ANTIBE THERAPEUTICS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three months ended June 30, 2013

Dated: Aug 27, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following management's discussion and analysis (this "**MD&A**") of the operating results and financial position of Antibe Therapeutics Inc. ("**Antibe**" or the "**Company**") is for the three months ended June 30, 2013 (**"Q1")** and for the comparator period, the three months ended June 30, 2012 (**"Q1 PY")**, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period (the "**2014 Q1 Unaudited Financial Statements**") and the notes thereto. The Company's accounting policies and estimates used in the preparation of the 2014 Q1 Unaudited Financial Statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Additional information relating to the Company is available under the Company's System for Electronic Document Analysis and Retrieval ("**SEDAR"**) profile at www.sedar.com.

The Company's financial data has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and is presented in Canadian dollars unless otherwise noted herein.

This MD&A was approved by the Board on **August 27, 2013**.

Company Overview

Antibe originates, develops and out-licenses patent-protected new pharmaceuticals that are improved versions of existing drugs. These improvements originate from Nobel Prize-winning medical research highlighting the crucial role of gaseous mediators, which are the chemical substances produced in the human body to regulate a range of fundamental cellular processes. The Company's drug design methodologies involve chemically linking a base drug to an Antibe-patented, hydrogen sulfide-releasing molecule; in short, improving existing therapies with the promise of making them better tolerated.

Antibe's lead compound, ATB-346, combines hydrogen sulfide ("**H_2S**") with naproxen, the approved, marketed and off-patent non-steroidal anti-inflammatory drug ("**NSAID**"). By combining the attributes of H_2S with naproxen, multiple pre-clinical studies have shown that ATB-346 has therapeutic efficacy that is equal to or greater than that of naproxen with a significantly improved side-effect profile versus naproxen or other commonly used NSAID treatments for pain associated with, amongst other conditions, osteoarthritis.

Antibe has a development plan for ATB-346 through to the end of Phase II human clinical studies, a possible strategic exit point for the drug. The Company's objective is develop the drug to Phase II by satisfying the requirements of the drug regulatory authorities and the commercial licensing objectives of prospective global partners while moving through development quickly and efficiently.

Forward-Looking Statements

Certain statements in the following MD&A about the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indication", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Company in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances.

Many factors could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements. The purpose of the forward-looking statements is to provide readers with a description of management's expectations regarding, among other things, the Company's financial performance and

research and development plans and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements.

Furthermore, unless otherwise stated, the forward-looking statements are made as of the date of this MD&A, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. New factors emerge from time to time, and it is not possible for the Company to predict which factors may arise. In addition, the Company cannot assess the impact of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Without limitation, this MD&A may contain forward-looking statements pertaining to the following:

- the Company's research and development plans (including the persons expected to oversee, coordinate and participate in such plans), business model, strategic objectives and growth strategy;
- the Company's current and future capital requirements and the need for additional financing;
- the continuation of the Company as a going concern;
- the payment of dividends;
- the Company's expectations regarding net losses and revenue generation; and
- the Company's expectations regarding increases in research and development costs and general and administrative expenses.

With respect to forward-looking statements, assumptions have been made regarding, among other things:

- future research and development plans for the Company's proceeding substantially as currently envisioned;
- expected research and development tax credits;
- future expenditures to be incurred by the Company;
- research and development and operating costs;
- the Company's ability to find partners in the pharmaceutical industry;
- additional sources of funding, including the Company's ability to obtain funding from partners;
- the impact of competition on the Company; and
- the Company being able to obtain financing on acceptable terms.

Because the factors discussed in this MD&A could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by the Company, readers should not place undue reliance on any such forward-looking statements. These statements are subject to risks and uncertainties, known and unknown, which could cause actual results and developments to differ materially from those expressed or implied in such statements. Such risks and uncertainties relate, among other factors, to:

- the Company's history of operating losses;
- the Company's ability to obtain additional capital in the future to conduct operations, research and development activities and develop its products;
- the availability of tax credits;
- the Company's ability to find partners in the pharmaceutical industry;
- the Company's ability to license its products on terms and conditions acceptable to the Company;

- the Company's ability to compete against other companies and research institutions with greater financial and other resources;
- the Company's ability to secure adequate protection for its intellectual property;
- the Company's ability (or the ability of the Company's partners) to obtain regulatory approvals of the Company's products; and
- the Company's ability to attract and retain key personnel.

The Company's actual results could differ materially from those discussed in the following MD&A.

Overall Performance

The Company is a development stage company, does not generate revenue, and it will continue to operate at a loss for the foreseeable future. The Company is dependent on continued access to capital markets to acquire the resources it needs to achieve its short and long-term business objectives.

During the 2013 fiscal year, the Company concluded several years of multiple animal proof-of-concept studies that yielded encouraging results. The Company determined that it would pursue the development of its lead asset ATB-346. In the fourth quarter of the 2012 calendar year, the Company made the decision to pursue a listing on the Toronto Stock Exchange's Venture Exchange in order to raise sufficient funds to develop its lead assets. During the third and fourth quarters of the Company's fiscal year ending March 31, 2013, the Company raised $790,000 through the issuance of convertible debentures in order to undertake the process of listing the Company on the exchange. In addition, the Company continued to pursue regional licensing deals whereby regional marketing exclusivity with adjusted royalty rates will be exchanged for clinical development financing. In Q1, the successful completion of the IPO was the primary focus of management's attention. On June 18, 2013, the Company successfully closed on its Initial Public Offering (the **"IPO"**), raising, under the Final Prospectus and through two affiliated private placements, gross proceeds of $2,282,500.

As at June 30, 2013, the Company has no unused pre-arranged financing, no capital commitments, and holds long-term debt only in the form of long-term accounts payable to Schmed Enterprises Inc. and AltaPharm International Inc., which, as the subject of twenty-four month forbearance agreements, is considered long term debt. The following table summarizes the Company's Statement of Losses for Q1 and Q1 PY.

	Three months ended	
	June 30, 2013	**June 30, 2012**
REVENUES	-	-
EXPENSES		
Consulting Fees	$ 124,022	$ 42,400
Research & Development	80,000	65,000
Salaries	50,100	-
Interest / Accretion	15,165	-
Office and Sundry	13,391	11,731
Travel	9,362	5,121
Rent	7,770	9,319
Professional Fees	6,992	47,021
Telephone	2,777	3,405
Insurance	1,316	1,161
	$ 310,825	$ 185,158
NET LOSS AND COMPREHENSIVE LOSS	($310,825)	($185,158)

Loss per Share		
Basic	($0.02)	($0.01)
Weighted Average Number of Common Shares Outstanding		
Basic	20,534,712	19,654,000

Discussion of Operations

Revenue

The Company did not generate any revenue in the three month period ended June 30, 2013, and it does not expect to generate revenue in the near future.

