ANTIBE THERAPEUTICS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and six months ended September 30, 2015

Dated: November 25, 2015

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 and six month periods ended September 30, 2015 ("Q2 2016", and "Q2 2016 YTD" respectively) and for the comparator periods, the three and six month periods ended September 30, 2014 ("Q2 2015", and "Q2 2015 YTD") and should be read in conjunction with the Company's most recent audited consolidated financial statements (the "2015 Audited FS"), the notes thereto, and to the Company's condensed interim consolidated financial statements for the three and six month periods ended September 30, 2015 (the "Q2 2016 FS"). The Company's accounting policies and estimates used in the preparation of the Q2 2016 FS 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 Company's Board of Directors on November 17, 2015.

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: 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 goal of making them better tolerated.

Antibe's lead compound, ATB-346, combines hydrogen sulfide ("H_2S") with naproxen, an 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 while demonstrating a significantly improved side-effect profile versus naproxen and other commonly used NSAID treatments for pain associated with, amongst other conditions, osteoarthritis.

The Company's main objective is to develop ATB-346 to the end of Phase II, a possible strategic exit point, by satisfying the requirements of the drug regulatory authorities while also satisfying the commercial licensing objectives of prospective global partners. Antibe has established a development plan for the drug through to the end of Phase III human clinical studies for regulatory discussion purposes. The Company intends to move through this development program quickly and efficiently, while continuing to investigate the other assets in its pipeline. ATB-352 targets the urgent global need for a safer analgesic for treating severe acute pain, while ATB-340 is a GI-safe derivative of aspirin. The Company continues to investigate additional development opportunities to which it has access.

FORWARD-LOOKING STATEMENTS

Certain statements in this 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:

- the Company's future research and development plans 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 and maintain adequate protection for its intellectual property;
- the Company's ability (or the ability of the Company's partners) to obtain regulatory approvals for 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

On January 16, 2015, the Company announced that it had suspended development of its lead drug, ATB-346, due to safety concerns encountered in its Phase I clinical trial. Safety concerns centered on the finding of significant liver enzyme elevations in one subject in the highest dose cohort. Additional liver enzyme elevations were observed in other subjects in the higher dose cohorts. The Company is concerned that, when assessed together, these liver enzyme elevations are indicative of potential hepatotoxicity. Pre-clinical studies on ATB-346 had provided no indication of potential hepatotoxicity at therapeutic doses. On March 11, 2015, the Company announced that it had completed the process of collecting and reviewing its Phase I data, concluded its Phase I study and resumed the development of ATB-346, and that it planned to conduct additional validating studies, prior to continuing with a full Phase 2 program. It also announced that it had made significant reductions in its overheads and would concentrate its resources on completing the above studies.

The Company continues to engage in discussions with potential development partners, and to execute its development financing strategy.

Subsequent to September 30, 2015 (see "Subsequent Events after September 30, 2015") the Company acquired 85% of Citagenix, a Montreal based regenerative medicine company. The Company believes that the field of regenerative medicine offers attractive growth opportunities while at the same time providing product diversification to the Company.

The following table summarizes the Company's Statement of Losses for the relevant periods:

	For the Three months ended September 30, 2015	For the Three months ended September 30, 2014	**For the Six months ended September 30, 2015**	For the Six months ended September 30, 2014
EXPENSES				
Research and development	**290,633**	761,208	**413,806**	1,742,085
Salaries and wages	**77,444**	161,861	**189,548**	310,856
Stock-based compensation	**73,723**	117,152	**115,133**	184,513
Consulting fees	**52,278**	60,748	**87,411**	111,148
Professional fees	**209,340**	51,862	**228,923**	167,289
Rent	**9,525**	15,750	**23,012**	31,500
Dues and subscriptions	**15,854**	28,836	**28,745**	32,586
Office and sundry	**15,487**	39,667	**23,826**	58,646
Advertising and promotion	**914**	20,027	**6,347**	47,406
Travel	**5,334**	6,802	**9,728**	28,210
Telephone	**2,516**	4,224	**5,227**	7,348
Insurance	**4,050**	14,919	**5,750**	17,259
Licensing fees	**-**	-	-	150,000
	757,098	1,283,055	**1,137,456**	2,888,847
LOSS FROM OPERATIONS	**(757,098)**	(1,283,055)	**(1,137,456)**	(2,888,847)
INTEREST INCOME	**1,941**	7,517	**3,394**	13,205
NET LOSS AND COMPREHENSIVE LOSS	**(755,157)**	(1,275,538)	**(1,134,062)**	(2,875,642)

Revenue

In the three and six months ended September 30, 2015, the Company did not generate any revenue other than the interest income earned detailed in the section on operating expenses below, and does not expect to generate revenue in the near future from its pharmaceutical development activities. Citagenix does generate revenues, which will begin to be reflected in the Company's consolidated statements for the period ended December 31, 2015.

