NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS

AND

MANAGEMENT PROXY CIRCULAR

DATE OF MEETING
APRIL 13, 2005

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INVITATION TO SHAREHOLDERS

Dear Shareholder,

It is with great pleasure that we invite you to join our Board of Directors and our management team for our next annual meeting of shareholders to be held on the date, at the time and place set forth in the attached notice.

We encourage you to attend this meeting personally as it is an excellent opportunity to receive a first-hand account of the results of the past year. Furthermore, this meeting is the opportunity to meet our new President and Chief Executive Officer, Mr. Yves Rosconi, who will be pleased to answer your questions and to present the short- and mid-term plans of Theratechnologies.

If you cannot attend this meeting personally, we strongly recommend that you appoint a proxy to represent you by filling out the attached proxy form in accordance with the terms and conditions stated in the Circular, also attached herewith.

We look forward to meeting you.

Sincerely,

A. Jean de Gandpré
Chairman of the Board

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Shareholders of THERATECHNOLOGIES INC. (the "Company") will be held in the Mount Royal Room at the Mount Royal Center, 2200 Mansfield Street, Montréal, Québec, on Wednesday, April 13, 2005 at 10:00 a.m., local time, for the following purposes:

(1) to receive the management's report for the fiscal year ended November 30, 2004, the financial statements for that fiscal year as well as the auditors' report thereon;

(2) to elect directors;

(3) to appoint auditors and authorize the directors to set their compensation; and

(4) to transact such further and other business as may properly come before the Meeting.

A copy of the Company's Annual Report including results of operations and Management's Discussion and Analysis of financial condition, the financial statements and the auditors' report thereon for the fiscal year ended November 30, 2004 accompany this Notice of Meeting.

Montréal, Québec, March 9, 2005.

BY ORDER OF THE BOARD OF DIRECTORS

The Secretary,

Geneviève Dubuc

MANAGEMENT PROXY CIRCULAR

Except as otherwise indicated, **the information herein contained is given as of March 1, 2005** and dollar amounts herein refer to Canadian dollars.

I. INFORMATION RELATING TO THE MEETING

A. VOTING

You may vote your shares either through a proxy (section 1 below) or in person at the Meeting (section 2 below).

1. PROXIES

1.1 Solicitation of Proxies

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Theratechnologies Inc. (the "Company" or “Theratechnologies”) for use at the Annual General Meeting of Shareholders of the Company (the "Meeting") to be held on the date, at the time and place and for the purposes set forth in the preceding Notice of the Meeting and at any adjournment thereof.

The solicitation of proxies will be made mainly by mail but can also be made in person or by telephone. We may appoint an external specialized firm to proceed with this solicitation of proxies in which case, the costs will be borne by the Company.

1.2 Terms of Proxy Grant

By completing the attached form of proxy, or the one provided by your intermediary, you appoint the persons proposed in that form to represent your interests and vote your shares on your behalf at the Meeting. The persons named in the enclosed form of proxy are directors or officers of the Company. **However, you can appoint a person other than the persons named in the enclosed form of proxy to attend and vote for you at the Meeting.** To do this, you should insert such person's name in the blank space provided in the form of proxy attached hereto and strike out the names printed thereon or complete another form of proxy. **It is not necessary to be a shareholder in order to act as a proxy.**

If you hold your shares through an intermediary (a stockbroker, a bank, a trust, a trustee, etc.), you are not a registered shareholder in the registry of shareholders of the Company held by National Bank Trust. Therefore, you cannot vote your shares directly at the Meeting. If this is your situation, you will receive from your broker or other intermediary, explanation as to how to appoint proxies and have them vote your shares. To ensure that your instructions are respected, you must deliver them to your intermediary within the prescribed deadline. For any questions, please contact your intermediary directly.

1.3 Proxy Voting

The proxy you will have duly appointed will exercise the voting rights attached to your shares in accordance with the instructions indicated in the form of proxy. **In the absence of instructions, the voting rights attached to the shares referred to in your form of proxy will be exercised IN FAVOUR of the matters mentioned in the preceding Notice of the Meeting.**

Furthermore, the enclosed form of proxy confers upon the proxyholder a discretionary power as regards to amendments to the matters set forth in the Notice of the Meeting and as regards to all other matters which may properly be brought before the Meeting. However, to our knowledge, all matters to be brought before the Meeting are mentioned in appropriate fashion in the Notice of Meeting.

1.4 Delivery of Form of Proxy and Deadlines

If you hold your shares personally and are a registered shareholder in the Registry of Shareholders of the Company, please send the completed form of proxy to the Secretary of the Company, c/o National Bank Trust, Corporate Trust Services, 1100 University Street, Montréal, Québec H3B 2G7, prior to the Meeting or any adjournment thereof. You may also deliver the completed form of proxy personally to the representatives of National Bank Trust who will be at the Meeting or any adjournment thereof.

If you hold your shares through an intermediary, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein. For any questions, please contact your intermediary directly.

1.5 Revocation of a Proxy

You may, at any time, including at any adjournment of the Meeting, revoke a proxy for any business with respect to which said proxy confers a vote that has not already been cast.

If you hold your shares personally and are a registered shareholder in the Registry of Shareholders of the Company, please send a written notice bearing your signature or the one of your proxy (or a representative of your proxy if your proxy is a company) to the Secretary of the Company at the address stated above. You may also revoke a proxy in person at the Meeting by making a request to that effect to the Secretary of the Company.

If you hold your shares through an intermediary, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein. For any questions, please contact your intermediary directly.