Operating Expenses

Total expenses increased by $125,667 from $185,158 in Q1 PY to $310,825 in Q1. The increase was primarily the result of an increase of $81,622 in consulting fees and a $50,100 increase in salaries.

General and Administrative

General and administrative expenses include consulting fees, professional fees (audit and legal), salaries, rent, insurance, office and sundry, travel, telephone expenses, and stock compensation expense. These costs represent the Company's largest class of expenditures.

General and administrative expenses increased by $95,501 in Q1 to $215,659 from $120,158 in Q1 PY.

Consulting fees increased $81,622 in Q1 over Q1 PY. Consulting fees are largely comprised of (i) fees incurred under the CEO Agreement; (ii) fees incurred under the CDO Agreement (an agreement pursuant to which the Company pays the Chief Development Officer fees for drug development services rendered); (iii) fees incurred for investor relations services; and (iv) fees incurred for regulatory consulting services. In Q1 PY, the Company incurred neither the CDO fees nor the investor relations services fees; in Q1 these fees totaled $53,350. In addition, in Q1 PY, the Company received the benefit of a $22,600 credit to consulting fees for a MaRS Business Assistance Program grant.

Professional fees dropped $40,029 in Q1 over Q1 PY. Professional fees are largely comprised of (i) audit fees, and (ii) legal fees, both general and patent related. Audit fees increased $4,000 from Q1 PY to $6,750 in Q1 representing an increase in audit and accounting work not directly related to the IPO. In Q1, legal fees related to patents decreased $30,164 from Q1 PY to $14,107. In both Q1 and Q1 PY, general legal fees not related to the IPO were negligible however in Q1 the Company received discounts on previous period general legal fees not related to the IPO totaling $14,831 which the Company credited to professional fees in Q1.

Salaries increased $50,100 in Q1 over Q1 PY. This expense represents the salary of the Company's CFO, not incurred in Q1 PY.

Rent expense decreased $1,619 in Q1 over Q1 PY. This decrease resulted from the Company entering into a rent expense sharing agreement with Antibe Holdings Inc., effective March 31, 2013, wherein Antibe Holdings Inc. pays $500 per month plus HST to the Company for the use of some part of the office space at 15 Prince Arthur Ave.

Research and Development

Research and development expenses include payments made to scientists engaged directly in the research and development of the Company's assets as well as purchases of materials and services from affiliated parties and third parties.

Research and development expenses represent the costs of acquiring scientific materials needed to conduct research, the cost of performing the research, the cost of managing scientific studies, the cost of analyzing and interpreting data, and various other activities associated with assessing the Company's assets and moving them forward in the development process.

In Q1, research and development expenses increased $15,000 from Q1 PY to $80,000. This increase was due to the Company initiating the first of its IND enabling pre-clinical studies in the quarter.

As the Company has previously conducted multiple successful animal proof-of-concept studies and completed its IPO, it has started investigational new drug ("**IND**") enabling pre-clinical studies on its lead asset, ATB-346. The Company intends to conduct the following pre-clinical studies in preparation for submitting an IND application for ATB-346 to the FDA in 2014.

Toxicity:	AT2 T01	- Maximum Tolerated Dose (MTD) / 7 day dose range study in rats
	AT2 T02	- MTD/ 7 day dose range study in dogs
	AT2 T03	- 14 day repeat dose study in rats
	AT2 T04	- 14 day repeat dose study in dogs
Genotoxicity:	AT2 G01	- Bacterial Ames Mutagenicity Test – in vitro
	AT2 G02	- Chromosomal Aberrations in Human Lymphocytes – in vitro
	AT2 G03	- Mouse Bone Marrow Micronuclei Test – in vivo
Safety:	AT2 A01	- Receptor panel screening – in vitro
	AT2 A02	- Cytochrome inhibition study – in vitro
	AT2 A03	- Plasma protein binding study – in vitro
	AT2 A04	- Hepatocyte profiling study – in vitro
	AT2 A05	- hERG/ cardiovascular ion channel assessment – in vitro
	PhaAT2 P01	- Dog QTc and cardiac/ respiratory study – in vivo
	AT2 P02	- Rat CNS study – in vivo
Analytical:	AT2 B01	- Rat plasma bioanalytics
	AT2 B02	- Dog plasma bioanalytics or AT2 B03 - Primate plasma bioanalytics
	AT2 B04	- Human plasma bioanalytics

Financing Expenses

In Q1, the Company incurred $15,165 in financing expenses comprised of $8,144 in interest expenses and $7,021 in accretion expenses. These expenses relate to accrued expenses associated with the convertible debentures and were not incurred in Q1 PY. These expenses were calculated up to June 18, 2013 at which time the convertible debentures were automatically converted into common shares and the accrued interest and accretion expenses were converted to share capital.

Liquidity and Off-Balance Sheet Arrangements

Since the Company's incorporation in May 2009, it has financed its operations primarily through the issuance and sale of equity securities. The Company is a development stage company and has no current sources of revenue. The continuation of the Company's research and development activities is dependent on its ability to successfully finance and complete its research and development programs through a combination of equity financing, research and development grant awards, out-licensing revenues, and development and co-development funding provided by the Company's strategic partners. The following table summarizes the Company's Consolidated Statement of Financial Position as at June 30, 2013 and March 31, 2013.

	June 30 2013	**March 31 2013**
Current Assets		

Cash	1,686,590	194,301
Payable from Antibe Holdings Inc.	94,150	85,941
HST Recoverable	184,778	130,767
Prepaid Expenses	69,961	46,125
	2,035,478	457,134
Other Current Assets		
Deferred Share Issuance Costs	-	280,891
TOTAL ASSETS	2,035,478	738,025
Current Liabilities		
Accounts Payable and Accrued Liabilities	602,822	536,987
Convertible Debentures	-	761,876
Long-Term Liabilities		
Payable to Schmed Enterprises Inc.	162,550	162,550
Payable to AltaPharm International Inc.	283,490	283,490
	446,040	446,040
TOTAL LIABILITIES	1,048,862	1,744,903
Share Capital	3,552,834	1,372,233
Common Share Purchase Warrants	449,067	449,067
Contributed Surplus	1,189,456	1,065,739
Accumulated Deficit	(4,204,741)	(3,893,916)
TOTAL SHAREHOLDERS' DEFICIENCY	986,616	(1,006,877)
	2,035,478	738,025

The Company has incurred significant net losses since its formation. As at June 30, 2013, the Company had an accumulated deficit of $4,204,741 and total shareholder's equity of $986,616. The Company incurred net losses of $310,825 and $185,158 in Q1 and Q1 PY respectively.