Operating Expenses – Fiscal Q2 2016

Total net expenses in Q2 2016 decreased by $525,957 over Q2 2015 driven by decreases in most expense categories. Significant reductions were seen in research and development costs, salaries and wages and advertising and promotion. These decreases are a combined result of the Phase 1 trial nearing completion and the Company's March 2015 decision to significantly reduce overhead costs. The details of the Statement of Losses are as follows:

Research and Development

In Q2 2016, the Company decreased its R&D expenditures by $470,575 versus Q2 2015. In Q2 2016 the Company continued to perform its validating studies on ATB-346. The major portion of costs related to the Phase 1 trial was incurred in previous quarters, including Q2 2015, where R&D expenses totaled $761,208. In March 2015 the Phase I clinical trial of ATB-346 was completed and in August 2015, the Phase I study report was finalized.

Salaries and Wages

Salary and wage expenses decreased by $84,417 in Q2 2016 compared with Q2 2015. This reduction was driven largely by the Company reducing its headcount by two, and by management's decision to impose salary reductions on all remaining employees in an effort to reduce overhead expenses. Salaries and wages are expected to remain reduced until such time as the Company is able to raise additional capital.

Stock-based compensation

Stock-based compensation expenses (non-cash) decreased in Q2 2016 by $43,429 over Q2 2015 driven by the diminished expenses charged to aging option issuances, and due to the reduced options vesting due to the loss of one of the Company's directors, and two of the Company's officers.

Consulting Fees

Consulting fees decreased in Q2 2016 by $8,471 versus Q2 2015. In keeping with management's decision to reduce overhead costs, consulting fee expenses were reduced and are expected to remain so until such time as the Company is able to raise additional capital.

Professional Fees

In contrast to all other expense categories, professional fees increased by $157,479 in Q2 2016 versus Q2 2015. These increases were driven primarily by legal expenditures in connection with the acquisition of Citagenix, a privately-held, Montreal-based regenerative medicine company, which specializes in bone grafting and related procedures. The Company closed the major part of this acquisition deal on October 15, 2015, and expects to finalize the remaining minor portion of the deal in Q3 2016. Legal expenditures related to the final close, as well as post-close activities will be incurred, although the Company anticipates these expenses to be markedly reduced from the expenses incurred in Q2 2016. Further details regarding the acquisition of Citagenix are outlined in the Subsequent Events section of this document. Patent expenditures in Q2 2016 consisted primarily of annual maintenance fees. As only a few outstanding patents remain to be issued, patent costs are expected to remain relatively stable in the future.

Rent

The Company's rent expenses decreased by $6,225 in Q2 2016 over Q2 2015. This decrease was due to the relinquishing of two office spaces.

Dues and Subscriptions

The Company classifies all administrative costs related to being a public company as dues and subscriptions. These expenses include all TSX fees, Transfer Agent costs, and Press Releases. In Q2 2016 the Company reduced its public company expenses by $12,982 over Q2 2015. This decrease is only a reflection of the way in which the Company is accounting for these expenses: in the 2015 fiscal year, administrative expenses related to listing on the TSX and the US OTCQX exchanges were booked in the quarter in which they were paid. In the 2016 fiscal year they are accrued quarterly.

Office and Sundry

The Q2 2016 office and sundry expenses of $15,487 were $24,180 less than Q2 2015. This decrease was driven largely by an absence of education and training expenditures in Q2 2016, which, in Q2 2015, amounted to $18,151. Further decreases in office and sundry expenses reflect management's decision to reduce overhead costs.

Advertising and Promotion

In Q2 2016, advertising and promotion expenses decreased by $19,113 compared to Q2 2015. This decrease was driven largely by the Board's decision to suspend the payment of Directors' fees. An additional reduction

resulted from the Company's decision to limit expenditures related to social media management. It is expected that advertising and promotion expenses will remain stable in the coming quarters.

Travel

Travel expenses decreased in Q2 2016 by $1,468 from Q2 2015. This decrease in travel expenses reflects the Company's decision to reduce overhead expenses.

Telephone

In Q2 2016, telephone expenses were reduced by $1,708 versus Q2 2015. This decrease is a reflection of the reduced number of Company employees in Q2 2016 as compared to Q2 2015.

Insurance

Insurance expenses are expected to remain stable in the coming quarters.

Licensing Fees

During Q2 2016, no milestones were achieved that would trigger payment of licensing fees to Antibe Holdings.

Interest Income

In Q2 2016 the Company earned interest on its cash and cash equivalents. In Q2 2015, interest income from the same source was earned. In 2015 the Company expects to continue to earn interest income on any funds held that exceed its current needs.

Overall, the Company expects its net losses to continue to grow as ATB-346 advances through the regulated clinical phases of its development program. In addition, the Company will continue to require significant overhead to manage the development of its assets and to operate as a public company, which may result in increased expenses in the 'general and administrative expense' category. On March 11, 2015, the Company announced that it had made significant reductions in its overheads and would concentrate its resources on completing the described validation studies. These reductions will remain in place until the development of ATB-346 enters Phase II.