2. IN PERSON

If you hold your shares personally and are a registered shareholder in the Registry of Shareholders of the Company, please appear on the date, at the time and place set forth in the Notice of Meeting and register with the representatives of National Bank Trust who will be at the Meeting. You should then follow voting instructions given by the Chairman of the Meeting.

If you hold your shares through an intermediary, and you wish however to vote your shares in person at the Meeting, please proceed as indicated in the documentation sent by your intermediary. For any questions, please contact your intermediary directly.

3. VOTING SECURITIES AND PRINCIPAL HOLDERS

As at March 1, 2005, the Company had 35,513,549 Common Shares outstanding, representing the Company's only securities with respect to which a voting right may be exercised at the Meeting.

The record date to determine the shareholders entitled to receive notice of, and vote at the Meeting or any adjournment thereof, has been set at March 4, 2005 (the "Record Date"). The holders of Common Shares registered with National Bank Trust as of the Record Date will be entitled to one vote per Common Share held. However, a holder of Shares acquired after the Record Date shall be entitled to vote at the Meeting if, at least twenty-four (24) hours prior to the Meeting, he or she produces properly endorsed certificates for such Shares, or otherwise establishes that he or she owns such Shares and has requested, that his or her name be included on the list of shareholders entitled to receive the Notice of the Meeting.

To our knowledge, no person exercises control or direction over more than ten percent (10%) of the outstanding Common Shares of the Company.

B. SUBJECT-MATTER TO BE TREATED AT THE MEETING

Please find below a description of the items listed in the agenda of the Meeting.

1. RECEIPT OF FINANCIAL STATEMENTS

The consolidated financial statements for the fiscal year ended November 30, 2004 and the auditors' report thereon will be presented at the Meeting. The financial statements are included in the Company's 2004 Annual Report, which has been mailed to the shareholders along with this Circular.

2. ELECTION OF DIRECTORS

The directors of the Company for 2005 will be appointed by the shareholders at the Meeting.

2.1 Composition of the Board of Directors

The Board of Directors of the Company must be composed of a minimum of three (3) and a maximum of twenty (20) directors. Pursuant to an agreement with SGF Santé inc., the Company is committed to presenting a nominee selected by SGF Santé inc. for election to the Board by the shareholders, such nomination being subject to prior approval by management. The director proposed by SGF Santé Inc. is Dr. Robert Goyer.

2.2 Nominees

The nominees for the eight (8) director positions are the persons named in the following table. These nominees are all current members of the Board of Directors of the Company.

The persons named in the enclosed form of proxy shall vote IN FAVOUR of the election of the nominees named below, except if you give instructions to the proxies to abstain from voting with respect to the election of directors.

We do not contemplate that any of the nominees will be unable to fulfill his mandate as director. Each elected director will hold office until the close of the next annual meeting of shareholders, unless he resigns or the position becomes vacant as a result of death, dismissal or otherwise, prior to the said meeting.

The following table states the names of all persons we propose to be nominated for election as directors, their province or state and country of residence, their principal occupation, the office held in the Company (if any), the year in which they first became a director of the Company and the number of shares they own, directly or indirectly, or over which they exercise control or direction.

NOMINEES

Name, province or state and country of residence	Principal Occupation	Director since	Number of Common Shares of the Company over which Control or Direction is Exercised
A. Jean de Grandpré[2) 3)] Québec, Canada	Chairman of the Board of the Company	1993	47,100
Gilles Cloutier[3)] North Carolina, United States	Director of various companies	2003	10,000
André Delambre[1) 3)] Québec, Canada	Executive Vice President, Finance and Administration Les Productions Feeling inc. (Production Company)	2000	7,000
Robert G. Goyer Québec, Canada	Emeritus Professor Faculty of Pharmacy, Université de Montréal	2005	--
Paul Pommier[1) 2) 3)] Québec, Canada	Director of various companies	1997	40,100
Yves Rosconi Québec, Canada	President and Chief Executive Officer of the Company	2004	23,500
Jean-Denis Talon[1) 2) 3)] Québec, Canada	Chairman of the Board AXA Canada (Insurance Company)	2001	5,400
Luc Tanguay Québec, Canada	Senior Executive Vice President and Chief Financial Officer of the Company	1993	36,000

1) Member of the Audit Committee
2) Member of the Compensation Committee
3) Member of the Nominating Committee

2.3 Biographical Notes of the Nominees

Please find below biographical notes of the nominees who have been elected during the year to fill vacant positions.

Robert G. Goyer
Emeritus Professor, Faculty of Pharmacy, Université de Montréal

Dr. Goyer has more that forty (40) years of experience in the pharmaceutical field. Dr. Goyer teached at the Faculty of Pharmacy of the Université de Montréal for over thirty (30) years and was Dean of this Faculty from 1994 to 2000. Since 2001, he is Emeritus Professor and since 2002, he sits on the Investment Committee of "Univalor" (commercialization of university research). Dr. Goyer also worked in the pharmaceutical industry for more than fifteen (15) years, holding several senior executive positions. Specifically, he was President of Jouveinal Canada and Clinipharm Inc. and a member of the Boards of Directors of Technilab and Anapharm. Finally, Dr Goyer has been involved at the governmental level throughout his career by participating in several committees and boards related to health and drugs. Until the end of February 2005, he was President of the "Conseil du Médicament" (Québec) and he remains a member of the Advisory Committee on the Use of Cannabis for Medical Purposes (Health Canada).