The Company completed a non-brokered private placement financing that closed in multiple tranches between November 13, 2012 and February 27, 2013, pursuant to which it issued convertible debentures in the aggregate principal amount of $790,000 (the "**Convertible Debentures**"). These Convertible Debentures bore interest at 8% per annum and mature one year from their date of issue. They automatically converted into common shares of the Company (each, a "**Common Share**") at a one-third discount when the Company successfully completed its IPO on June 18, 2013.

As at June 30, 2013, the Company had a working capital surplus of $1,432,656, up $1,993,493 from ($560,837) March 31, 2013.

The Company expects its net losses to continue as the development of ATB-346 continues and enters the FDA regulated clinical phases. In addition, the Company will require additional infrastructure to manage the development of its assets and to operate as a public company, which will increase expenses in both the research and development and general and administrative expense categories.

The Company believes that its existing cash and cash equivalents, together with the net proceeds from the Offering, will meet its anticipated cash needs to calendar Q2 2014. The Company expects to be in a position to file, or have completed filing, the IND application for ATB-346 to the Food and Drug Administration (the

"**FDA**") at that time, will have had time to assess the pre-clinical data, and will be able to determine whether or not to proceed with ATB-346 into Phase I of clinical development.

In the Final Prospectus of the IPO, the Company included a Use of Proceeds table, an excerpt of which is included below. As the Over-Allotment Option was not exercised, this excerpt excludes the column which detailed that scenario.

Use of Proceeds (in $000s)	Minimum Offering ($2M)	Maximum Offering ($3M)
Development Cost		
Pre-Clinical Costs - ATB 346		
Safety Pharmacology	-	186
Analytical	-	74
Toxicity	400	400
Chemistry, Manufacturing and Controls	125	180
Genotoxicity	-	55
Research & Development Management	144	260
Total Development Cost	**669**	**1,155**
Less Expected R&D Tax Credits	66	115
Net Development Cost	**603**	**1,040**
Staff Cost [(1)]	**444**	**728**
Overhead Cost		
Professional Fees [(2)]	276	320
Patent Fees	96	96
Other	100	100
Total Staff and Overhead Cost	**916**	**1,244**
Unallocated Proceeds [(3)]	131	266
Total	**1,650**	**2,550**

As at June 30, 2013, the Company had raised gross proceeds of $2,282,500 ($2,127,400 under the final prospectus and $155,100 under two affiliated private placements) and was operating under the Minimum Offering scenario while attempting to expand the pre-clinical development work that could be completed. As at the date of this MD&A, the Company has raised a total of $3,155,100 ($3,000,000 under the final prospectus and $155,100 under two affiliated private placements) and is operating under the Maximum Offering scenario. Under the Maximum Offering scenario details shown above, proceeds of $2,284,000 were required to cover net development costs, and staff and overhead costs. As the Company actually raised gross proceeds of $3,155,100 and incurred $794,496 of IPO related costs ($312,760 agent's fees plus $481,736 non-Agent's fee IPO costs), the resulting $2,360,604 available for net development costs, and staff and overhead costs meets its needs under the Maximum Offering scenario. The Company is in the process of rapidly moving its pre-clinical development program forward and believes it has the funds needed to achieve its key objective detailed in the final prospectus: to receive approval to begin clinical development of its lead asset, ATB-346.

The Company's future capital requirements will depend on many factors including, without limitation, the scope of the Company's research and development efforts, the results of the studies that comprise those efforts, and the Company's ability to successfully manage its development partners. The financial resources

raised through the Offering will not be sufficient to fund all of the Company's future development plans and the Company will need to raise additional funds through public or private equity financings. If the development of key asset proceeds as planned, and the scientific results of that development work are positive, the Company expects that it will be in a position to attract new investment and/or obtain additional financing at a more attractive rate. However, financial market and other conditions may result in the Company not being able to secure the additional financing needed to complete the development of any of its assets on terms acceptable to Company, or at all.

As at June 30, 2013, the Company had no unused pre-arranged financing, no capital commitments, and long-term debt only in the form of long-term accounts payable to Schmed Enterprises Inc. and AltaPharm International Inc., which, as the subject of twenty-four month forbearance agreements, have been converted into long term debt. The Company had no capital lease obligations, no operating leases other than for the use of its office space as detailed below, no purchase obligations, no off-balance sheet arrangements, and no tangible assets as of June 30, 2013. The Company signed a twelve-month lease for the use of its 15 Prince Arthur Ave. office space effective March 1, 2012, and has since extended the term of the lease under the same terms and provided for an increase in office space under lease. The lease carries a two-month notice period.

The Company may be eligible for Scientific Research and Experimental Development tax credits on research and development expenses incurred since its formation. No provision for these tax credits has been made in the Company's financial statements.

Capital Resources

As at June 30, 2013, the Company had no commitments for capital expenditures and no sources of financing arranged-but-not-used.

Cash and Cash Equivalents

The following table summarizes the Company's cash flows for Q1 and Q1 PY.

	Three months ended	
	June 30, 2013 ($)	**June 30, 2012 ($)**
CASH FLOWS FROM OPERATIONS		
Net Loss for the Period	(310,825)	(185,158)
Accretion exp and accrued interest not paid	(7,135)	-
Converted accrued interest	22,300	-
Net Changes in Non-Cash Working Capital Items:		
HST Recoverable	(54,011)	(20,406)
Accounts Payable and Accrued Liabilities	65,835	74,165
Prepaid Expenses	(23,836)	(3,483)
	(307,671)	**(134,882)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance to Antibe Holdings Inc.	(8,208)	-
Proceeds on Issue of Shares and Warrants net of Agent's fees	2,057,000	85,000
Shares Issuance Costs	(248,832)	-
	1,799,959	**85,000**
NET INCREASE (DECREASE) IN CASH FOR THE PERIOD	1,492,288	(49,882)

CASH, BEGINNING OF THE PERIOD	194,301	93,386
CASH, END OF THE YEAR	1,686,589	43,504

Net cash flows from operations decreased by $172,789 to an outflow of $307,671 in Q1 from an outflow of $134,882 in Q1 PY. Net cash flows from financing activities increased by $1,714,959 from $85,000 in Q1 PY to $1,799,959 in Q1. This was driven by the gross and net proceeds of the IPO of $2,282,500 and $2,057,000 respectively.