Quarterly Summary

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net revenue	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	(755,157)	(378,906)	(648,794)	(876,734)	(1,275,538)	(1,600,104)	(876,050)	(949,044)
Per share	(0.02)	(0.01)	(0.02)	(0.02)	(0.03)	(0.04)	(0.03)	(0.03)

Quarterly losses increased $376,251 in Q2 2016 from Q1 2016 due to the Company's costs of advancing its ATB-346 program, and professional fees associated with the deal to acquire 85% of Citagenix, a privately held, Montreal-based regenerative medicine company which specializes in bone grafting and related procedures. Research and development expenses in Q2 2016 were $167,460 higher than in Q1 2016, driven by the initiation of a detailed pharmacokinetic and metabolic analysis of ATB-346 ($167,154, an expense not incurred in Q1 2016), and final costs associated with the

completion of the Phase I clinical trial ($58,702 higher than Q1 2016). In Q2 2016 professional fees increased $189,757 over Q1 2016 primarily due to legal fees associated with the aforementioned Citagenix deal. Q2 2015 research and development expenses included Phase 1 clinical trial costs that were $548,872 higher than in Q2 2016.

Capital Requirements and Financings

The Company is a drug development company, does not generate revenue, and 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 fiscal 2014, the Company completed an initial public offering (IPO) that yielded gross proceeds of $3,155,100, the maximum targeted. Subsequent to its IPO, the Company raised additional capital through multiple non-brokered private placements yielding gross proceeds of $4,262,822 prior to the end of fiscal year 2014. These financings significantly strengthened the Company's financial position over the course of the year.

In fiscal Q1 2014, 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.

In fiscal Q2 2014, the Company raised additional funds pursuant to the Company's filed final prospectus bringing the gross proceeds raised to the maximum allowed, $3,000,000. Including the two affiliated private placements, gross proceeds from the IPO totaled $3,155,100. The Company began to invest heavily in the development research required to obtain a CTA to begin testing ATB-346 in Phase I human clinical trials.

In fiscal Q3 2014, the Company raised additional gross proceeds, pursuant to a non-brokered private placement, of $899,445. The Company continued to focus on performing the development research required to obtain a CTA to begin testing ATB-346 in Phase I human clinical trials.

In fiscal Q4 2014, the Company raised additional gross proceeds, pursuant to non-brokered private placements, of $3,363,377. The Company continued to focus on performing the development research required to obtain a CTA to begin testing ATB-346 in Phase I human clinical trials, and began to undertake the work required to plan for and execute successful Phase I clinical trials.

On April 1, 2014, the Company announced that discussions with a potential Latin American partner, with which it had executed an LOI in 2012 and which it had included in its final prospectus, had been discontinued due to a recent change in the potential partner's management and corporate strategy. While the Company was disappointed, we remain encouraged by the potential partner's ability to successfully replicate the Company's positive animal proof of concept results.

On April 7, 2014 (the "PP2b Closing Date"), the Company successfully completed the second closing (the "PP2b") of the non-brokered private placement that first closed on March 31, 2014. Pursuant to the PP2b, the Company sold 1,516,600 Common Shares of the Corporation resulting in raising gross proceeds of $909,960. After the Company incurred and paid $81,396 in finder fees, the net proceeds of PP2b were $828,564. In connection with PP2b, the Company granted 135,660 Common Share purchase warrants to the finders. Each of the PP2b finder warrants entitles the bearer to purchase one common share for a price of $0.60 and expires two years from the date of issuance. Using the BSM, the PP2b finder warrants were valued at $70,179, recognized as a share issuance cost, and charged to contributed surplus.

On April 28, 2014 (the "PP2c Closing Date"), the Company successfully completed the second closing (the "PP2c") of the non-brokered private placement that first closed on March 31, 2014. Pursuant to the PP2c, the Company sold 557,667 Common Shares of the Corporation resulting in raising gross proceeds of $334,600. As at March 31, 2014, $225,000 of these proceeds was held in escrow pending the successful closing of PP2c. After the Company incurred and paid $32,460 in finder fees, the net proceeds of PP2b were $302,140. In connection with PP2c, the Company granted 54,100 Common Share purchase warrants to the finders. Each of the PP2c finder warrants entitles the bearer to purchase one common share for a price of $0.60 and expires two years from the date of issuance. Using the BSM, the PP2c finder warrants were valued at $25,543, recognized as a share issuance cost, and charged to contributed surplus.

Issuance expenses incurred for PP2b and PP2c (including $113,856 of finders' fees) totaled $212,453 of which $95,721 was a non-cash expense resulting from the issuance of finder warrants. All issuance expenses were offset against share capital at the PP2b and PP2c Closing Dates.

The Company did not seek to raise funds in fiscal Q2, Q3, or Q4 2015.

On April 1, 2015 (the "PP3a Closing Date"), the Company successfully completed a non-brokered private placement (the "PP3a"). Pursuant to the PP3a, the Company sold 7,860,000 units (the "Units") at a price of $0.10 per Unit wherein each Unit comprised one common share and one-half common share purchase warrant. Each full common share purchase warrant ("PP3a Warrants") entitles the bearer to purchase one common share for a price of $0.15 and expires three years from the date of issuance, i.e. the PP3a Warrants expire on April 1, 2018. The PP3a resulted in gross proceeds of $786,000. After the company incurred and paid $57,680 in finder fees, the net proceeds of the PP3a were $728,320.

The $786,000 gross proceeds were allocated into share capital and PP3a Warrants using the residual method. The 3,930,000 PP3a Warrants were valued using the Black-Scholes Options Pricing Model ("BSOPM") which resulted in allocating $338,313 to PP3a Warrants and $447,687 to share capital.

