

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and, therefore, may not be offered or sold to, or for the account or benefit of, persons in the United States of America, its territories or possessions, any State of the United States or the District of Columbia (collectively, the "United States") or "U.S. persons," as such term is defined in Regulation S promulgated under the U.S. Securities Act ("U.S. Persons"), except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation to buy any of such securities to, or for the account or benefit of, persons in the United States or U.S. Persons. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Antibe Therapeutics Inc., at 15 Prince Arthur Ave., Toronto, ON M5R 1B2, telephone: (416) 473-4095, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

February 20, 2019



ANTIBE THERAPEUTICS INC.

\$5,000,000
20,000,000 Units

\$0.25 per Unit

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 20,000,000 units (the "**Units**") of Antibe Therapeutics Inc. ("**Antibe**" or the "**Company**"), at a price of \$0.25 per Unit (the "**Offering Price**") for gross proceeds of \$5,000,000. Each Unit consists of one common share in the capital of the Company (a "**Common Share**", and each Common Share comprising part of an Unit, an "**Offered Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at an exercise price of \$0.35 per Warrant Share, subject to adjustment in certain circumstances, at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date (as defined below) (the "**Warrant Expiry Date**"). The Units will immediately separate on issuance into Offered Shares and Warrants. This Prospectus qualifies the distribution of Offered Shares and the Warrants comprising the Units and the Broker Warrants (as defined below).

The issued and outstanding Common Shares of the Company are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "ATE" and are also quoted on the international tier of the OTCQB market in the United States (the "**OTCQB**") under the symbol "ATBPF". On February 4, 2019, the last trading day prior to the public announcement of the Offering, the closing price of the Common Shares on the TSXV and the OTCQB was \$0.29 and US\$0.22 per Common Share, respectively. On February 19, 2019, the last trading day prior to the date of this Prospectus, the

closing price of the Common Shares on the TSXV and the OTCQB was \$0.275 and US\$0.215 per Common Share, respectively.

The Units are being offered and sold pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") entered into between the Company and Bloom Burton Securities Inc., Echelon Wealth Partners Inc. and Dominick Capital Corporation (collectively, the "**Underwriters**") on February 8, 2019. The terms of the Offering, including the offering price of the Units, were determined by arm's length negotiations between the Company and the Underwriters based upon several factors, including the policies of the TSXV, and may bear no relationship to the price that will prevail in the public marketplace. Certain insiders of the Company may purchase Units. See "Plan of Distribution".

An investment in the Units is subject to a number of risks that should be considered by a prospective purchaser. See "Risk Factors".

	Price to the Public	Underwriters' Fee ⁽¹⁾⁽²⁾	Net Proceeds to the Company ⁽²⁾⁽³⁾
Per Unit	\$0.25	\$0.0175	\$0.2325
Total Offering	\$5,000,000	\$350,000	\$4,650,000

Notes:

- (1) The Underwriters will receive a cash commission of 7% of the gross proceeds of the Offering including any proceeds received pursuant to the Over-Allotment Option (the "**Underwriters' Fee**"). In addition, the Company will grant to the Underwriters non-transferable broker warrants (the "**Broker Warrants**") to purchase up to that number of Common Shares that is equal to 7% of the aggregate number of Units sold, including the Additional Units (the "**Broker Warrant Shares**"). Each Broker Warrant will entitle the holder to acquire one Broker Warrant Share at a price of \$0.25 per Broker Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 24 months after the Closing Date. This Prospectus also qualifies the distribution of Broker Warrants. See "Plan of Distribution".
- (2) The Company has agreed to grant to the Underwriters an over-allotment option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the Underwriters' sole discretion, to offer and sell up to an additional number of Units that is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price (the "**Additional Units**"), to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times until the date that is 30 days immediately following the Closing Date. Each Additional Unit, if any, will be comprised of one Common Share (an "**Additional Share**") and one-half of one Warrant (each whole such Warrant, an "**Additional Warrant**", and each Common Share issuable upon exercise of an Additional Warrant, an "**Additional Warrant Share**"). If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, Underwriters' Fee and net proceeds to the Company (before deducting the expenses of the Offering which are estimated to be approximately \$175,000) will be \$5,750,000, \$402,500 and \$5,347,500, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Shares and Additional Warrants comprising the Additional Units issued or sold pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Additional Units forming part of the Underwriters' over-allocation position acquires such Additional Units under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".
- (3) Before deducting expenses of the Offering, estimated to be approximately \$175,000, which will, together with the Underwriters' Fee, be paid by the Company from the gross proceeds of the Offering. See "Use of Proceeds".