Related Party Transactions

The Company uses AltaPharm, a company controlled by the Company's Chief Scientific Officer, for research and development (and bookkeeping) services pursuant to a CSO agreement. During Q1, the Company incurred costs of $68,500 ($65,000 for Q1 PY) related to these services. As at June 30, 2013, $283,490 was outstanding, unchanged from March 31, 2013. This balance bears no interest and is payable in accordance with the terms of the AltaPharm Forbearance Agreement (as defined below).

The CSO Agreement was made effective January 1, 2013, for an indefinite term, subject to the Company's right to terminate the CSO Agreement without penalty by providing AltaPharm with 12 months notice. Pursuant to the CSO Agreement, AltaPharm is to be paid an annual consulting fee of $260,000, subject to a May 21, 2013 amendment to the agreement that requires that, upon the completion of the IPO, the consulting fee be reduced by $116,000 per annum until the Company raises aggregate gross proceeds of $2,500,000 (inclusive of the proceeds of the IPO), at which time AltaPharm's fee reduction shall be decreased by one-fifth for every additional $100,000 raised. The fee reduction shall remain in effect until the earlier of (i) the date the Company completes all of the relevant pre-clinical studies and (ii) the date the Company successfully completes a financing, the proceeds of which, when aggregated with the proceeds of the IPO and any arm's length post-IPO financings, total not less than $3,000,000, at which time the annual consulting fee shall be $260,000. As the gross proceeds of the IPO fell below $2,500,000, AltaPharm's fee will be reduced to $144,000 per annum starting July 1, 2013.

The Company uses Schmed, a company controlled by the Company's Chief Executive Officer, for management consulting services to the Company pursuant to a CEO agreement (the "**CEO Agreement**"). The services provided to the Company pursuant to the CEO Agreement are identical to the services that would be provided to the Company by a chief executive officer pursuant to an employment agreement. During Q1, the Company incurred costs of $65,000 ($65,000 for Q1 PY) related to these services. As at June 30, 2013, $162,550 was outstanding, unchanged from March 31, 2013. This balance bears no interest and is payable in accordance with the terms of the Schmed Forbearance Agreement (as defined below).

The CEO Agreement was made effective January 1, 2013, for an indefinite term, subject to the Company's right to terminate the CEO Agreement without penalty by providing Schmed with 12 months notice. Pursuant to the CEO Agreement, Schmed is to be paid an annual consulting fee of $260,000, subject to a May 21, 2103 amendment in the agreement that requires that, upon the completion of an IPO, the consulting fee be reduced by $116,000 per annum until the Company raises aggregate gross proceeds of $2,500,000 (inclusive of the proceeds of the IPO), at which time Schmed's fee reduction shall be decreased by one-fifth for every additional $100,000 raised. The fee reduction shall remain in effect until the earlier of (i) the date the Company completes all of the relevant pre-clinical studies and (ii) the date the Company successfully completes a financing, the proceeds of which, when aggregated with the proceeds of the IPO and any arm's length post-IPO financings, total not less than $3,000,000, at which time the annual consulting fee shall be $260,000. As the gross proceeds of the IPO fell below $2,500,000, Schmed's fee will be reduced to $144,000 per annum starting July 1, 2013.

On March 26, 2013 the Company entered into forbearance agreements with AltaPharm (the "**AltaPharm Forbearance Agreement**") and Schmed (the "**AltaPharm Forbearance Agreement**") whereby the related parties agreed not to enforce, for a period of 24 months from the date thereof, their rights to receive earned but unpaid compensation of $283,490 in the case of AltaPharm and $162,550 in the case of Schmed pursuant to the terms of their consulting agreements with the Company. The AltaPharm Forbearance Agreement and the AltaPharm Forbearance Agreement will terminate in the event that the Company completes a debt or equity financing for gross proceeds of not less than $5,000,000.

In association with the initial IPO offering, two private placement offerings totaling gross proceeds of $155,100 were closed. One of these private placements totaling gross proceeds of $100,100 and the issuance of 182,000 shares was made to a company beneficially owned by one of the Company's directors, Mr. Jonathan Goodman. The shares issued are subject to all of the conditions typically applied to common shares issued under a private placement including a four month hold period on their trading.

Critical Accounting Estimates

The Company's financial statements have been prepared assuming that it will continue as a going concern. In addition, they have been prepared on a historical cost basis, except for financial instruments and stock-based compensation that are measured on a fair value basis. Significant estimates have been made in order to calculate the value of deferred income tax and the fair value of outstanding prior options and Common Share purchase warrants.

As disclosed in the 2013 Audited Consolidated Financial Statements, the Company used the Black-Scholes pricing model to determine the fair value of the outstanding prior options and Common Share purchase warrants. The Company made the following significant assumptions in determining the fair value of such options and warrants:

	2013	**2012**
Risk free interest rate	1.67 – 1.86%	1.32 - 3.22%
Expected volatility	180%	135%
Expected dividend yield	0.0%	0.0%
Expected life of warrants and stock options	7-10 years	5-7 years

The Company determined the forfeiture rate to be nil and volatility was determined by reference to similarly-sized listed issuers.

Under the Agency Agreement the Company executed with BBSL for agency services provided as part of the IPO, upon the successful completion of the IPO, the Company granted BBSL Agent's Options in Q1. These options were valued using the Black-Scholes options pricing model (using RFIR of 1.76% and a 2 year expiry) and charged against the share capital raised under the IPO.

Changes in Accounting Policies

The Company adopted IFRS on incorporation on May 5, 2009.

Outstanding Share Data

The following details the Company's share capital structure as at June 30, 2013.