Yves Rosconi
President and Chief Executive Officer

Mr. Yves Rosconi, B.Sc. Pharm., MBA, has more than twenty-five (25) years of experience in the pharmaceutical industry. Before joining the Company in November 2004, Mr. Rosconi held several important positions in various areas of the industry such as production management, sales and marketing, and senior management. He acted as President and Chief Executive Officer of Rhone-Poulenc-Rorer Canada inc., Senior Vice President and Chief Operating Officer of Aeterna Laboratories in Québec City and Senior Vice President at Aventis Intercontinental Africa Middle East.

2.4 Declaration of Directors' Antecedents

Pursuant to regulations regarding reporting issuers' continuous disclosure obligations, the Company must declare if a nominee has been a director or executive officer of a company which was the subject of a cease trade order under securities legislation or had to seek protection under legislation relating to bankruptcy or insolvency. Only one nominee has occupied a position which has to be declared. Mr. Paul Pommier was a member of the board of directors of Royal Aviation Inc. until March 2001, date of its acquisition by Canada 3000 Inc. Subsequently, at the end of 2001, Canada 3000 Inc. and its subsidiaries, including Royal Aviation, made assignments in bankruptcy under Section 49 of the *Bankruptcy and Insolvency Act (R.S. 1985, c. B-3)*.

3. APPOINTMENT OF AUDITORS

The Company's auditors for the current fiscal year must be appointed at the Meeting. We propose the appointment of KPMG, chartered accountants from Montréal, who have been the Company's auditors since October 19, 1993. They will hold office until the next annual meeting of shareholders or until their successors are appointed. Their compensation will be set by the Board of Directors.

Unless you give instructions to the proxy holders to abstain from voting with regards to the appointment of auditors, they will vote IN FAVOUR of the appointment of KPMG, chartered accountants, as auditors of the Company, and authorize that compensation for their services be determined by the Board of Directors.

II. COMPENSATION

A. COMPENSATION FOR DIRECTORS

The Company has adopted a compensation policy for its directors who are not employed on a full-time basis by the Company under which they are paid an annual retainer fee as well as attendance fees. Consequently, each director receives an annual fee of $10,000 and 5,000 stock options. Directors sitting on a committee of the Board receive an additional retainer fee of $2,000 per year, per committee. The attendance fees are of $1,500 per Board or committee meeting and $750 per telephone meeting. For the fiscal year ended November 30, 2004, the annual retainer fees and attendance fees totaled $201,750.

A. Jean de Grandpré, Chairman of the Board, receives, in addition to his annual retainer fee and attendance fees, an annual compensation of $75,000.

Members of the Board who are full-time employees of the Company do not receive any compensation for acting as directors or being members of committees of the Board.

No other compensation or benefit was paid or is payable to the directors of the Company for the fiscal year ended November 30, 2004. Furthermore, the Company does not grant loans to its directors.

B. COMPENSATION FOR EXECUTIVE OFFICERS

Please find below information regarding compensation for executive officers, and more precisely that of the President and Chief Executive Officer, the Senior Executive Vice President and Chief Financial Officer, and the three other most highly compensated executive officers who were serving as executive officers at the end of the fiscal year (collectively referred to as the "Named Executive Officers") for the fiscal year ending November 30, 2004.

1. SUMMARY OF COMPENSATION OF NAMED EXECUTIVE OFFICERS

The following summary table sets forth the information regarding the compensation for services rendered by the Named Executive Officers during the last three fiscal years ending November 30. The information contained therein is as of November 30, 2004.

		Annual Compensation			Long-term Compensation		Other
Name and Principal Occupation	Fiscal Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Number of Securities Under Options Granted	Payment under Long-term Incentive Plan	
YVES ROSCONI	2004	25,385[1)]	--	--	200,000	--	--
President and Chief	2003	--	--	--	--	--	--
Executive Officer	2002	--	--	--	--	--	--
LUC TANGUAY	2004	290,000	116,000	15,500[2)]	--	--	--
Senior Executive	2003	260,000	100,000	14,500[2)]	--	--	--
Vice President and Chief Financial Officer	2002	250,000	90,000	13,500[2)]	200,000	--	--
THIERRY ABRIBAT[3)]	2004	225,000	0	--	25,000	--	--
Executive	2003	200,000	55,000	--	--	--	--
Vice President, Business Development	2002	183,769	50,000	--	100,000	--	--
PETER MCBRIDE	2004	150,000	40,000	--	50,000	--	--
Vice President,	2003	35,769[4)]	8,500	--	50,000	--	--
Investor Relations and Public Affairs	2002	--	--	--	--	--	--
KRISHNA PERI	2004	155,616	35,000	--	20,000	--	--
Vice President,	2003	125,000	25,000	--	--	--	--
Research	2002	120,000	24,000	--	--	--	--

1) During Fiscal Year 2004, Mr. Rosconi was employed by the Company for a period of one (1) month. His annual base compensation is $300,000.
2) In the form of a contribution deposited to a registered retirement savings plan ("RRSP") designated by the beneficiary.
3) Thierry Abribat left the employment of the Company on January 14, 2005.
4) During Fiscal Year 2003, Mr. McBride worked for the Company for a period of three (3) months. His annual base compensation was $150,000.

