

Protox

THERAPEUTICS

PROTOX THERAPEUTICS INC.

WHISTLEBLOWER POLICY

February 19, 2007

Protox Therapeutics Inc.
1210-885 West Georgia Street
Vancouver, BC
V6C 3E8

WHISTLEBLOWER POLICY PROTOX THERAPEUTICS INC.

General

Protox's Code of Business Conduct and Ethics ("Code") requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Corporation, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Corporation rather than seeking resolution outside the Corporation.

Reporting Violations

The Code addresses the Corporation's open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching.

Management is required to report suspected violations of the Code of Conduct to the Company's Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud or securities law violations, or when you are not satisfied or uncomfortable with following the Corporation's open door policy, individuals should contact the Corporation's Compliance Officer directly.

Compliance Officer

The Corporation's Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the President and CEO, the CFO and/or the audit committee. He has direct access to the audit committee of the board (the "Committee") of directors and is required to report to the Committee at least annually on his compliance activity.

The Company's Compliance Officer is Nitin Kaushal, the Chair of the Company's Audit Committee. Individuals may communicate with Protox's Board through the Compliance Officer's office in the following manner in relation to any matter including in relation to any complaints regarding Protox's business conduct or any possible violations of law, or of this Code, or about its accounting, internal accounting controls or financial or auditing matters:

Attention: Mr. Nitin Kaushal

Mail: Desjardins Securities Inc
2750 – 145 King Street W
Toronto, ON
M5H 1J8

Telephone: 1-416-867-3576

Email: nitin.kaushal@vmd.desjardins.com

(Please indicate the Subject as: Protox's Whistleblower)

If you are not comfortable speaking with the Compliance Officer or the Compliance Officer is unavailable and the matter is urgent, you may contact the Chairman of the Board, Mr. Frank Holler, via email at fholler@lionscapital.com or via telephone at 604-688-6877, ext. 12.

Accounting and Auditing Matters

The audit committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the audit committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.