	Number of Common Shares Issued or Issuable
Common Shares pre-IPO	**19,686,000**
Common Shares issued under the IPO	**4,150,000**

	Number of Common Shares Issued or Issuable
Common Shares from Conv. Debentures	**2,215,339**
Total Common Shares	**26,051,339**
Securities convertible into Common Shares	
Common Share purchase warrants	**1,863,000**
Prior options	**3,000,000**
Agent's options	**405,000**
Total number of fully diluted Common Shares	**31,319,339**

Upon the successful completion of the IPO on June 18, 2013, all of the Company's issued and outstanding Convertible Debentures were converted into Common Shares, eliminating both the principal amount of the Convertible Debentures ($790,000) and the associated accrued interest payable ($22,300) from the Company's balance sheet.

Subsequent Events up to August 26, 2013

The Company completed two additional closings on the offering bringing the gross proceeds of the offering to the maximum allowed under the filed final prospectus, $3,000,000.

(a) The first of these closings was completed August 14, 2013 and yielded gross proceeds of $602,800 for the purchase of 1,096,000 common shares at the price of $0.55 per share. Under the Agency agreement, the Agent was granted an additional 109,600 options to purchase common shares with an exercise price of $0.55 and an expiry date of August 14, 2015. Agent's fees and expenses of $66,605 were incurred. The net proceeds of this first of the two additional closings was $536,195.

(b) The second of these closings was completed August 22, 2013 and yielded gross proceeds of $269,800 for the purchase of 490,545 common shares at the price of $0.55 per share. Under the Agency agreement, the Agent was granted an additional 49,054 options to purchase common shares with an exercise price of $0.55 and an expiry date of August 22, 2015. Agent's fees and expenses of $29,738 were incurred. The net proceeds of this second of the two additional closings was $240,062.

RISK FACTORS

An investment in the Common Shares involves a number of risks. In addition to the other information contained in this prospectus, prospective purchasers should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this prospectus. If any of the following events described as risks or uncertainties actually occurs, the Company's business, prospects, financial condition and operating results would likely suffer, possibly materially. In that event, the market price of the Common Shares could decline and purchasers could lose part or all of their investment. Additional risks and uncertainties presently unknown to the Company, or that the Company believes not to be material at this time, may also impair or have a material adverse effect on the Company's operations.

Start-up and Basis of Presentation

In January 2010, the Company commenced operations after having acquired from Antibe Holdings Inc. ("**Antibe Holdings**") an exclusive worldwide license to use Antibe Holdings' intellectual property to develop, clinically study and market new human pharmaceutical products based on H_2S linked to NSAIDs and statins.

Operations currently consist of the research and validation of new products and the conduct of regulated clinical research studies on animals and people. The Company is considered a development stage enterprise. Almost all research and development, administration and capital expenditures incurred by the Company since the commencement of operations are associated with the development described above.

The Company is subject to a number of risks and material uncertainty associated with the successful development of new products and their marketing, the conduct of its clinical studies and their results, and the establishment of strategic alliances as needed. The Company will have to finance its research and development activities and its clinical studies. To achieve the objectives of its business plan, the Company plans to raise capital and enter into development partnerships as needed. It is anticipated that the products developed by the Company will require approval from the FDA and similar organizations in other countries before their sale can be authorized.

Risks Related to the Company's Business

Ability to Continue as a Going Concern

The Company's unaudited interim financial statements for Q1 and Q1 PY were prepared assuming that the Company will continue as a going concern. As at June 30, 2013, the Company had a working capital surplus of $1,432,656, incurred a loss of $310,825, and had negative cash flow from operations of $307,671.

Some of these factors raise doubt about the Company's ability to continue as a going concern. Management's plans to address these issues involve actively seeking capital investment and generating revenue and profit from the commercialization of its products. The Company's ability to continue as a going concern is subject to management's ability to successfully implement this plan. Failure to implement this plan could have a material adverse effect on the Company's financial condition, results of operations and/or cash flow.

Until such time as the Company's products are patented and approved for sales, the Company's liquidity requirements are dependent on its ability to raise additional capital by selling additional equity or from proceeds from the exercise of stock options and Common Share purchase warrants or by obtaining credit facilities. The Company's future capital requirements will depend on many factors, including, but not limited to, the market acceptance of its products and services. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favourable to the Company.

If the going concern assumption is not appropriate, adjustments to the carrying value of assets and liabilities, the reported revenue and expenses, and the classifications used in the statement of financial position in these unaudited interim financial statements would be necessary. These unaudited interim consolidated financial statements for Q1 do not include such adjustments.

Lack of Supporting Clinical Data

The clinical effectiveness and safety of any of the Company's current or future products is not yet supported by clinical data and the medical community has not yet developed a large body of peer-reviewed literature that supports the safety and efficacy of the Company's products. If future studies call into question the safety or efficacy of the Company's products, the Company's business, financial condition or results of operations could be adversely affected.

Research and Development Risk

A principal component of the Company's business strategy is to expand its product offering to fully exploit the core technologies that have been licensed from Antibe Holdings. As such, the Company's organic growth and long-term success is primarily dependent on its ability to successfully develop new and current products and it will likely incur significant research and development expenditures. The Company cannot be certain that any investment in research and development will yield technically feasible or commercially viable products. Furthermore, its ability to discover and develop products will depend on its ability to:

- retain key scientists as employees or partners;
- identify high quality therapeutic targets;
- identify potential drug candidates;
- develop products internally;
- successfully complete laboratory testing and clinical trials on humans;
- obtain and maintain necessary intellectual property rights to the Company's products;
- obtain and maintain necessary U.S. and other regulatory approvals for its products;
- collaborate with third parties to assist in the development of its products; and
- enter into arrangements with third parties to co-develop, license, and commercialize its products.

The Company may not be successful in discovering and developing drug products. Failure to so introduce and advance new and current products could materially and adversely affect the Company's operations and financial condition.

Pre-Clinical Development Risks

The Company must demonstrate the safety and efficacy of ATB-346 (and any other products it develops) through, among other things, extensive pre-clinical testing. The Company's research and development programs are at an early stage of development. Numerous unforeseen events during, or as a result of, the testing process could delay or prevent commercialization of any products the Company develops, including the following:

- the results of pre-clinical studies may be inconclusive, may demonstrate potentially unsafe drug characteristics, or may not be indicative of results that will be obtained in human clinical trials;

- the safety and efficacy results attained in the pre-clinical studies may not be indicative of results that are obtained in later clinical trials; and

- after reviewing pre-clinical study results, the Company or its partners or collaborators may abandon projects that were previously thought to be promising.