2. EMPLOYMENT CONTRACTS AND INDEMNIFICATION PROVISIONS IN THE EVENT OF TERMINATION OF NAMED EXECUTIVE OFFICERS

Yves Rosconi
President and Chief Executive Officer

As announced on October 21, 2004, the Company entered into an employment contract for an indeterminate term with Mr. Yves Rosconi. In addition to his base salary, Mr. Rosconi is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the Company's Board of Directors. An annual review of his base salary is made by the Compensation Committee taking into account, among other things, the performance of Mr. Rosconi, the performance of the Company and the prevailing economic conditions at the time of the review. Subject to the approval of the Board of Directors, Mr. Rosconi is also entitled to 400,000 stock options, half of which has been granted upon execution of his employment contract and the other half will be granted on the date of his first employment anniversary. These options vest over a three-year period from date of grant. Under the terms of the contract, Mr. Rosconi entered into non-competition, non-solicitation and non-disclosure commitments, among others, in favour of the Company. Should the Company terminate Mr. Rosconi's employment without just and sufficient cause, he will receive an amount equal to twelve (12) months of compensation, which shall be the sole monetary obligation of the Company. Furthermore, in case of a successful take-over bid, his employment contract provides for an indemnity equal to twenty-four (24) months of compensation if Mr. Rosconi's employment is terminated by the Company, and twelve (12) months if Mr. Rosconi resigns of his own free will.

Luc Tanguay
Senior Executive Vice President and Chief Financial Officer

The Company entered into an employment contract for an indeterminate term with Mr. Luc Tanguay on October 30, 2001, as modified on June 7, 2004. In addition to his base salary, Mr. Tanguay is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the Company's Board of Directors. Mr. Tanguay's base compensation is reviewed annually by the Compensation Committee. Mr. Tanguay was also entitled to stock options, which have all been granted. Under the terms of the contract, Mr. Tanguay entered into non-competition, non-solicitation and non-disclosure commitments, among others, in favour of the Company. Should the Company terminate Mr. Tanguay's employment without just and sufficient cause, he will receive an amount equal to twenty-four (24) months of compensation, which shall be the sole monetary obligation of the Company. Furthermore, in case of a successful take-over bid, his employment contract provides for an indemnity equal to twelve (12) months of compensation if Mr. Tanguay resigns of his own free will. Following the reorganization of senior management in 2004, the Company agreed that in case of termination of Mr. Tanguay's employment for any reason, before the second anniversary of the start of employment of the new President and Chief Executive Officer on November 1, 2004, Mr. Tanguay will be entitled to the indemnity provided for termination without just and sufficient cause.

Thierry Abribat
Executive Vice President, Business Development

In November 2004, Thierry Abribat resigned from his employment with the Company as Executive Vice President, Business Development and left the Company on January 14, 2005. The Company had entered into an employment contract for an indeterminate term with him on November 6, 2000. The contract provided that in addition to his base salary, Dr. Abribat was entitled to the Company's benefits program and was eligible to receive an annual performance bonus based on attainment of the objectives set annually by his supervisor. He was also entitled to stock options, which have all been granted and of which the vested options can be exercised during a period of 180 days following his date of termination. Under the terms of the contract, Dr. Abribat has agreed to non-disclosure provisions in favour of the Company. Because Dr. Abribat resigned, no severance pay was paid.

Peter McBride
Vice President, Investor Relations & Public Affairs

The Company entered into an employment contract for an indeterminate term with Mr. Peter McBride on September 4, 2003. This contract provides that in addition to his base salary, Mr. McBride is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by his supervisor. Review of Mr. McBride's compensation is carried out by the Compensation Committee on an annual basis. He was also entitled to stock options, which have all been granted. Under the terms of the contract, Mr. McBride has agreed to non-disclosure provisions in favour of the Company.

Krishna Peri
Vice President, Research

The Company entered into an employment contract for an indeterminate term with Dr. Krishna Peri on October 3, 2000. This contract provides that in addition to his base salary, Dr. Peri is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by his supervisor. Review of Dr. Peri's compensation is carried out by the Compensation Committee on an annual basis. Under the terms of the contract, Dr. Peri has agreed to non-competition and non-disclosure provisions in favour of the Company.

3. EQUITY COMPENSATION PLANS

The only compensation plans based on equity of the Company are the Stock Option Plan for directors, managers, employees, researchers and consultants of the Company (the "Stock Option Plan") and the Share Purchase Plan for employees (the "Share Purchase Plan").

3.1 Stock Option Plan

3.1.1 Summary Table

The following table sets forth the information regarding the Stock Option Plan as at November 30, 2004.

Plan Category	Number of securities to be issued upon exercise of options (% of issued and outstanding share capital)	Weighted-average price of options	# of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders	2,781,500 (7.83%)	$7.28	616,500
Equity compensation plans not approved by shareholders	--	--	--
Total	2,781,500	$7.28	616,500

3.1.2 Description of the Plan

The Stock Option Plan was established in order to align the interests of key persons with the success of the Company by allowing them to participate in the increased value of the Company's shares. A total of 3,500,000 common shares have been reserved for option grants under the Stock Option Plan. As of this date, the total number of issued shares and shares which may be issued pursuant to the Stock Option Plan is 3,398,000 (i.e. 9.57% of the issued and outstanding shares of the Company).

The Board of Directors designates the beneficiaries of the options (the "optionees") and determines the number of shares underlying these options, the vesting period, the exercise price and the expiry date of each option, as well as all other related matters, the whole in compliance with the terms of the Stock Option Plan and applicable legislative provisions established by the securities regulatory authorities. The Company can modify or terminate the Stock Option Plan subject to the approval of regulatory authorities and the optionees' acquired rights and privileges.