The following table sets forth the number of securities issuable under the Over-Allotment Option and the Broker Warrants:

Underwriters' Position	Maximum Size or Number of Securities Available ⁽¹⁾	Exercise Period	Exercise Price
Over-Allotment Option	Up to 3,000,000 Additional Units	Exercisable until 30 days following the Closing Date	\$0.25 per Additional Unit
Broker Warrants	Up to 1,610,000 Broker Warrants	Exercisable for a period of 24 months following the Closing Date	\$0.25 per Broker Warrant Share

Notes:

- (1) Assuming exercise of the Over-Allotment Option in full.

Unless the context otherwise requires, when used in this Prospectus, all references to "Units" includes the Additional Units issuable upon exercise of the Over-Allotment Option and all references to "Offered Shares", "Warrants" and the "Warrant Shares" assumes the exercise of the Over-Allotment Option and includes all securities issuable thereunder.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the terms and conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on the Company's behalf by its counsel, WeirFoulds LLP, and on behalf of the Underwriters by its counsel, Torys LLP.

In connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the price of the Units at levels other than those which otherwise might prevail on the open market. **Such transactions, if commenced may be discontinued at any time. The Underwriters may offer the Units at a price lower than that stated above.** See "Plan of Distribution".

Subscriptions for Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. The Units shall be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for the (final) short form prospectus by the applicable securities commissions. See "Plan of Distribution". The closing of the Offering is expected to be on or about February 26, 2019 or on such other date as may be agreed to by the Company and the Lead Underwriter, for and on behalf of the Underwriters (the "**Closing Date**").

Except in limited circumstances including, but not limited to, certain securities offered or sold to purchasers in the United States or who are U.S. Persons, no certificates will be issued in respect of the Units, Offered Shares, Warrants or Warrant Shares. The Offering will be conducted under the book-based system in the Canadian jurisdictions where the Units are being sold. A subscriber in a Canadian jurisdiction where the Units are being sold who purchases Units will receive a customer confirmation from the registered dealers through which Units are purchased and who is a CDS Clearing and Depository Services Inc. ("**CDS**") depository-service participant. CDS will record the CDS participants who hold Offered Shares and Warrants on behalf of owners who have purchased them in accordance with the book-based system. See "Plan of Distribution".

The TSXV has conditionally approved listing of the following securities on the TSXV: (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrant Shares (including any Additional Warrant Shares) issuable upon exercise of the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option); and (iii) the Broker Warrant Shares issuable upon exercise of the Broker Warrants. Listing is subject to the Company fulfilling all of the listing requirements of the TSXV within the time period required by the TSXV. The Company has not applied and does not intend to apply to list the Warrants on any securities exchange. **There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.** See "Risk Factors".

In this Prospectus, references to "Antibe", the "Company", "we", "us" and "our" refer to Antibe Therapeutics Inc. and/or, as applicable, one or more of its subsidiaries on a consolidated basis.

An investment in the Units is speculative and involves a high degree of risk that should be considered by potential purchasers. The Company is subject to risks due to the nature of the Company's business and its stage of development. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. See "Risk Factors" and "Forward-Looking Information".

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of Offered Shares and Warrants.

All dollar amounts in this Prospectus are in Canadian dollars unless otherwise stated.

The registered office and head office of the Company is located at 15 Prince Arthur Ave., Toronto, ON M5R 1B2.

Bloom Burton Securities Inc. is an affiliate of a lender that has provided a credit facility to a subsidiary of the Company. **Consequently, the Company may be considered a “connected issuer” of Bloom Burton Securities Inc. under applicable Canadian securities laws.** See “Plan of Distribution – Relationship Between the Company and Certain of the Underwriters”.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this Prospectus and are not entitled to rely on only certain parts of the information contained or incorporated by reference in this Prospectus to the exclusion of the remainder. The Company and the Underwriters have not authorized anyone to provide investors with different or additional information. If anyone provides you with different or additional information, you should not rely on it. The Company and the Underwriters are not making an offer to sell or seeking an offer to buy the Units in any jurisdiction where the offer or sale is not permitted. Prospective investors should assume that the information contained in this Prospectus is accurate only as of the date on the front of this Prospectus and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this Prospectus or of any sale of Units pursuant hereto. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

The Company has not done anything that would permit the offering or distribution of our securities under this Prospectus in any jurisdiction in which such offer is not permitted. Investors are required to inform themselves about, and to observe any restrictions relating to, any offering or distribution of our securities under this Prospectus.