Pre-clinical studies are very expensive, can run into unexpected difficulties and the outcomes are uncertain. The Company's pre-clinical studies for ATB-346 are expected to take 12 months to complete. The data collected from the Company's pre-clinical studies for ATB-346 (or any other products the Company develops) may not be sufficient to support the regulatory approval of human testing of such product(s). Pre-clinical studies of the Company's products may not be completed on schedule or on budget. The Company's failure to complete its pre-clinical studies on schedule or on budget, or its failure to adequately demonstrate the safety and efficacy of any of the products it develops, could delay or prevent regulatory approval of such products, which could adversely affect the Company's business, financial condition or results of operations.

Negative Cash Flow from Operating Activities

The Company reported negative cash flow from operating activities for Q1 and expects to experience negative operating cash flows for the foreseeable future. Until such time as the Company's products are approved for sale, the Company's working capital requirements are dependent on the Company's ability to raise capital by selling additional equity or from proceeds from the exercise of stock options and Common Share purchase warrants, by obtaining business development revenue (generally milestone payments for licensing agreements) or by obtaining credit facilities. No assurance can be given that any such additional funding or revenue will be available or that, if additional funding is available, it can be obtained on terms favourable to the Company.

Dependence on Schmed and AltaPharm

The Company relies on Schmed and AltaPharm, and in particular, their respective principals, Daniel Legault and John Wallace, to provide management and research and development services to the Company, and generally to assist with the development of the Company's business. The loss of the services of Schmed or AltaPharm, or of either of their respective principals, could adversely affect the Company's business, financial condition or results of operations.

Dependence on Key Personnel

Antibe's success is dependent on certain key management personnel, primarily its executives, which are key to the existence and continuity of Antibe. Furthermore, competition for qualified employees among biotechnology industry companies is intense, and the loss of key personnel or inability to attract and retain the additional highly skilled employees required for the expansion of activities could adversely affect Antibe's business. There can be no assurance that these persons will remain available to Antibe, forcing Antibe to attract and retain additional qualified employees and key executives for the achievement of Antibe's business goals.

Protection of Intellectual Property

The Company's success depends in part on its ability to maintain or obtain and enforce patent and other intellectual property protections for its processes and technologies and to operate without infringing upon the proprietary rights of third parties or having third parties circumvent the rights that the Company owns or licenses. The Company has filed applications in the United States, Canada, and other jurisdictions, has received some patents and expects others, and may, in the future, seek additional patents or file patent applications.

Patents may provide some degree of protection for intellectual property; however, patent protection involves complex legal and factual determinations and is therefore uncertain. The Company cannot be assured that its patents or patent applications will be valid or will issue over prior art, or that patents will issue from the patent applications it has filed or will file. Additionally, the Company cannot be assured that the scope of any claims granted in any patent will be commercially useful or will provide adequate protection for the technology used currently or in the future. The Company cannot be certain that the creators of its technology were the first inventors of inventions and processes covered by its patents and patent applications or that they were the first to file. Accordingly, it cannot be assured that its patents will be valid or will afford protection against competitors with similar technology or processes. Despite its efforts to protect its proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use its proprietary information. Monitoring unauthorized use of confidential information is difficult and the Company cannot be certain that the steps taken to prevent unauthorized use of confidential information will be effective. In addition, the laws governing patent protection continue to evolve and are different from one country to the next, all of which causes further uncertainty in the usefulness of a patent. In addition, issued patents or patents licensed to the Company may be successfully challenged, invalidated, circumvented or may be unenforceable so that the Company's patent rights would not create an effective competitive barrier.

Moreover, the laws of some countries may not protect the Company's proprietary rights to the same extent as do the laws of the United States and Canada. There are also countries in which the Company intends to sell its products, but has no patents or pending patent applications. The Company's ability to prevent others from making or selling duplicate or similar technologies will be impaired in those countries in which there is no patent protection. If the Company is not able to adequately protect its intellectual property and proprietary technology, its competitive position, future business prospects and financial performance will be adversely affected.

Unpatented trade secrets, technological innovation and confidential know-how are also important to the Company's success. Although protection is sought for proprietary information through confidentiality agreements and other appropriate means, these measures may not effectively prevent disclosure of proprietary information, and, in any event, it cannot be assured that others will not independently develop the

same or similar information or gain access to the same or similar information. In view of these factors, the Company's intellectual property positions have a degree of uncertainty.

Setbacks in these areas could negatively affect the Company's ability to compete and materially and adversely affect its business, financial condition and results of operations.

Inability to Implement the Business Strategy

The growth and expansion of the Company's business is heavily dependent upon the successful implementation of the Company's business strategy. There can be no assurance that Antibe will be successful in the implementation of its business strategy.

Reliance on Partners

Antibe works with a number of third parties to develop its products (and finance such development) and it expects its reliance on third party partnerships to increase in the future. If the Company's current or future strategic partners do not devote adequate resources to product development, or if they experience financial difficulties, change their business strategy or undergo a business combination that affects their willingness or ability to fulfill their obligations to the Company, the result could be a material adverse effect on the Company's financial condition, results of operations and/or cash flow. Furthermore, if the Company is unable to enter into additional partnerships in the future, or if the current or future partnerships fail, the Company's ability to develop products could be impacted negatively and the Company's business could be adversely affected. There can be no assurances that the Company will be able to establish these future strategic relationships, or, if established, that the relationships will be maintained. Currently, the Company's most important strategic relationship is with its Latin American pharmaceutical partner. Although the Company's Latin American partner is a well-known pharmaceutical company that has a 45-year history, operations in every country in Latin America and annual sales in excess of $1 billion, the Company does not have a legally binding licensing arrangement at this time with this partner and there can be no certainty that such an agreement will be concluded. The Company's relationship with its Chinese pharmaceutical partner, while of less strategic importance, is also important to the Company. The Company's Chinese partner is an early-stage company which faces its own set of unique risks, including financial and operating risks; however, the Company considers such risks to be somewhat mitigated by the fact that the Company's Chinese partner is the subsidiary of a large, publicly listed Chinese pharmaceutical company.

Large Accumulated Deficit

Antibe has a large accumulated deficit, expects future losses, and may never achieve or maintain profitability. It has incurred substantial losses since inception and expects to incur additional operating losses in the future as a result of research and development costs and ongoing operating costs including the additional costs of operating as a public company. The extent of the Company's future losses is highly uncertain, and its prospects must be considered in light of the risks and uncertainties encountered by an early-stage company in the continuously-evolving human pharmaceutical market, including the risks described throughout this prospectus. If the Company cannot successfully address these risks, its business and financial condition would suffer.

