that all such Work will be considered a "work made for hire" as such term is used and defined in the Copyright Law, and that Employer will be considered the "author" of such portion of the Work and the sole and exclusive owner throughout the world of such copyright; and

9.2 If any portion of the Work does not qualify as a "work made for hire" as such term is used and defined in the Copyright Law, that Employee hereby assigns and agrees to assign to Employer, without further consideration, all right, title and interest in and to such Work or in any such portion of such Work and any copyright in such Work and further agrees to execute and deliver to Employer, upon request, appropriate assignments of such Work and copyright in such Work and such other documents and instruments as Employer may request to fully and completely assign such Work and copyright in such Work to Employer, its successors or nominees, and that Employee appoints Employer as attorney-in-fact to execute and deliver any such documents on Employee's behalf in the event Employee should fail or refuse to do so within a reasonable period following Employer's request.

10. Inventions and Patents. For purposes of this Agreement, "Inventions" includes, without limitation, information, inventions, contributions, improvements, ideas, or discoveries, whether protectable or not, and whether or not conceived or made during work hours. Employee agrees that all Inventions conceived or made by Employee during the period of employment with Employer belong to Employer, provided they grow out of Employee's work with Employer or are related in some manner to the Business, including, without limitation, research and product development, and projected business of Employer or its affiliated companies. Accordingly, Employee will:

10.1 Make adequate written records of such Inventions, which records will be Employer's property;

10.2 Assign to Employer, at its request, any rights Employee may have to such Inventions for the U.S. and all foreign countries;

10.3 Waive and agree not to assert any moral rights Employee may have or acquire in any Inventions and agree to provide written waivers from time to time as requested by Employer; and

10.4 Assist Employer (at Employer's expense) in obtaining and maintaining patents or copyright registrations with respect to such Inventions. Employee understands and agrees that Employer or its designee will determine, in its sole and absolute discretion, whether an application for patent will be filed on any Invention that is the exclusive property of Employer, as set forth above, and whether such an application will be abandoned prior to issuance of a patent. Employer will pay to Employee, either during or after the term of this Agreement, the following amounts if Employee is sole inventor, or Employee's proportionate share if Employee is joint inventor: $750 upon filing of the initial application for patent on such Invention; and $1,500 upon issuance of a patent resulting from such initial patent application, provided Employee is named as an inventor in the patent.

Employee further agrees that Employee will promptly disclose in writing to Employer during the term of Employee's employment and for one (1) year thereafter, all Inventions whether developed during the time of such employment or thereafter (whether or not Employer has rights in such Inventions) so that Employee's rights and Employer's rights in such Inventions can be determined. Employee represents and warrants that Employee has no Inventions, software, writings or other works of authorship useful to Employer in the normal course of the Business, which were conceived, made or written prior to the date of this Agreement and which are excluded from the operation of this Agreement.

NOTICE: This Section 10 does not apply to Inventions for which no equipment, supplies, facility, or trade secret information of Employer was used and which was developed entirely on Employee's own time, unless: (a) the Invention relates (i) directly to the business of Employer or (ii) to Employer's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for Employer.

11. Remedies . Notwithstanding other provisions of this Agreement regarding dispute resolution, Employee agrees that Employee's violation of any of Sections 7, 8, 9 or 10 of this Agreement would cause Employer irreparable harm which would not be adequately compensated by monetary damages and that an injunction may be granted by any court or courts having jurisdiction, restraining Employee from violation of the terms of this Agreement, upon any breach or threatened breach of Employee of the obligations set forth in any of Sections 7, 8, 9 or 10. The preceding sentence shall not be construed to limit Employer from any other relief or damages to which it may be entitled as a result of Employee's breach of any provision of this Agreement, including Sections 7, 8, 9 or 10. Employee also agrees that a violation of any of Sections 7, 8, 9 or 10 would entitle Employer, in addition to all other remedies available at law or equity, to recover from Employee any and all funds, including, without limitation, wages, salary and profits, which will be held by Employee in constructive trust for Employer, received by Employee in connection with such violation.

12. Dispute Resolution. Except for the right of Employer and Employee to seek injunctive relief in court, any controversy, claim or dispute of any type arising out of or relating to Employee's employment or the provisions of this Agreement shall be resolved in accordance with this Section 12 regarding resolution of disputes, which will be the sole and exclusive procedure for the resolution of any disputes. This Agreement shall be enforced in accordance with the Federal Arbitration Act, the enforcement provisions of which are incorporated by this reference. Matters subject to these provisions include, without limitation, claims or disputes based on statute, contract, common law and tort and will include, for example, matters pertaining to termination, discrimination, harassment, compensation and benefits. Matters to be resolved under these procedures also include claims and disputes arising out of statutes such as the Fair Labor Standards Act, Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, and all state laws related to employment. Nothing in this provision is intended to restrict Employee from submitting any matter to an administrative agency with jurisdiction over such matter.