This Prospectus contains and incorporates by reference documents that contain market data, scientific data, industry data and forecasts. This information is based on the Company's management estimates or expectations. In arriving to their estimates or expectations, the Company's management relies on third-party market and industry data and forecasts, industry publications and other publicly available information. While these third-party sources are believed to be reliable, neither the Company nor the Underwriters have independently verified the information that they contain, and neither the Company nor the Underwriters make any representation as to the accuracy of such information.

ELIGIBILITY FOR INVESTMENT

In the opinion of WeirFoulds LLP, counsel to the Company, and Torys LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), as of the date hereof, the Offered Shares, Warrants and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered disability savings plans ("**RDSP**"), deferred profit sharing plans, registered education savings plans ("**RESP**") and tax-free savings accounts ("**TFSA**") each as defined in the Tax Act (each, a "**Plan**") at the time of the acquisition of such Offered Shares, Warrants and Warrant Shares by the Plan, provided that, at the time the acquisition by the Plan:

- a) in the case of the Offered Shares and Warrant Shares, such Offered Shares and Warrant Shares are listed on a "designated stock exchange" for purpose of the Tax Act (which currently includes the TSXV) or the Company qualifies as a "public corporation" (as defined in the Tax Act); and
- b) in the case of the Warrants, the Warrant Shares are qualified investments as described in (a) above and neither the Company nor any person with whom the Company does not deal at arm's length is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Plan.

Notwithstanding that the Offered Shares, Warrants and Warrant Shares may be qualified investments for a TFSA, RDSP, RRSP, RRIF or RESP, the holder of a TFSA or RDSP, the annuitant of a RRSP or RRIF or the subscriber of a RESP, as the case may be, will be subject to a penalty tax in respect of the Offered Shares, Warrants and Warrant Shares if such securities are a "prohibited investment" and not "excluded property" for the particular Plan for purposes of the Tax Act. Offered Shares, Warrants and Warrant Shares will generally not be a prohibited investment for a particular TFSA, RDSP, RRSP, RRIF or RESP if the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as the case may be, (i) does not have a "significant interest" (as defined for purposes of the prohibited investment rules in the Tax Act) in the Company, and (ii) deals at arm's length with the Company for purposes of the Tax Act. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Company provided the holder, annuitant or subscriber, together with persons or partnerships with whom the holder, annuitant or subscriber does not deal at arm's length, does not own (and is not deemed to own pursuant to the Tax Act), directly or indirectly, 10% or more of the issued shares of any class of the

capital stock of the Company or of any other corporation that is related to the Company (for purposes of the Tax Act).

Prospective purchasers who intend to hold Offered Shares, Warrant Shares or Warrants in trusts governed by Plans should consult their own tax advisors in regard to the application of these rules under the Tax Act in their particular circumstances.

FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated herein by reference, contains forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities laws. These forward-looking statements and forward-looking information include, but are not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and relate to, without limitation:

- the Offering, including the use of proceeds from the Offering;
- the closing of the Offering and the timing thereof, including the approval of the TSXV for the listing of the Offered Shares, Warrant Shares, and Broker Warrant Shares;
- results from the Company's research and development activities;
- the Company's research and development plans, business model, strategic objectives and growth strategy;
- a potential partnering event with a global pharmaceutical company,
- drug regulation in the U.S., Canada and abroad;
- reimbursement and pricing for medical devices and pharmaceutical products generally;
- initial and subsequent therapeutic indications for the Company's products and the prevalence of such indications;
- the Company's pre-clinical and clinical development plans/trials, including the expected timing, location and duration thereof;
- the Company's drug development pipeline, product potential, product market/profile and size;
- sourcing, licensing and launching new products, co-development and partnership plans and objectives;
- the Company's intellectual property;
- the Company's current and future capital requirements and the need for additional financing;
- the benefits and risks of the Company's products as compared to others;
- the Company's future growth plans;
- the Company's estimate of the size of the potential markets for its products;
- the therapeutic benefits, effectiveness and safety of the Company's product candidates;
- the Company's expectations regarding regulatory requirements in certain jurisdictions;

- regulatory developments and the regulatory environments in which the Company operates;
- anticipated trends and challenges in the Company's business and the markets in which it operates;
- the continuation of the Company as a going concern;
- the payment of dividends;
- the Company's use of unallocated proceeds from the Offering;
- the estimated cost of the Offering;
- the Company's expectations regarding net losses and revenue generation;
- the Company's expectations regarding the sufficiency of its cash for funding non-development related expenditures and future cash balances;
- the Company's expectations regarding increases in research and development costs and general and administrative expenses; and
- the Company's liability under indemnification provisions.