On April 9, 2015 (the "PP3b Closing Date"), the Company successfully completed a non-brokered private placement (the "PP3b"). Pursuant to the PP3b, the Company sold 4,640,000 units (the "Units") at a price of $0.10 per Unit wherein each Unit comprised one common share and one-half common share purchase warrant. Each full common share purchase warrant ("PP3b Warrants") entitles the bearer to purchase one common share for a price of $0.15 and expires three years from the date of issuance, i.e. the PP3b Warrants expire on April 9, 2018. The PP3b resulted in gross proceeds of $464,000. After the company incurred and paid $20,800 in finder fees, the net proceeds of the PP3a were $443,200.

The $464,000 gross proceeds were allocated into share capital and PP3b Warrants using the residual method. The 2,320,000 PP3b Warrants were valued using the Black-Scholes Options Pricing Model ("BSOPM") which resulted in allocating $199,737 to PP3b Warrants and $264,263 to share capital.

Issuance expenses incurred for PP3a and PP3b (including $78,480 of finders' fees) totaled $249,458 of which $113,011 was a non-cash expense resulting from the issuance of finder warrants. All issuance expenses were offset against share capital at the PP3a and PP3b Closing Dates.

On May 5, 2015, the Company granted a previous officer 148,936 common shares at the May 4, 2015 closing market price of $0.235 per common share for a total value of $35,000. The grant was made in exchange for the officer waiving a portion of the cash component of the officer's severance package.

On August 13, 2015, 46,400 PP3a Finders Warrants were exercised and the Company issued 46,400 common shares for gross proceeds of $4,640. Each of the PP3a Finders Warrants entitled the bearer to purchase one share in the capital stock of the Company at an exercise price of $0.10.

The following table summarizes the Company's Consolidated Statement of Financial Position as at September 30, 2015 and March 31, 2015. The details of the Statement of Financial Position follow the table.

	September 30, 2015	March 31, 2015
ASSETS		
CURRENT		
Cash	**472,037**	397,086
Term deposits	**25,000**	25,000
Harmonized sales tax recoverable	**58,444**	50,577
Due from Antibe Holdings Inc.	**221,393**	213,073
Prepaid expenses	**67,507**	42,898
	844,381	728,634
OTHER		
Deferred share issuance costs	**15,489**	60,689
TOTAL ASSETS	**859,870**	789,323
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**388,415**	427,132
Deposit received	**-**	25,000
TOTAL LIABILITIES	**388,415**	452,132
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	**8,739,853**	8,237,721
COMMON SHARE PURCHASE WARRANTS	**1,364,198**	826,148
CONTRIBUTED SURPLUS	**2,476,615**	2,248,471
ACCUMULATED DEFICIT	**(12,109,211)**	(10,975,149)
TOTAL SHAREHOLDERS' EQUITY	**471,455**	337,191
	859,870	789,323

Cash and Cash Equivalents

Details of the increase in the Company's cash and cash equivalents position are fully described on the Company's statement of cash flows elsewhere in this MD&A. The Company holds its cash in a current account and in term deposits that are transferred to the current account on a monthly basis and only as needed.

Due From Antibe Holdings Inc.

Antibe Holdings Inc. ("Holdings") continues to be the Company's largest shareholder, holding 30.2% of the Company's outstanding shares as at September 30, 2015 (40.5% as at March 31, 2015). Holdings has been permitted to draw down funds against future milestone payments and such payments are detailed in the licensing agreement between the Company and Holdings. On June 26, 2014, the $150,000 'First in-Human

Dose' milestone was achieved and an invoice was issued by Holdings. The payment of the milestone more than eliminated the current balance of this account as at June 30, 2014. The balance of the Due from Antibe Holdings account has increased from March 31, 2015 to September 30, 2015 by $8,320. It is anticipated that this account balance will continue to rise prior to the next development milestone being reached.

Prepaid Expenses

The prepaid expense asset account balance as at September 30, 2015 was $67,507, a $24,609 increase from the balance as at March 31, 2015. This balance predominantly represents cash provided to our patent legal counsel ($33,250 as at September 30, 2015) and held in escrow by them in anticipation of paying fees required in multiple jurisdictions to maintain the Company's patents. This patent escrow balance is up by $20,967 from the balance as at March 31, 2015. The balance of the patent escrow component of the prepaid account fluctuates based on the timing of the fees paid and is anticipated to remain within the current boundaries in the future. The remaining prepaid expenses are made up of prepaid public company fees, prepaid insurance, prepaid rent and prepaid printing costs related to the Company's upcoming December 8, 2015 Annual and Special General Meeting.

Accounts Payable and Accrued Liabilities

The Company's accounts payable and accrued liability accounts decreased from their March 31, 2015 level by $38,717. Accounts payable decreased from March 31, 2015 to September 30, 2015 by $235,180 driven largely by the decreased expenditures incurred in Q2 2016. Accrued liabilities over the same period increased by $217,098 due to expenses incurred in the quarter for the pharmacokinetic and metabolic analysis of ATB-346, as well as for professional fees associated with the deal to acquire 85% of Citagenix. All of the accounts payable included in the Company's September 30, 2015 balance ($100,324) are current. The Company pays all invoices as they become due and has no payables in arrears. As direct development expenses continue to rise, the average balance of the accounts payable and accrued liabilities account is expected to continue to rise.