12.1 Mediation. Employer and Employee will make a good faith attempt to resolve any and all claims and disputes by submitting them to mediation before resorting to arbitration or any other dispute resolution procedure. The mediation of any claim or dispute must be conducted in Massachusetts in accordance with the then-current JAMS procedures for the resolution of employment disputes by mediation, by a mediator who has had both training and experience as a mediator of general employment and commercial matters. If the parties to this Agreement cannot agree on a mediator, then the mediator will be selected by JAMS in accordance with JAMS' strike list method. Within thirty (30) days after the selection of the mediator, Employer and Employee and their respective attorneys will meet with the mediator for one mediation session of at least four hours. If the claim or dispute cannot be settled during such mediation session or mutually agreed continuation of the session, either Employer or Employee may give the mediator and the other party to the claim or dispute written notice declaring the end of the mediation process. All discussions connected with this mediation provision will be confidential and treated as compromise and settlement discussions. Nothing disclosed in such discussions, which is not independently discoverable, may be used for any purpose in any later proceeding. The mediator's fees will be paid in equal portions by Employer and Employee, unless Employer agrees to pay all such fees.

12.2 Arbitration. If any claim or dispute has not been resolved in accordance with Section 12.1, then the claim or dispute will be determined by arbitration in accordance with the then-current JAMS employment arbitration rules and procedures, except as modified herein, said arbitration to occur in Massachusetts. The arbitration will be conducted by a sole neutral arbitrator who has had both training and experience as an arbitrator of general employment and commercial matters and who is and for at least ten (10) years has been, a partner, a shareholder, or a member in a law firm. If Employer and Employee cannot agree on an arbitrator, then the arbitrator will be selected by JAMS in accordance with Rule 15 of the JAMS employment arbitration rules and procedures. No person who has served as a mediator under the mediation provision, however, may be selected as the arbitrator for the same claim or dispute. Reasonable discovery will be permitted and the arbitrator may decide any issue as to discovery. The arbitrator may decide any issue as to whether or as to the extent to which any dispute is subject to the dispute resolution provisions in Section 12 and the arbitrator may award any relief permitted by law. The arbitrator must base the arbitration award on the provisions of Section 12 and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter, and the decision of the arbitrator will be final and binding. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration under Section 12.2. The arbitrator's fees will be paid in equal portions by Employer and Employee, unless Employer agrees to pay all such fees.

13. Fees Related to Dispute Resolution . Unless otherwise agreed, the prevailing party will be entitled to its costs and attorneys' fees incurred in any litigation or dispute relating to the interpretation or enforcement of this Agreement.

14. Disclosure . Employee agrees to reveal the terms of this Agreement as it relates to non-solicitation, confidentiality, inventions and patents and work product and copyrights to any future employer or potential employer of Employee and authorizes Employer, at its election, to make disclosure regarding said provisions.

15. Representation of Employee . Employee represents and warrants to Employer that Employee is free to enter into this Agreement and has no contract, commitment, arrangement or understanding to or with any party that restrains or is in conflict with Employee's performance of the covenants, services and duties provided for in this Agreement. Employee agrees to indemnify Employer and to hold it harmless against any and all liabilities or claims arising out of any unauthorized act or acts by Employee that, the foregoing representation and warranty to the contrary notwithstanding, are in violation, or constitute a breach, of any such contract, commitment, arrangement or understanding.

16. Conditions of Employment. Employer's obligations to Employee under this Agreement are conditioned upon Employee's timely compliance with requirements of the United States immigration laws.

17. Assignability . During Employee's employment, this Agreement may not be assigned by either party without the written consent of the other. However, Employer may assign its rights and obligations under this Agreement without Employee's consent to a successor by sale, merger or liquidation, if such successor carries on the Business substantially in the form in which it is being conducted at the time of the sale, merger or liquidation. This Agreement is binding upon Employee, Employee's heirs, personal representatives and permitted assigns and on Employer, its successors and assigns.