The options granted pursuant to the Stock Option Plan may be exercised within a maximum period of ten (10) years following their grant, unless the optionee's employment is terminated (i) without a serious reason, in which case the optionee's unexercised vested options, if any, may be exercised within a period of 180 days following date of termination, or (ii) for a serious reason, in which case, the optionee has one (1) day following the date of receipt of written notice of termination to exercise his unexercised vested options, if any.

The price at which the shares may be granted pursuant to the Stock Option Plan cannot be less than the closing price of the shares on the Toronto Stock Exchange on the day preceding the option grant. In accordance with the terms established by the Board, optionees may obtain a loan from the Company to pay the exercise price of the shares by signing a promissory note and granting an hypothec on the shares in favour of the Company.

The maximum number of shares which may be subject to options in favor of one person is limited to 5% of the Company's outstanding shares and they cannot be assigned. The total number of shares reserved for issuance under all plans to the Company's insiders shall not exceed 10% of the issued and outstanding Company shares.

During the fiscal year ended November 30, 2004, the Company granted options, pursuant to the Stock Option Plan, providing for the purchase of a maximum of 355,000 shares.

3.1.3 Options Granted During the Fiscal Year ended November 30, 2004

The following table sets forth the stock options granted to Named Executive Officers during the fiscal year ended November 30, 2004.

Name	Number of Underlying Common Shares	% of Total Number of Options Granted to Employees during the Fiscal Year	Exercise Price	Market Value of Underlying Common Shares on the Date of the Granting	Expiration Date
Yves Rosconi	200,000	56.34%	$2.61	$2.61	October 1, 2014
Luc Tanguay	--	--	--	--	--
Thierry Abribat	25,000	7.04%	$3.66	$3.66	Dec. 19, 2013
Peter McBride	50,000	14.08%	$2.35	$2.35	October 20, 2014
Krishna Peri	20,000	5.63%	$3.66	$3.66	Dec. 19, 2013

3.1.4 Aggregate Option Exercises during the Fiscal Year ended November 30, 2004 and Fiscal Year-End Option Values

The following table summarizes for each of the Named Executive Officers the number and value of stock options exercised, if any, during the fiscal year ended November 30, 2004. The aggregate value realized upon exercise is the difference between the market value of the underlying stock on the exercise date and the exercise price of the option. The table also indicates the number and the value of the unexercised options as of November 30, 2004. The value of an unexercised option at fiscal year-end is the difference between its exercise price and the market value of the Common Shares of the Company on November 30, 2004, which was $1.89 per share. These values, unlike the amounts set forth in the column "Aggregate Value Realized" have not been, and may never be, realized. These options have not been, and may not be exercised. Furthermore, actual gains on exercise, if any, will depend on the value of the Company's Common Shares on the date of exercise. There can be no assurance that these values will be realized.

Name	Exercised Options during the Fiscal Year ended November 30, 2004		Unexercised Options at November 30, 2004 Exercisable / Unexercisable	
	Number of Shares Acquired	Aggregate Value Realized	Number	Value
Yves Rosconi	--	--	0 / 200,000	$0 / $0
Luc Tanguay	--	--	550,000 / 200,000	$0 / $0
Thierry Abribat	--	--	166,666 / 58,334	$0 / $0
Peter McBride	--	--	16,666 / 83,334	$0 / $0
Krishna Peri	--	--	0 / 20,000	$0 / $0

3.2 Share Purchase Plan

The Company's Board of Directors has established a share purchase plan for its employees and those of its subsidiaries (the "Share Purchase Plan") by which they can directly subscribe for Company shares by means of an interest-free loan from the Company. The total amount of shares presently issued pursuant to this Share Purchase Plan is 158,673 (i.e. 0.45% of the issued and outstanding share capital). The total shares offered pursuant to this Share Purchase Plan must not exceed 250,000.

On May 1st and November 1st of each year, employees can subscribe for an amount of shares pursuant to the Share Purchase Plan which should not exceed 10% of the amount of their current annual gross salary; the total of which should also be less than 5% of the Company's issued and outstanding share capital. A maximum of 10% of the issued and outstanding share capital may be reserved for issuance to Insiders within a one-year period pursuant to this Share Purchase Plan and any other share option plan. The subscription price for each new common share subscribed pursuant to this Share Purchase Plan is equal to the weighted average closing price of the shares on the Toronto Stock Exchange during a period of five (5) days prior to the participation date. Employees cannot assign or otherwise alienate their rights in the Share Purchase Plan.

The Company reserves the right, at all times, to modify, suspend or terminate the Share Purchase Plan, subject to the approval of regulatory authorities and the participants' acquired rights and privileges. The Share Purchase Plan has not been modified during the past fiscal year. Pursuant to the Share Purchase Plan, the Company offers each participant who subscribes for shares an interest-free loan of an amount corresponding to the subscription price. The loan is repayable by equal withholdings from the participant's salary for a period not exceeding two (2) years. The loans granted to one employee must never exceed 10% of the amount of his current annual gross salary. Loans are immediately due and repayable as soon as the participant is no longer an employee of the Company or one of its subsidiaries. The subscribed Common Shares are hypothecated to secure full and final repayment of the loan and are held by the trustee, National Bank Trust, until such full repayment.