Share Capital

The Company's share capital account increased in Q1 2016 by $497,492 and in Q2 2016 was further augmented by $4,640. The Q2 2016 proceeds of $4,640 were received for the exercising of 46,400 PP3a finder warrants, which entitled the bearer to purchase one share in the capital stock of the Company at an exercise price of $0.10. The Q1 2016 increase reflected, a) the share capital portion of the first and second closes of the Company's third non-brokered private placement (PP3a and PP3b) of $711,950, and b) the cash and non-cash costs associated with these raises. These costs totaling $249,458 represent agent and finder fees paid of $78,480, addition costs incurred by the Company, and the BSM value of the finder warrants issued. Additionally, share capital was issued to an exiting officer as part of a severance package.

Common Share Purchase Warrants

The Company's common share purchase warrant equity increased by $538,050 in Q1 2016 and remained unchanged during Q2 2016. The Q1 2016 figure represents the value ascribed to warrants issued under the terms of the first and second closing of the Company's third non-brokered private placement (PP3).

Contributed Surplus

In Q2 2016, contributed surplus increased by $73,724 over Q1 2016. This amount, in its entirety, reflects the value of director and employee stock options that vested during the quarter. The value of these securities was determined using the BSM valuation model on the date they were issued. The amount charged to contributed surplus in the period represents a graded portion of the issued options that vested in the period. The director and employee stock options vest pursuant to the Company's stock option plan. The Q2 2016 YTD contributed surplus includes Q1 2016 contributed surplus of $154,421 ($41,410 BSM value of director and employee stock options and $113,011 BSM value of finder warrants).

Capital Requirements, Other Sources and Commitments

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. If the development of ATB-346 proceeds as planned, and the scientific results of the planned development work are positive, the Company expects to be in a strong position to attract new investment and/or obtain additional financing at attractive rates. 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 the Company, or at all.

As at September 30, 2015, the Company had no unused pre-arranged financing, no capital commitments, and no long-term debt. Additionally, the Company had no capital lease obligations, no operating leases other than for the use of its office space and lab space as detailed below, no purchase obligations, no off-balance sheet arrangements, and negligible tangible assets.

The Company renewed its twelve-month lease for the use of its 15 Prince Arthur Ave. office space effective March 1, 2015. The lease carries a six-month notice period. Effective January 31, 2015 the Company terminated its lease agreement with MaRS Discovery District.

The Company may be eligible for Scientific Research and Experimental Development ("SR&ED") 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. As a publicly listed company, future federal SR&ED tax credits, if awarded at all, may be received only in the form of non-refundable tax credits. Provincial SR&ED tax credits, if awarded at all, may be received in cash.

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.

Capital Resources

As at September 30, 2015, the Company had no commitments for capital expenditures and no sources of financing arranged-but-not-used.

Corporate Credit Card

The Company holds a corporate credit card facility, administered by the Royal Bank. The facility has a $25,000 limit and the bank holds $25,000 of funds in-trust as collateral. The Company will continue its practice of paying all outstanding balances on the corporate credit card in full monthly.

Cash and Cash Equivalents

The following table summarizes the Company's cash flows for the relevant periods:

	For the Three months ended Sep 30, 2015	For the Three months ended Sep 30, 2014	**For the Six months ended Sep 30, 2015**	For the Six months ended Sep 30, 2014
CASH FLOWS FROM OPERATIONS				
Net loss and comprehensive loss	**(755,157)**	(1,275,538)	**(1,134,062)**	(2,875,642)
Income statement items not affecting cash:				
Stock-based compensation	**73,723**	117,152	**115,133**	184,513
	(681,434)	(1,158,386)	**(1,018,929)**	(2,691,128)
Net changes in non-cash working capital items:				
Net changes to prepaid expenses	**(14,795)**	(25,889)	**(24,609)**	(1,969)
Net changes to harmonized sales tax recoverable	**(19,757)**	24,787	**(7,867)**	213,584
Net changes to A/P and accrued liabilities	**(2,168)**	157,073	**(38,717)**	(145,882)
	(36,720)	155,971	**(71,193)**	65,733
Cash flows from operating activities	**(718,154)**	(1,002,415)	**(1,090,122)**	(2,625,395)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net changes to Due from Antibe Holdings Inc.	**(6,364)**	(170,027)	**(8,320)**	(17,297)
Net changes to long term liabilities	**-**	**-**	**-**	**-**
Conversion of debt (A/P) to equity (note 4b)	**-**	**-**	**35,000**	**-**
Issuances:				
Gross proceeds from shares / warrants (note 4b)	**-**	**-**	**1,250,000**	1,019,560
Proceeds from exercised warrants	**4,640**	**-**	**4,640**	**-**
Finder fees	**-**	**-**	**(78,480)**	(113,856)
Other cash issuance expenses	**-**	**-**	**(57,967)**	(2,876)
Deferred expenses	**-**	(20,414)	**45,200**	(20,414)
Prepaid proceeds	**-**	**-**	**(25,000)**	**-**
Cash flows from financing activities	**(1,724)**	(190,441)	**1,165,073**	865,117
NET INCREASE (DECREASE) IN CASH FOR THE PERIOD	**(719,878)**	(1,192,856)	**74,951**	(1,760,278)
CASH, BEGINNING OF THE PERIOD	**1,216,915**	3,187,440	**422,086**	3,754,862
CASH, END OF THE PERIOD	**497,037**	1,994,584	**497,037**	1,994,584

Net cash outflows from operations decreased by $284,261 in Q2 2016 versus Q2 2015. The reduction of outflows reflects the decrease in the net loss incurred in these quarters, particularly driven by the higher research and development and licensing costs incurred in Q2 2015. The remaining decrease in outflows ($192,692) represents changes in working capital accounts.