18. Notices. Any notices required or permitted to be given hereunder are sufficient if in writing and delivered by hand, by facsimile, by registered or certified mail, or by overnight courier, to Employee at [_____], or to Employer at Trillium Therapeutics USA Inc. c/o Trillium Therapeutics Inc., 2488 Dunwin Drive, Mississauga, Ontario, L5L 1J9. Notices shall be deemed to have been given (i) upon delivery, if delivered by hand, (ii) seven days after mailing, if mailed, (iii) one business day after delivery, if delivered by courier, and (iv) one business day following receipt of an appropriate electronic confirmation, if by facsimile.

19. Severability . If any provision of this Agreement or compliance by any of the parties with any provision of this Agreement constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void, shall be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. The Parties shall engage in good faith negotiations to modify and replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces. If such modification is not possible, said provision, to the extent that it is in violation of law, unenforceable or void, shall be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on the parties.

20. Waivers. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial waiver of a breach of any provision of this Agreement operate or be construed as a waiver of any subsequent breach; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by law.

21. Governing Law and Venue. Except as provided in Section 12 above, the validity, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts without regard to the conflicts of law provisions of such laws. A court of competent jurisdiction in Massachusetts shall have exclusive jurisdiction and venue of any lawsuit arising from or relating to Employee's employment with, or termination from, Employer, or arising from or relating to this Agreement. Employee and Employer consent to such venue and personal jurisdiction.

22. 409A Savings Clause . The parties intend that payments or benefits payable under this Agreement not be subject to the additional tax imposed pursuant to Section 409A of the Code ("Section 409A"), and the provisions of this Agreement shall be construed and administered in accordance with such intent. To the extent such potential payments or benefits could become subject to Section 409A, the parties shall cooperate to amend this Agreement with the goal of giving Executive the economic benefits described herein in a manner that does not result in such tax being imposed. If the parties are unable to agree on a mutually acceptable amendment, the Company may, without Executive's consent and in such manner as it deems appropriate or desirable, amend or modify this Agreement or delay the payment of any amounts hereunder to the minimum extent necessary to meet the requirements of Section 409A.

23. Counterparts. This agreement may be executed in counterpart in different places, at different times and on different dates, and in that case all executed counterparts taken together collectively constitute a single binding agreement.

24. Costs and Fees Related to Negotiation and Execution of Agreement. Each Party Shall be responsible for the payment of its own costs and expenses, including legal fees and expenses, in connection with the negotiation and execution of this Agreement. Neither Party will be liable for the payment of any commissions or compensation in the nature of finders' fees or brokers' fees, gratuity or other similar thing or amount in consideration of the other Party entering into this Agreement to any broker, agent or third party acting on behalf of the other Party.

25. Entire Agreement . This instrument contains the entire agreement of the parties with respect to the relationship between Employee and Employer and supersedes all prior agreements and understandings, and there are no other representations or agreements other than as stated in this Agreement related to the terms and conditions of Employee's employment. This Agreement may be changed only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought, and any such modification will be signed by the CEO of Employer.

IN WITNESS WHEREOF , the parties have duly signed and delivered this Agreement as of the day and year first above written.

EMPLOYER

By /s/ Niclas Stiernholm

Title: Chief Executive Officer

EMPLOYEE

/s/ Yaping Shou

Print Name: Yaping Shou

EXHIBIT A

INITIAL DUTIES AND RESPONSIBILITIES

Chief Medical Officer

JOB SUMMARY:

The Chief Medical Officer is a key member of the senior management team providing medical expertise in the decisions affecting the company's clinical development programs in support of Trillium's corporate goals. The Chief Medical Officer will oversee the Company's team of clinical, medical and regulatory staff, consultants and advisors. The position involves regular written and verbal summaries of findings and communication to the executive team. This position reports to the Chief Executive Officer.

MAJOR RESPONSIBILITIES:

- Providing leadership and ongoing perspective to the company's clinical development strategy. Assume overall responsibility for Trillium's clinical development programs. More specifically, manage all aspects of clinical development, including: indication strategy, the design and conduct of clinical trials, the selection of clinical trial sites, the selection and training of physicians, the selection and management of CROs and the oversight, analysis and interpretation of clinical data.
- Leading interactions with Health Authorities worldwide throughout the clinical development continuum through registration, negotiating all aspects of regulatory implications on development protocols to ensure successful outcomes.
- Lead the design and execution of all SIRPaFc clinical trials
- Build and lead with a hands-on approach the clinical and medical organization and development pipeline
- Build and maintain relationships with KOLs, hospitals, clinical sites, CROs and partners.
- Serve as lead representative in clinical development and medical strategy areas both internally and externally (e.g. CROs, KOLs, Board of Directors, financial analyst community and investors).
- Responsible for the design and authorship of study protocols and interpretation of clinical study data.
- Design and implement safety strategies for clinical studies, including regular review of safety data and responses to safety issues.
- Lead and author clinical sections of global regulatory submissions. Participate in meetings with healthcare and regulatory authorities.
- Executing the existing clinical programs to support approval, and additional ongoing trials in earlier stages of development.
- Providing medical review, assessment and interpretation of all clinical data reported in clinical study reports to ensure that the data are presented with the appropriate medical interpretation.