These forward-looking statements and forward-looking information may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Without limitation, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indication", "assume", "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. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements and forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

With respect to forward-looking statements and forward-looking information contained in this Prospectus, 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.

Although management believes the expectations reflected in such forward-looking statements and forward-looking information are reasonable, forward-looking statements and forward-looking information are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements and forward-looking information. These factors include, but are not limited to: Antibe's ability to develop, manufacture, and successfully commercialize value-added pharmaceutical products and medical devices, regulatory approvals, pricing and reimbursement, the ability to license its products on acceptable terms and conditions, Antibe's ability to obtain additional capital in the future to conduct operations, research and development activities and develop its products, the successful and timely completion of clinical studies, the availability of tax credits, the ability of Antibe to take advantage of business opportunities in the pharmaceutical and medical device industry, the ability to successfully compete with industry participants that have greater resources, Antibe's reliance on key personnel, collaborative partners, suppliers and third parties, Antibe's ability to attract and retain key personnel, Antibe's ability to secure and maintain adequate protection for its intellectual property, Antibe's ability to find partners in the pharmaceutical industry, Antibe's ability to expand its regenerative medicine business into additional products and markets, Antibe's history of operating losses, currency fluctuations, the value of our intangible assets, negative operating cash flow, Antibe's ability (or the ability of Antibe's partners) to obtain

regulatory approvals for Antibe's products, legal proceedings and other risks related to Antibe's industry. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully by prospective purchasers of Units. More detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations can be found in the AIF (as defined below) under the heading "Risk Factors" filed with the Canadian securities authorities (on Sedar at www.sedar.com) and under the heading "Risk Factors" in this Prospectus.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in, or incorporated by reference into, this Prospectus. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements.

All of the forward-looking statements and forward-looking information in this Prospectus, and the documents incorporated herein by reference, is qualified by these cautionary statements. Statements containing forward-looking statements and/or forward-looking information contained herein and in the documents incorporated herein by reference are made only as of the date of such document. The Company and the Underwriters expressly disclaim any obligation to update, revise or alter statements containing any forward-looking statements or forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by 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 or forward-looking information.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities regulatory authorities in certain of the provinces and territories of Canada. Copies of the documents incorporated herein are available electronically at www.sedar.com.

The following documents of the Company filed with securities commissions or similar regulatory authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario are incorporated by reference into this Prospectus:

- a) the annual information form of the Company dated June 26, 2018 for the year ended March 31, 2018 (the "**AIF**");
- b) the audited consolidated financial statements of the Company for the years ended March 31, 2018 and 2017 together with the notes thereto, and the auditors' report thereon dated June 26, 2018 (the "**Annual Financial Statements**");
- c) the management's discussion and analysis of the Company for the year ended March 31, 2018 dated June 26, 2018 (the "**FY2018 MD&A**");
- d) the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended December 31, 2018 and 2017 (the "**Interim Financial Statements**");
- e) the management's discussion and analysis of the Company for the three and nine months ended December 31, 2018 (the "**Interim MD&A**");
- f) the material change report dated February 5, 2019 announcing the Offering; and
- g) the management information circular of the Company dated May 15, 2018 for the annual general and special meeting of shareholders held on June 25, 2018.

Any document of the type referred to in Section 11.1 of Form 44-101 FI – *Short Form Prospectus* filed by the Company with a securities commission or similar regulatory authority Canada after the date of this Prospectus and before the completion or termination of the Offering is deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference is deemed to be modified or superseded, for purposes of this Prospectus, to the extent its content is modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information contained in the document that it modifies or supersedes. The making of a modifying or superseding statement is not an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not, except as so modified or superseded, constitute a part of this Prospectus.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (each such term as defined in National Instrument 44-101 – *Short Form Prospectus Distributions*) that is filed under the Company's profile on SEDAR at www.sedar.com before termination of the Offering (including any amendments to, or amended version of, any template version of any marketing materials) will be incorporated by reference in this Prospectus. However, such "template version" of "marketing materials" will not form a part of this Prospectus to the extent that the contents of the marketing materials or the template version of the marketing materials, as applicable, have been modified or superseded by a statement contained in the final short form prospectus.