4. REPORT OF THE COMPENSATION COMMITTEE

4.1 Composition of the Committee

The Compensation Committee of the Board of Directors is composed of three (3) independent directors, namely A. Jean de Grandpré, Paul Pommier and Jean-Denis Talon, who have never been executives of the Company or any of its subsidiaries. Mr. Talon has been a member of the committee since December 16, 2004 in replacement of Mr. Henri A. Roy who had been appointed on May 3, 2004 but resigned on December 3, 2004. Ms. Monique Lefebvre was a member of the committee until June 7, 2004 when she resigned from the Board. During the fiscal year which ended on November 30, 2004, the committee met on four (4) occasions.

4.2 Report on Executive Compensation

The compensation of Executive Officers includes the following items: a base salary, an annual performance bonus based on the achievement of annual objectives and stock options.

The base salary mainly reflects competitive salaries for positions of comparable responsibilities in Canadian companies of comparable size and complexity, particularly corporations involved in the biotechnology industry. The annual performance bonuses are based on the global performance of the Company with respect to pre-set objectives annually established and on the performance of each Executive Officer.

Consistent with industry practices, incentive stock options are also awarded from time to time as an effective means to align the interests of management and shareholders. The principal provisions of the Stock Option Plan are described under the heading "Equity Compensation Plans" on page 11 of this Circular. The Board of Directors of the Company determines the number and terms of the options granted under the Plan taking into consideration the role of the Executive Officer, the responsibilities inherent to his/her position and his/her influence on the creation of increased value for shareholders.

The compensation of the President and Chief Executive Officer includes the same elements as described above and is established by the committee based on its opinion as to a fair and reasonable compensation package, taking into account his contribution to the Company's long-term growth and compensation practices in the biotechnology industry.

The Compensation Committee reviews the executive officers' compensation programs annually to ensure that they are competitive and comply with the objectives, values and strategies of the Company.

The above report is submitted by the Compensation Committee for the fiscal year ended November 30, 2004.

Approved on February 3, 2005 by the members of the committee,

A. Jean de Grandpré
Paul Pommier
Jean-Denis Talon

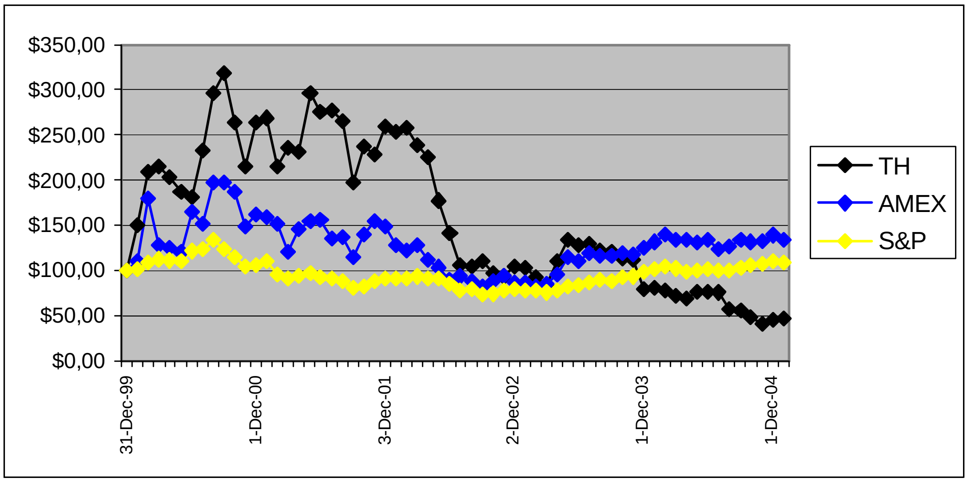
C. LIABILITY INSURANCE OF DIRECTORS AND OFFICERS

The Company takes out and bears the cost of liability insurance for its directors and officers in the line of duty. These insurance policies also cover the directors and officers of the Company's subsidiaries, if any. During the fiscal year ended November 30, 2004, the policies provided maximum coverage of $10,000,000 per claim, subject to a $100,000 deductible per occurrence. Premiums paid by the Company for the policies were $44,220. The policies and the premiums do not distinguish between the insurance for the directors' liability and officers' liability, the coverage being the same for both groups.

III. PERFORMANCE GRAPH

The following graph compares a cumulative annual total shareholder return on a $100 investment in the shares of the Company with a cumulative total shareholder return on the composite index S&P/TSX (previously known as the Toronto Stock Exchange 300 (TSE 300 Index)) assuming that all dividends are reinvested, and the AMEX biotech index.

Return on a $100 Investment from December 31, 1999 to December 31, 2004



The graph above does not consider the special dividend comprised of Ecopia BioSciences Inc. shares paid to the shareholders of the Company on October 3, 2000.

IV. CORPORATE GOVERNANCE

A. BACKGROUND

The Toronto Stock Exchange ("TSX") established guidelines for corporate governance (the "Guidelines") which relate to a number of significant governance issues, including the proper role of the Board of Directors, its structure and composition and its relationship with shareholders and management. The Canadian Securities Regulatory Authorities published for comments a "Draft Regulations Regarding Corporate Governance", which would replace the Guidelines. The Board of Directors of the Company considers that good corporate governance practices are essential for the effective and prudent management of the Company. Accordingly, the Board of Directors is presently re-assessing its corporate governance practices with a view to satisfying the new regulations and has adopted certain policies to this effect.

The TSX requires that its listed corporations annually disclose their corporate governance practices with reference to the Guidelines. In accordance with the listing requirement of the TSX, a description of the Company's governance practices, with specific reference to each of the Guidelines, is attached hereto as Schedule A.

B. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has established three committees to assist it in effectively carrying out its responsibilities. A brief description of these committees is set forth hereafter.