- Responsible for Trillium meeting all of its clinical and regulatory milestones, working closely with Trillium's senior R&D and executive team, regulatory affairs, and consultants to assure timely filing of all clinical applications.
- Assist in defining corporate strategy with respect to technology, clinical, regulatory and medical strategy.
- Represent Trillium's clinical data and strategy with potential strategic partners and licensors and participate in due diligence activities as required.
- Maintain understanding of competitor programs and clinical developments in relevant therapeutic areas and engage KOLs and consultants as required.
- Actively assist in business development activities including seeking product and/or technology alliances with appropriate pharmaceutical company partners to enhance/expedite the development of the company's assets.
- Assist with communication of clinical development plans to potential and existing investors.
- Recruiting, supervising, and mentoring all direct reports. Attract, retain, and provide leadership and mentorship to a top-notch clinical development team.
- Ensure adherence to FDA, HC, and pertinent clinical and regulatory standards.
- Perform medical monitoring and reporting for all clinical activities.
- Review analysis and documentation of clinical results.
- Work effectively with the R&D team in supporting corporate goals.
- Plan and budget all clinical and regulatory activities.
- Monitor competitive clinical and regulatory activity and developments.
- Reporting and presentation of program and data to internal and external supervisory and ethics boards, regulatory bodies, third party collaborators, and the scientific community.
- Conduct critical analysis of potential market opportunities from a clinical standpoint and be able to communicate such analysis.
- Keep abreast of the competitive landscape and assist with the conduct of due diligence on competitive and complementary technologies/products.

MINIMUM QUALIFICATIONS:

Technical Knowledge/Experience

- An M.D. or M.D./Ph.D. with strong leadership skills and proven biopharmaceutical industry experience in leading clinical development for preferably both early and mid-late stage therapeutic programs in oncology. A record of accomplishment including developing, planning, designing, and executing clinical studies leading to the successful registration of therapeutics.
- Medical degree (MD) required with a minimum of 10+ years of pharmaceutical industry experience. Training and experience in oncology is highly preferred.
- Demonstrated scientific accomplishment; well versed in current technology.
- Marked proficiency in clinical/medical writing and verbal communication.
- Demonstrated track record of managing and working as part of a cross- functional team.
- Experience across the drug development process, including clinical and

non-clinical study design and execution.

- Experience in late-stage programs (Phase II/III/Pivotal) strongly preferred.
- Thorough understanding of the drug development process and experience in clinical operations.
- Experience in regulatory submissions to the FDA and other regulatory agencies including interaction with these agencies on novel trial designs and new indications. Ideally, the candidate will have successful NDA &/or BLA submissions and approvals in an oncology indication.
- Excellent interpersonal and communication skills with ability to relate to both internal and external stakeholders. Ability to develop strong positive relationships with senior management and Board of Directors. Provide leadership and guidance to high functioning clinical and regulatory team.
- Experience presenting to a wide variety of audiences including internal teams, Board of Directors, investors, medical, and scientific communities.
- Highly developed understanding of the external market place and scientific literature to identify long-term benefits for unmet patients' needs.
- Strong management skills including a history and reputation for leading others to success.
- Comprehensive understanding of clinical regulatory requirements, and knowledge of all relevant guidelines
- Ability to work in a small biotech company environment, interact across multiple disciplines, and manage outside consultants

Behavioral

- Talented drug developer with patient focus, passionate, high energy and willingness to adapt.
- Commercial and regulatory understanding in the application of translational medicine.
- Fast and rigorous problem solving.
- Effective communication (oral and written).
- Results oriented and ability to effectively delegate.
- Detail orientated.
- Highly organized.
- Direct and motivate with influence.

WORKING CONDITIONS:

- Ability to work independently
- Regular biweekly travel to Toronto office, industry events and meetings with stakeholders is expected