SUMMARY DESCRIPTION OF THE BUSINESS

Antibe is a biotechnology company that seeks to develop safer medicines for pain and inflammation. Antibe's technology involves linking a hydrogen sulfide-releasing molecule to an existing drug to produce a patented, improved medicine. Antibe's lead drug, ATB-346, targets the global need for a safer drug for chronic pain and inflammation. In March 2018, ATB-346 met its primary endpoint in a Phase 2B double-blind clinical trial vs. naproxen, showing a statistically significant difference in the incidence of ulcers, a measure of gastrointestinal ("GI") safety (2.5% versus 42.1% ulceration rate of ulcers of at least 3mm in diameter). ATB-352, the second drug in Antibe's pipeline, targets the urgent global need for a safer, non-addictive analgesic for treating severe acute pain, while ATB-340 is a GI-safe derivative of aspirin. In addition, Antibe has a commercial subsidiary, Citagenix Inc. ("Citagenix"), that is engaged in the sales and marketing of tissue regenerative products for oral and maxillofacial surgery. Citagenix is pursuing a global growth strategy in the dental biologics market.

RECENT DEVELOPMENTS

The Company's Phase 2 development program for ATB-346 includes the following clinical studies: (i) Phase 2A efficacy study (*completed in August 2016*); (ii) Phase 2B GI safety study (*completed in March 2018*); and (iii) Phase 2B dose-ranging, efficacy study (*underway and described in more detail below*). The successful completion of the Phase 2B dose-ranging, efficacy study will conclude Phase 2 development of ATB-346.

On July 3, 2018, the Company announced the secondary endpoint data from the Phase 2B GI safety study for ATB-346. The secondary endpoints were: incidence of gastric or duodenal ulcers of at least 5 mm diameter with unequivocal depth; number of gastric and/or duodenal erosions and/or ulcers; incidence of dyspepsia leading to discontinuation of study treatment; changes from baseline in hematocrit levels; and changes from baseline in ex vivo whole blood thromboxane B2 (TXB2) synthesis, a known biomarker for cyclo-oxygenase (COX) inhibition. No subjects treated with ATB-346 exhibited ulcers of more than 5 mm diameter (0% ulcer incidence) versus 30 subjects treated with naproxen (24% ulcer incidence), with an average of 2.5 ulcers per subject (*Figure 1*). Furthermore, there were a total of 4 gastric ulcers and 0 duodenal ulcers in the ATB-346 group, versus a total of 203 gastric and duodenal ulcers in the naproxen group (*Figure 2*). Both naproxen and ATB-346 inhibited TXB2 synthesis by more than 94% (*Figure 3*).

Figure 1. Gastric Ulcer Incidence \geq 5 mm Diameter in Phase 2B Study

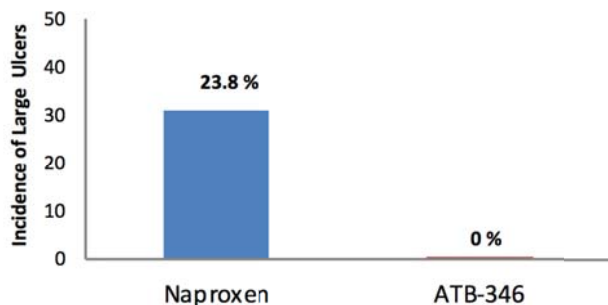


Figure 2. Total Number of Gastric Ulcers \geq 3 mm Diameter in Phase 2B Study

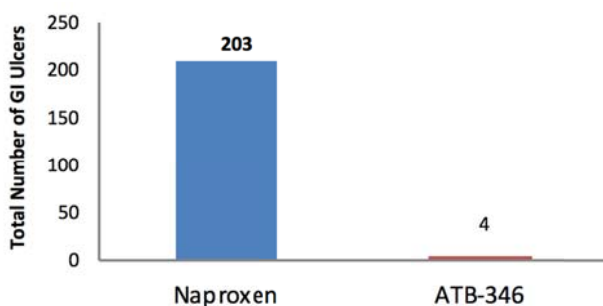
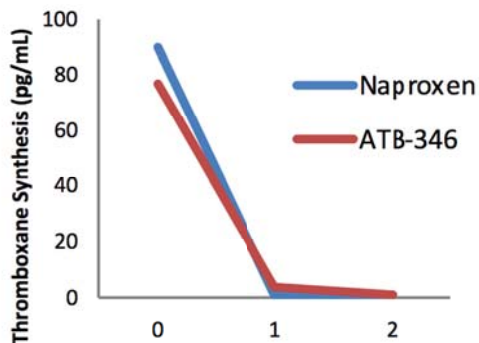