Lack of Diversity

Larger companies have the ability to manage their risk through diversification. However, Antibe currently lacks diversification, in terms of the nature of its business. As a result, the Company could potentially be more impacted by factors affecting the pharmaceutical development industry in general and Antibe in particular than would be the case if the business was more diversified. Currently, the Company's primary focus is the development of its NSAID portfolio, primarily ATB-346. Accordingly, the Company is dependent on its ability to develop and commercialize ATB-346 and any factor that materially adversely affects its ability to do so may have a material adverse effect on the Company's financial condition and results of operations.

Competitive Market for Antibe's Products

The pharmaceutical and biotechnology industries are highly competitive. Overall, most of Antibe's competitors in the pharmaceutical and biotechnology industries are larger and have greater financial and other resources, which enables them to invest significant amounts of capital and other resources in their businesses, including expenditures for research and development. If one of Antibe's current or future competitors develops innovative proprietary products, some or all of Antibe's products could be rendered obsolete.

Intellectual Property Litigation

Patents issued or licensed to the Company may be infringed by the products or processes of others. The cost of enforcing patent rights against infringers, if such enforcement is required, could be significant, and the time demands could interfere with normal operations. There has been substantial litigation and other proceedings regarding patent and other intellectual property rights in the pharmaceutical industry. Antibe may become a party to patent litigation and other proceedings. The cost of any patent litigation, even if resolved in the Company's favour, could be substantial. Some of the Company's competitors may be able to sustain the costs of such litigation more effectively than the Company can because of their substantially greater financial resources. Litigation may also absorb significant time and could divert management's attention from Antibe's core business. Litigation also puts the Company's patents at risk of being invalidated or interpreted narrowly, and puts patent applications at risk of not being issued.

Additionally, it is possible that patents issued or licensed to Antibe may be challenged successfully by third parties in patent litigation. Patent applications which relate to or affect the business may have been filed by others and may conflict with the Company's technologies or patent applications; this could reduce the scope of patent protection which could otherwise be obtained or even lead to refusal of patent applications. It is also possible for others to develop products which have the same effect as the Company's products on an independent basis or to design around the technology protected by the Company's patents. In any event, if the Company is unable to secure or to continue to maintain a preferred position, its products could become subject to competition from the sale of generic or equivalent products. Antibe could also become involved in interference proceedings in connection with one or more of its patents or patent applications to determine priority of invention.

Antibe cannot be certain that it is the creator of inventions covered by pending patent applications or that it was the first to file patent applications for any such inventions. It cannot be assured that the Company's patents, once issued, would be declared by a court to be valid or enforceable, or that a competitor's technology or product would be found to infringe the Company's products. In the event that a court were to find that the Company was infringing upon a valid patent of a third party, it could be required to pay a substantial damage award, develop non-infringing technology, enter into royalty-bearing licensing agreements or stop selling its products. It cannot be assured that the Company could enter into licensing arrangements at a reasonable cost, or at all. Any inability to secure licenses could result in delays in the introduction of some of the Company's products or even lead to prohibition of the development, manufacture or sale of certain of its products.

Although no claims against the Company are, to its knowledge, currently pending, it may be subject to claims. Litigation may be necessary to defend against these claims. Even if the Company is successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Non-IP Litigation

Any unfavourable court judgment or other cases could affect Antibe's cash flow. As of the date hereof, Antibe has no material legal matters pending.

Regulatory Risk

Antibe will require approval from the FDA for conducting human clinical studies and will require approval from the FDA and equivalent organizations in other countries before any drugs can be marketed. There is no assurance that such approvals will be forthcoming. Furthermore, the exact nature of the studies these regulatory agencies will require is not known and can be changed at any time by the regulatory agencies, increasing the financing risk and potentially increasing the time to market the Company faces, which could adversely affect the Company's business, financial condition or results of operations.

Regulatory Compliance

In both domestic and foreign markets, the development, formulation, manufacturing, packaging, labeling, handling, distribution, import, export, licensing, sale and storage of pharmaceuticals are affected by a body of laws, governmental regulations, administrative determinations, including those by the Canada Food Inspection Agency and the FDA, court decisions and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There can be no assurance that Antibe and Antibe's partners are in compliance with all of these laws, regulations and other constraints. Antibe and its partners may be required to incur significant costs to comply with such laws and regulations in the future, and such laws and regulations may have an adverse effect on the business. The failure of the Company or its partners to comply with current or future regulatory requirements could lead to the imposition of significant penalties or claims and may have a material adverse effect on the business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead Antibe and its partners to discontinue product development and could have an adverse effect on the business.

International Operations

Antibe's international operations expose it and its representatives, agents and distributors to risks inherent to operating in foreign jurisdictions that could materially adversely affect its operations and financial position. These risks include:

- Country-specific taxation policies;
- Imposition of additional foreign governmental controls or regulations;
- Export license requirements;
- Changes in tariffs and other trade restrictions; and
- Complexity of collecting receivables in a foreign jurisdiction.

Moreover, applicable agreements relating to business in foreign jurisdictions are governed by foreign laws and are subject to dispute resolution in the courts of, or through arbitration proceedings in, the country or region in which the parties are located or another jurisdiction agreed upon by the parties. Antibe cannot accurately predict whether such forum will provide an effective and efficient means of resolving disputes that may arise in the future. Even if it obtains a satisfactory decision through arbitration or a court proceeding, Antibe could have difficulty in enforcing any award or judgment on a timely basis or at all.

Financial Instruments

Presented below are disclosures relating to the nature and extent of Antibe's exposure to risks arising from financial instruments, including credit risk, interest rate risk and liquidity risk, and how Antibe manages those risks.

Credit risk: Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Financial instruments that potentially subject Antibe to significant concentration of credit risk consist primarily of cash. Antibe invests cash with financial institutions that have high credit ratings. As at June 30, 2013 Antibe's maximum credit exposure corresponded to the carrying amount of these financial assets.

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 rates. The capacity of Antibe to reinvest the short-term amounts with equivalent return will be impacted by variations in short-term fixed interest rates available on the market. At the current time these risks are not material, but could be in the future.

Liquidity risk: Liquidity risk is the risk that Antibe will not be able to meet its financial obligations as they fall due. Antibe manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board reviews and approves Antibe's operating budgets, and reviews the most important material transactions outside the normal course of business. Antibe's liquidity risk is subject to material uncertainty.