The Company did not seek to raise capital in either Q1 2016 or Q1 2015.

Related Party Transactions

(i) On March 26, 2013, (the "Effective Date"), the Company entered into a Forbearance Agreement with AltaPharm International Ltd. ("AltaPharm") whereby AltaPharm agreed not to enforce, for a period of 24 months from the date thereof, its right to receive earned but unpaid compensation pursuant to the terms of its "CSO Agreement" with the Company. The Forbearance Agreement was terminated on March 30, 2014 as the Company triggered a termination clause by completing equity financing yielding cumulative gross proceeds of greater than $5,000,000. On April 10, 2014, the balance of AltaPharm's accounts payable was retired.

On March 1, 2014, the Company terminated its CSO Agreement with AltaPharm and entered into an employment agreement with Dr. John Wallace. The terms and conditions of the employment agreement reflect, where applicable, the terms and conditions of the terminated CSO Agreement. This change was undertaken to make Dr. Wallace an employee of the Company.

On the Effective Date, the Company entered into a Forbearance Agreement with Schmed Enterprises Inc. ("Schmed") whereby Schmed agreed not to enforce, for a period of 24 months from the date thereof, its right to receive earned but unpaid compensation pursuant to the terms of its "CEO Agreement" with the Company. The Forbearance Agreement was terminated on March 30, 2014 as the Company triggered a termination clause by completing equity financing yielding cumulative gross proceeds of greater than $5,000,000. On April 10, 2014, the balance of Schmed's accounts payable was retired.

On September 1, 2013, the Company terminated its CEO Agreement with Schmed and entered into an employment agreement with Mr. Dan Legault. The terms and conditions of the employment agreement reflect, where applicable, the terms and conditions of the terminated CEO Agreement. This change was undertaken to make Mr. Legault an employee of the Company.

(ii) In Q1 2015, on June 26, 2014, with the enrolment of the first patient in a Phase I clinical trial, the Company triggered a milestone payment of $150,000 to AHI as detailed in a Licensing Agreement between the two companies entered into on December 22, 2009.

During the three and six months ended September 30, 2015, excluding the above mentioned milestone payment, the Company advanced a net of $6,364 and $8,320 respectively to AHI ($170,027 and 174,797 respectively during the three and six months ended September 30, 2014). As at September 30, 2015, $221,393 was receivable from AHI ($160,049 payable to AHI as at September 30, 2014). This balance bears no interest and is payable on demand.

(iii) The aggregate compensation of the directors and officers of the Company paid directly or indirectly for the three and six months ended September 30, 2015 was $170,870 and $376,040 respectively ($276,900 and $540,363 respectively during the three and six months ended September 30, 2014). On July 3, 2015, the Company announced that its CFO had resigned and would be replaced by Samira Sakhia, a member of the Company's board of directors, on an interim basis.

Critical Accounting Estimates

The Company's Q2 2016 FS 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 2015 Audited FS, the Company used the Black-Scholes-Merton pricing model to determine the fair value of its options and warrants. The Company made the following significant assumptions in determining the fair value of its options and warrants:

	3 months ended September 30, 2015	3 months ended September 30, 2014	6 months ended September 30, 2015	6 months ended September 30, 2014
Risk free interest rate	1.59%	2.49%	0.47%-2.49%	1.97%-2.49%
Expected volatility	180%	180%	180%	180%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected life of warrants and stock options	10 years	10 years	2–10 years	2-10 years

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

Outstanding Share Data

The following table details the Company's share capital structure as at September 30, 2015 and March 31, 2015.