1. Audit Committee

The mandate of the Audit Committee is to assist the Board of Directors in verifying the integrity of the financial statements and in supervising the internal auditing systems, the appointment and supervision of the auditors and the Company's risk management practices. The committee meets with the auditors four times per year, of which at least one meeting is held without Company management being present. The committee also examines the auditors' independence with respect to management and presents its recommendations to the Board of Directors as regards to the appointment of auditors.

2. Compensation Committee

The mandate of the Compensation Committee is to examine issues relating to the remuneration of senior executives of the Company, including that of the President and Chief Executive Officer, with a view to making recommendations to the Board of Directors. The committee also regularly reviews the compensation of directors in light of market practices and the level of responsibilities. Finally, the committee is responsible for establishing the annual increase in total compensation, examining the terms and conditions of the total compensation plans of the Company and ensuring that they are competitive with the plans of companies engaged in activities similar to those of the Company.

3. Nominating Committee

The mandate of the Nominating Committee is to establish and review the criteria for the selection of the directors and to recommend to the Board new nominees. It also examines the size of the Board in view of assessing its effectiveness.

C. COMMUNICATIONS POLICY

The Board of Directors makes every effort to communicate in the most effective manner with shareholders, employees and members of the investment community. The Company is committed to complying with all applicable laws, regulations and policies as well as to best practices in the field. This commitment is evidenced, notably, by the adoption in 2004 of an Information Policy. This policy sets clear guidelines for disclosure of information and trading in securities by employees.

The Audit Committee reviews in advance all press releases which disclose financial results and certain other press releases discussing non-routine matters. Other statutory documents or documents required to be prepared, filed and delivered including, without limitation, the Annual Report, proxy materials and Annual Information Form are reviewed by the committee and, when required, these documents are approved by the committee.

V. OTHER INFORMATION

A. ADDITIONAL DOCUMENTATION

The Company is a reporting issuer in all Canadian provinces and is required to file its financial statements and Circular with each Canadian Securities Commission. Each year, the Company also files an Annual Information Form with such commissions. The financial information of the Company is provided in the Company's comparative financial statements and Management Discussion & Analysis for its fiscal year ended November 30, 2004. Copies of the Company's financial statements, Circular and Annual Information Form may be obtained on request to the Secretary of the Company at the following address: 2310 Alfred-Nobel Blvd, Saint-Laurent, Québec, H4S 2A4 or by consulting the SEDAR Web site at www.sedar.com. The Company may require the payment of a reasonable fee if the request is made by someone other than a security holder of the Company, unless the Company is in the course of a distribution of its securities pursuant to a short form prospectus, in which case these documents will be provided free of charge.

B. APPROVAL BY THE BOARD OF DIRECTORS

The content, in substance, and the sending of the Circular to the shareholders have been approved by the Board of Directors of the Company on February 3, 2005.

Montréal, Québec, March 9, 2005.

Geneviève Dubuc,
Secretary

SCHEDULE A

CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE GUIDELINES	COMMENTS
1. Explicitly assume responsibility for stewardship of the Company, and specifically for:	The Board of Directors of the Company is responsible for the entire stewardship of the Company, meaning that it oversees the conduct of the Company's business and supervises the executive management of the Company, which is responsible for the day-to-day operations.
a. adoption of a strategic planning process	In fulfilling its mandate, the Board has the responsibility (i) to approve the long-term strategy of the Company in light of, among other questions, the opportunities and the corporate risks, (ii) to approve and to supervise the implementation of the Company's annual strategic plan, and (iii) to advise the executive management on strategic questions.
b. identification of principal risks, and implementation of risk management systems	The Audit Committee is responsible for examining main corporate risks identified by management relating to the Company's activities and of the Company's practices and policies for dealing with these risks on a ongoing basis.
c. succession planning, including appointing, training and monitoring senior management	The Board of Directors wishes to ensure the quality and continued employment of senior management, elements that are necessary to achieve the corporate objectives. Hence, the Board of Directors has the responsibility to appoint the President and Chief Executive Officer and to approve the nomination of the other members of senior management. The Board is also in charge of overseeing and evaluating the performance of management with reference to the objectives fixed by the Board of Directors.
d. communications policy	The mandate of the Board of Directors provides that the Board has the responsibility to analyze, at least once a year, the Company's communications policy and to oversee communications of the Company with analysts, investors and the public. The senior management of the Company, more specifically, the President and Chief Executive Officer, the Senior Executive Vice President and Chief Financial Officer and the Vice President, Investor Relations and Public Affairs, are responsible for communications between management and the Company's current and potential investors and its financial analysts. The Audit Committee reviews the press releases dealing with financial matters prior to their issuance.

CORPORATE GOVERNANCE GUIDELINES	COMMENTS
e. integrity of internal control and management information systems	The Board of Directors is responsible for assessing the general integrity of the Company's internal control and management information systems. The Audit Committee more specifically oversees the quality and the integrity of the internal controls and the management of information systems and does so through discussions with management and external auditors.
2. Majority of directors should be "unrelated" (independent of management and free from conflicting interest) to the Company	The Board of Directors is currently composed of eight members, six of whom are considered to be "unrelated" directors within the meaning of the Guidelines. In order to identify the unrelated directors, the management of the Company has named those who are not officers of the Company and who do not have any relationship with the Company, including business relations, which could affect, in a significant way, their capacity to act in the best interests of the Company.
3. Disclose for each director whether he/she is related, and how that conclusion was reached	