Risks Related to Financing

Volatility of Share Price

Market prices for shares of companies such as Antibe are often volatile. Factors that could have a significant effect on the share price of the Common Shares include, but are not limited to, the results of animal and human clinical studies, regulatory responses or developments regarding the Company's products or processes, developments regarding current or future third-party strategic partners, announcements of technological innovations, new commercial products, patents, the development of proprietary rights by the Company or by others or any litigation relating to these rights, regulatory actions, general conditions in the pharmaceutical industry, the Company's failure to meet analysts' expectations, the Company's financial results, general economic conditions in the United States, Canada or abroad and terrorism. In recent years, the shares of other companies in the pharmaceutical industry have experienced extreme price fluctuations that have been both related and unrelated to the operating performance of the affected companies. It cannot be assured that the market price of the Common Shares will not experience significant fluctuations in the future.

Influence of Significant Shareholder

As at June 30, 2013, Antibe Holdings beneficially owned and/or exercised control or direction over 15,000,000 Common Shares, or approximately 57.6% of the issued and outstanding Common Shares.

As a result, Antibe Holdings has, and is expected to retain, significant control over the Company, giving it the ability, among other things, to elect a majority of the Company's board of directors, approve significant corporate transactions and delay or prevent a change of control of the Company that could be otherwise beneficial to minority shareholders. Antibe Holdings generally will have the ability to control the outcome of any matter submitted for the vote or consent of the Company's shareholders other than matters, if any, which require the approval of the Company's minority shareholders. In some cases, the interests of Antibe Holdings may not be the same as those of the Company's other shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to Antibe Holdings or its minority shareholders.

Future Sales of Common Shares

The market price of the Common Shares could decline as a result of issuances by the Company or sales by existing shareholders of Common Shares in the market, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for the Company to sell equity securities at a time and price deemed appropriate. All of the officers, directors and shareholders holding more than 1% of the Common Shares as of the date of the IPO agreed not to sell or otherwise dispose of any of their shares for a period 180 days following the closing of the IPO. When these lock-up agreements expire, these shares will become freely tradable without restriction under applicable securities legislation in the Qualifying Jurisdictions.

Dividends

Antibe has not paid dividends on the Common Shares in the past and has no plans to pay dividends on the Common Shares for the foreseeable future. The Company's current intention is to retain earnings to fund the development and growth of the business and it does not anticipate declaring or paying any cash dividends in

the near to medium term. The Board will determine if and when dividends should be paid in the future based on all relevant circumstances, including the desirability of financing future growth and the financial position at the relevant time.

Internal Controls over Financial Reporting

Upon completion of the Offering, Antibe is required to comply with the internal control evaluation and certification requirements under Canadian securities laws. The Company has brought its existing internal controls over financial reporting systems into compliance with those requirements. This process has diverted internal resources and has taken a significant amount of time and effort to complete. Ensuring compliance with reporting and other obligations also places significant demands on management, administrative, operational and accounting resources and will result in increased independent auditor fees. The Company anticipates that it will need to continue to upgrade systems, implement additional financial and management controls, reporting systems and procedures. If it is unable to accomplish these objectives in a timely and effective fashion, its ability to continue to comply with the financial reporting requirements and other rules that apply to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls, including a failure to implement new or improved controls in response to identified weaknesses in its system of internal controls, could cause it to fail to meet the Company's reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause purchasers to lose confidence in the reported financial information, which could result in a lower trading price of the Common Shares.

Prior Losses

Antibe has had no product sales to date. It is expected that Antibe will continue to experience operating losses until product sales and/or licensing rights income generate sufficient revenues to fund its continuing operations, including research and product development. There is no assurance that Antibe will be able to realize such revenues.

Antibe has incurred net losses from operations since inception. As at June 30, 2013, Antibe's current liabilities and expected level of expenses for the next twelve months exceed its current assets. If, in the future, Antibe needs but cannot raise additional funds, it may not be able to continue as a going concern and realize its assets and pay its liabilities as they fall due. The financial statements have been prepared on a going concern basis, which assumes Antibe will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. The financial statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenues and expenses that may be necessary if the going concern basis is not appropriate for these financial statements should, if in the future, Antibe needs but cannot raise additional financing.

No History of Earnings or Revenue

Antibe has no history of earnings or revenue with respect to its activities, and there is no assurance that any of its assets will enable it to generate earnings or revenue, operate profitably or provide a return on investment in the future.

Ability to Secure Additional Financing & Dilution of Common Shares

Antibe expects that the net proceeds from the Offering, together with its cash reserves and cash from operations, will be sufficient to meet anticipated needs for working capital and capital expenditures until Q2 2014. If estimates of revenue, expenses, or capital or liquidity requirements change or are inaccurate, or if cash generated from operations is insufficient to satisfy liquidity requirements, the Company may arrange additional financings. In the future, it may also arrange financings to give financial flexibility to pursue attractive acquisition or investment opportunities that may arise, although currently there are no such acquisitions or investments planned. The Company may pursue future financings through various means, including equity investments, issuance of debt, joint venture projects, licensing arrangements or other

means. The Company cannot be certain that it will be able to obtain additional financing on commercially reasonable terms or at all. The Company's ability to obtain additional financing may be impaired by such factors as the capital markets, both generally and specifically in the pharmaceutical industry and the fact that it is a new enterprise without a proven operating history. If the amount of capital able to be raised from financing activities, together with revenues from operations (if any), is not sufficient to satisfy the Company's capital needs, it may not be able to develop or advance its products, execute its business and growth plans, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer or partner requirements. If any of these events occurs, it could adversely affect the Company's business, financial condition and results of operations. Any future equity financings undertaken are likely to be dilutive to existing shareholders. Also, the terms of securities issued in future capital transactions may include preferences which are more favourable for new investors.

ANTIBE THERAPEUTICS INC.

LISTING: TORONTO STOCK EXCHANGE – VENTURE EXCHANGE
STOCK SYMBOL "ATE"

TRANSFER AGENT:

OLYMPIA TRANSFER SERVICES INC.
120 ADELAIDE STREET WEST, SUITE 920
TORONTO, ONTARIO M5H 1T1

REGISTERED ADDRESS:

15 PRINCE ARTHUR AVE.
TORONTO, ONTARIO
M5R 1B2