	Number of Common Shares Issued or Issuable
Common Shares (March 31, 2013)	**19,686,000**
Issued under IPO (first, second, and third closings)	5,736,545
Issued from conversion of the convertible debentures	2,215,339
Issued under PP1a&b: first non-brokered PP (first and second closings)	2,268,043
Issued under PP2a: second non-brokered PP (first closing)	5,025,664
Total Common Shares (March 31, 2014)	**34,931,591**
Issued under PP2b&c: second non-brokered PP (second and third closings)	2,074,267
Total Common Shares (March 31, 2015)	**37,005,858**
Issued under PP3a&b	12,500,000
Issued under shares for debt transaction	148,936
Total Common Shares (June 30, 2015)	**49,654,794**
Issued under shares for exercised warrants	46,400
Total Common Shares (September 30, 2015)	**49,701,194**
Common Share Purchase Warrants (March 31, 2013)	**1,863,000**
Investor warrants issued under PP1	1,134,020
Finder warrants issued under PP1	190,894
Finder warrants issued under PP2a	494,565
Total Common Share Purchase Warrants (March 31, 2014)	**3,682,479**
Finder warrants issued under PP2b&c	189,760
Total Common Share Purchase Warrants (March 31, 2015)	**3,872,239**
Issued during the period under PP3a&b	7,034,800
Total Common Share Purchase Warrants (June 30, 2015)	**10,907,039**
Finder warrants issued under PP3a exercised	(46,400)
Total Common Share Purchase Warrants (September 30, 2015)	**10,860,639**
Options pre-IPO	**3,000,000**
Agent's options issued under IPO	563,654
Employee / director options awarded fiscal Q3 2014	250,000
Employee / director options awarded fiscal Q4 2014	1,025,000
Total Options (March 31, 2014)	**4,838,654**
Employee / director options awarded fiscal Q1 2015	100,000
Employee / director options awarded fiscal Q2 2015	150,000
Investor relations options awarded fiscal Q3 2015	24,000
Options expired during year	(310,000)
Total Options (March 31, 2015)	**4,802,654**
Consultant options awarded fiscal Q1 2016	300,000
Options expired Q1 2016	(405,000)
Total Options (June 30, 2015)	**4,697,654**
Employee options awarded fiscal Q2 2016	610,000
Options expired Q2 2016	(158,654)
Total Options (September 30, 2015)	**5,149,000**
Total number of fully diluted Common Shares (as at September 30, 2015)	**65,710,833**

Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies is provided in the notes to the 2015 Audited FS (note 3).

Financial Instruments

A summary of the Company's financial instruments is provided in the notes to the 2015 Audited FS (note 12).

Capital and Financial Risk Management

An overview of the Company's capital and financial risk management issues and strategies is provided in the notes to the 2015 Audited FS (notes 13 and 14).

Subsequent Events after September 30, 2015

On October 13, 2015, 60,000 PP3a Finders Warrants were exercised and the Company issued 60,000 common shares for gross proceeds of $6,000. Each of the PP3a Finder Warrants entitled the bearer to purchase one share in the capital stock of the Company at an exercise price of $0.10.

On October 6, 2015, the Company entered into share purchase agreements to acquire 85% of Citagenix, a privately held, Montreal-based regenerative medicine company which specializes in bone grafting and related procedures. On October 15, 2015 these agreements closed and the Company agreed to purchase 85% of the common shares and 100% of the preference shares of Citagenix, by paying $400,000 in cash and issuing 25,876,421 of the Company's common shares at a deemed price of $0.15375 per common share. The Citagenix vendors agreed to a lock-up of the Company's common shares they will receive as consideration, with 25% of such shares to be released on the closing date, and an additional 25% to be released on each of the 6 month, 9 month and 12 month anniversary of the closing date. The purchase price of Citagenix represents approximately 0.5x the current unaudited annual revenue of Citagenix. The Company has agreed to purchase the remaining common shares of Citagenix by issuing 2,857,500 Antibe common shares at a deemed price of $0.20 per common share subject to the vendor clearing a Personal Information Form ("PIF") with the TSX Venture Exchange. Citagenix will operate as a subsidiary of the Company and its financial statements will be consolidated with those of the Company.

On October 15, 2015, in connection with the above transaction, the Company completed a non-brokered private placement of senior secured convertible debentures (the "Debentures") and warrants (the "Warrants") for gross proceeds of $1.8 million. The Debentures will have a term of three years from the date of their issuance, bear interest at a rate of 10% per year, be convertible at the option of the holder into common shares of the Company at a price of $0.22 per share and be secured by the assets of the Company. Purchasers of the Debentures will be issued an aggregate of up to 5,500,000 Warrants to purchase common shares of the Company. The Warrants will be each exercisable for the purchase of one common share of the Company at a price of $0.31 for a period of 3 years.

On October 19, 2015, 65,000 PP3a Investor Warrants were exercised and the Company issued 65,000 common shares for gross proceeds of $9,750. Each of the PP3a Investor Warrants entitled the bearer to purchase one share in the capital stock of the Company at an exercise price of $0.15.

On November 16, 2015 the Company announced the signing of an exclusive long-term license and distribution agreement with Knight Therapeutics Inc. (TSX: GUD) ("Knight"), a leading Canadian specialty pharmaceutical company, for Antibe's anti-inflammatory and pain drugs, ATB-346, ATB-352 and ATB-340, as well as the rights to other, future Antibe prescription drugs. Under the terms of the license agreement, Antibe has granted Knight the exclusive commercial rights for Antibe's drug candidates and other future prescription drugs in Canada, Israel, Romania, Russia and sub-Saharan Africa. Antibe is entitled to royalties on annual sales, along with the potential for $10 million in payments for sales-based milestones. Antibe considers this a favourable royalty scenario given its competitive anticipated cost-of-goods structure.

On November 16, 2015, the Company also announced a second closing of the non-brokered private placement of convertible debentures ("Debentures") announced October 16, 2015, bringing the total proceeds to $2.6M. The Debentures will mature on October 15, 2018, bear interest at a rate of 10% per year, and are convertible at the holder's option into common shares of Antibe at a price of $0.22 per share. In addition, the new holders received an aggregate of 1.6 million warrants to purchase common shares of Antibe at a price of $0.31, which are exercisable until October 15, 2018. The Private Placement remains subject to TSXV final approval.