Gilles Cloutier	Unrelated	
A. Jean de Grandpré	Unrelated	
André Delambre	Unrelated	
Robert Goyer	Unrelated	
Paul Pommier	Unrelated	
Yves Rosconi	Related	President and Chief Executive Officer of the Company
Jean-Denis Talon	Unrelated	
Luc Tanguay	Related	Senior Executive Vice President and Chief Financial Officer of the Company

Corporate Governance Guidelines	Comments
4. Appoint a committee of directors composed exclusively of outside (non-management) directors, the majority of whom are unrelated, responsible for proposing to the full Board new nominees to the Board and for assessing directors	The Nominating Committee has the responsibility (i) to establish and review the criteria for the selection of the directors, assessing on the one hand, the skills, the personal qualities, the business experience and the diversity of the Board and, on the other hand, the needs of the Company, (ii) to identify candidates eligible for Board membership, and (iii) to propose new candidates, if required, for election at the annual shareholders' meetings. The committee is composed entirely of outside, unrelated directors namely, Gilles Cloutier, André Delambre, Paul Pommier, Jean-Denis Talon and A. Jean de Grandpré who acts as Chairman of the committee.
5. Implement a process for assessing the effectiveness of the Board as a whole, its committees and the contribution of individual directors	While there is no formal process for assessing directors on an ongoing basis, the Directors feel free to discuss specific situations from time to time among themselves and/or with the Chairman of the Board and if deemed necessary, steps are taken to remedy the situation.
6. Provide an orientation and education program for new directors	The Company has not implemented any formal orientation and education program for new directors. The orientation and education are presently conducted on an informal basis by the Chairman of the Board, the President and Chief Executive Officer and the Secretary. However, the Board ensures that each new nominee has the competencies, skills and personal qualities required to perform his or her duties properly.
7. Examine its size and consider reducing the number of directors, with a view to improving its effectiveness	The Nominating Committee is of the view that the size of the Board is well suited to the present circumstances of the Company and allows for the efficient functioning of the Board as a decision-making body.
8. Review compensation of directors in light of risks and responsibilities	The Compensation Committee is responsible for regularly reviewing compensation for the members of the Board of Directors in light of the market practices and level of responsibility.

CORPORATE GOVERNANCE GUIDELINES	COMMENTS	
9. Committees of the Board should generally be composed of outside (non-management) directors, a majority of whom are unrelated	The Board of Directors has three committees: the Audit Committee, the Compensation Committee and the Nominating Committee. All these committees of the Board of Directors are composed entirely of outside, unrelated directors.	
	<u>Audit Committee</u>	
	André Delambre	Outside and Unrelated
	Paul Pommier	Outside and Unrelated
	Jean-Denis Talon	Outside and Unrelated
	<u>Compensation Committee</u>	
	A. Jean de Grandpré	Outside and Unrelated
	Paul Pommier	Outside and Unrelated
	Jean-Denis Talon	Outside and Unrelated
	<u>Nominating Committee</u>	
	A. Jean de Grandpré	Outside and Unrelated
	Gilles Cloutier	Outside and Unrelated
	André Delambre	Outside and Unrelated
	Paul Pommier	Outside and Unrelated
	Jean-Denis Talon	Outside and Unrelated
10. Expressly assume responsibility for, or assign to a committee the general responsibility for developing an approach to corporate governance issues	The Board of Directors is responsible (i) to supervise management with regards to its quality and ethical practices, (ii) to analyze regularly the structures and the procedures in matters of corporate governance, including the determination of the decisions which require the approval of the Board of Directors, and (iii) as needed, to approve the policies on relations and communications with shareholders.	

Corporate Governance Guidelines	Comments
11. a. Define limits to management's responsibilities by developing position descriptions for:	
i. the board	The mandate of the Board of Directors is to supervise management of the internal and commercial affairs of the Company and to act with a view to the best interests of the Company by virtue of the powers resulting from, and in accordance with, the provisions of the *Companies Act* (Québec). The Board oversees the activities of the Company and monitors senior management, which is responsible for the day-to-day activities. The Board of Directors determines matters of corporate policy, assesses management's execution of these policies and reviews the results obtained. All other responsibilities, which are not otherwise delegated to senior management or to a committee of the Board, are responsibilities of the Board.
ii. the Chief Executive Officer	The Board of Directors is responsible for defining the responsibilities associated with the position of Chief Executive Officer and communicating these to him.
b. The Board should approve or develop CEO's corporate objectives	The corporate objectives of the Chief Executive Officer are established in accordance with the operating plan, the strategic plan and the budget, which are approved by the Board of Directors on an annual basis. Performance evaluation is based on the achievement of such objectives.
12. Establish procedures to enable the Board to function independently of management	While there is no formal structure in place to ensure that the Board of Directors can function independently of management, the Board of Directors is free to ask one or more members of management to withdraw during certain discussions and the directors do not hesitate to meet without the presence of officers who are members of the Board, when circumstances so require.
13. Establish an Audit Committee composed exclusively of outside directors, with a specifically defined mandate and which has direct communication channels with the auditors	The Audit Committee is entirely composed of unrelated directors and adopted its written mandate describing its responsibilities on May 3, 2004. The committee meets at least once a year with the external auditors without management present.

Corporate Governance Guidelines	Comments
14. Implement a system to enable individual directors to engage outside advisers, at the Company's expense	In performing its responsibilities, the Board, a committee of the Board or an individual director may, as required, and subject to the approval of the Board of Directors, engage an outside advisor at the expense of the Company.