RISK FACTORS

Any investment in the Company involves a number of risks. In addition to the information contained elsewhere in this MD&A and in the referenced 2015 Audited FS and related notes, investors and prospective investors should give careful consideration to the following risk factors. 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 investors could lose part or all of their investments. 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 Holdings an exclusive worldwide license to use Holdings' intellectual property to develop, clinically study and market new human pharmaceutical products based on H_2S linked to NSAIDs and statins.

The Company's operations currently consist of completing Phase I clinical research studies on its lead compound, ATB-346, with the objective of receiving regulatory approval to perform the further clinical studies that comprise ATB-346's development program. Additionally the Company conducts pre-clinical research on other of its assets in order to assess them as potential future pre-clinical and clinical development candidates. 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 uncertainties 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 acquire the financing needed to conduct its research and development activities. To achieve the objectives of its business plan, the Company plans to raise capital and enter into development partnerships as needed. The products developed by the Company will require approval from regulatory bodies including the FDA, Health Canada, 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 2015 Annual FS were prepared assuming that the Company will continue as a going concern. As at September 30, 2015, the Company had a working capital surplus of $455,965 ($1,734,926 as at September 30, 2014). The Company incurred losses of $755,157 and $1,134,062 respectively for the three and six months ended September 30, 2015, and had negative cash flow from operations of $718,154 and $1,090,122 for the same respective periods.

Some of these factors may 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 sale, 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 the 2015 Audited FS would be necessary. The 2015 Audited FS 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, and 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 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 to do so. 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 introduce and advance new and current products could materially and adversely affect the Company's operations and financial condition.

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

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

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

Clinical studies are very expensive, can run into unexpected difficulties and the outcomes are uncertain. The Company's first Phase I clinical study for ATB-346 has been completed. The final data collected from this study (or any other studies the Company conducts) may not be sufficient to support the regulatory approval of additional human testing of such product(s). Clinical studies of the Company's products may not be completed on schedule or on budget. The Company's failure to complete any of its 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, and results of operations.

Negative Cash Flow from Operating Activities

The Company reported negative cash flow from operating activities for fiscal Q2 2016 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 (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 Key Personnel

Antibe's success is dependent on certain key management personnel, primarily its executives, who 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.

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 MD&A. If the Company cannot successfully address these risks, its business and financial condition will 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 suffer a greater impact from factors affecting the pharmaceutical development industry in general and Antibe in particular than would be the case if the Company's business were 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.

Subsequent to September 30, 2015, the Company purchased Citagenix, a Montreal-based regenerative medicine company, which will provide the Company with some product diversification.

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 upon 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, on an independent basis, to develop products which have the same effect as the Company's products 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 upon 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 and Health Canada to conduct future human clinical studies in the US and Canada respectively, and will require approval from these regulatory agencies and equivalent organizations in other countries before any of its products 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 Health Canada 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 jurisdictions 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 September 30, 2015, 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 September 30, 2015, Holdings beneficially owned and/or exercised control or direction over 15,000,000 Common Shares, or approximately 30.2% of the Company's issued and outstanding Common Shares. As at November XX, 2015, this figure was 19.8%. As a result, Holdings has, and is expected to retain, some control over the Company, giving it some ability to influence, among other things, the election of a majority of the Company's board of directors, the approval of significant corporate transactions, and the delay or prevention of a change of control of the Company that could be otherwise beneficial to minority shareholders. Holdings generally will have some ability to control the outcome of any matter submitted to a vote or for 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 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 Holdings or to the Company's 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.

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

As a public company, Antibe is required to comply with the internal control evaluation and certification requirements of Canadian securities laws. The Company's financial reporting internal controls are currently in compliance with those requirements. Ensuring compliance with reporting and other obligations 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 the Company to fail to meet its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial statements or prevent fraud, its reputation and operating results could be materially harmed, its current and future shareholders could lose confidence in the reported financial information and in the Company, and the Company's share price could be affected negatively.

Prior Losses

Antibe has had no product sales to date. It is expected that the Company 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. 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.

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 its current cash and cash equivalent reserves will be sufficient to meet its anticipated needs for working capital and capital expenditures for the near future. 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, the Company may also arrange financings to give it the financial flexibility to pursue attractive acquisition or investment opportunities that may arise. The

Company may pursue additional financing through various means, including equity investments, issuances of debt, joint venture projects, licensing arrangements or through 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 status of capital markets, both generally and specifically in the pharmaceutical industry, and by the fact that it is a new enterprise without a proven operating history. If the amount of capital raised from additional 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 occur, the Company's business, financial condition, and results of operations could be adversely affected. Any future equity financings undertaken are likely to be dilutive to existing shareholders. Finally, the terms of securities issued in future capital transactions may include preferences that are more favourable to new investors.

ANTIBE THERAPEUTICS INC.

LISTINGS:

TORONTO STOCK EXCHANGE – VENTURE EXCHANGE
STOCK SYMBOL “ATE”

OTCQX
STOCK SYMBOL “ATBPF”

TRANSFER AGENT:

COMPUTERSHARE
100 UNIVERSITY AVENUE, 11TH FLOOR, SOUTH TOWER
TORONTO, ONTARIO M5J 2Y1

REGISTERED ADDRESS:

15 PRINCE ARTHUR AVE.
TORONTO, ONTARIO
M5R 1B2