Figure 3. Inhibition of TXB2 Synthesis in Phase 2B Study



Antibe performed a series of animal studies with an objective of further characterizing the metabolic profile of ATB-346. Clinical studies conducted to-date indicate that ATB-346 is far more potent than naproxen and suggests one or more active metabolites are contributing to the mechanism of action. The recently obtained data on several metabolites of ATB-346 provide significant insights to understanding the increased potency and duration-of-activity of the drug. A defined understanding of a drug's mechanism of action and metabolism is a key requirement for regulatory approval and will also support strategic partnering discussions. These metabolism studies were conducted by a leading clinical research organization (“CRO”) in the United States. Additional studies are on-going.

The Company's recently commenced Phase 2B dose-ranging, efficacy study is designed to provide a comprehensive package of efficacy and metabolism data required by regulatory bodies and potential partners. The study is being conducted in two parts:

- **Part 1: COX Inhibition and Metabolite Characterization (completed November 2018).** The primary objectives of the study were to: (i) evaluate cyclo-oxygenase (COX) inhibition to inform the doses of ATB-346 to be used in part two, the upcoming dose-ranging, efficacy study; (ii) obtain a series of blood samples at distinct time intervals to facilitate analysis of the principal metabolites of ATB-346; and (iii) further assess the overall safety and tolerability of the drug. The COX inhibition data of the 250 mg dose was consistent with the Phase 2A and Phase 2B studies, and marked inhibition was also observed with the two lower doses. Additionally, comprehensive analysis is underway to characterize the pharmacokinetic profile of each principal metabolite of ATB-346. The drug was also safe and well tolerated.
- **Part 2: Validation of Effectiveness (underway).** Antibe received approval from Health Canada in January 2019 to initiate the second part of the Phase 2B dose-ranging, efficacy study for ATB-346. The primary objective of the study is to evaluate the efficacy of ATB-346 in reducing osteoarthritis (“OA”) pain over a 14-day treatment period. The study will involve a total of 360 patients with OA of the knee, who will be randomized to placebo or one of three doses of ATB-346 administered once daily: 150 mg, 200 mg or 250 mg. The study will be conducted by Veristat, Inc. (“Veristat”) in approximately 35 clinical sites across Canada and is expected to commence enrollment shortly. Antibe will update the timing for the trial completion as Veristat informs the Company of enrollment progress during the coming months.

On September 5, 2018, Antibe entered into an exclusive licensing agreement with Kwang Dong Pharmaceutical Co., Ltd. (“**Kwang Dong**”) for the development and commercialization of Antibe’s lead drug, ATB-346, in South Korea. Kwang Dong is a leading pharmaceutical company in South Korea, with net sales in excess of US\$600 million and over 500 sales representatives. Under the terms of the agreement, Antibe is entitled to receive up to US\$10 million in non-dilutive development and commercial milestone payments, including an upfront payment of US\$1 million, and a royalty on net sales in the region.

The Company successfully launched the following products in the 2018 fiscal period:

- THE Graft, a mineralized bone graft substitute derived from porcine bone (fiscal Q3 2018);
- OpenTex® TR, a titanium reinforced non-resorbable polytetrafluoroethylene (“PTFE”) barrier membrane (fiscal Q3 2018); and
- Biotex®, a non-absorbable monofilament suture made of 100% medical grade PTFE (fiscal Q3 2018).

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company at December 31, 2018, both before and after giving effect to the Offering.

Description	As at December 31, 2018 (unaudited)	As at December 31, 2018, after giving effect to the Offering ⁽¹⁾⁽²⁾
Debt		
Loan payable	\$2,036,694	\$2,036,694
Share Capital		
Common Shares ⁽³⁾⁽⁴⁾	\$33,532,635 (220,106,233 Common Shares)	\$38,007,635 (240,106,233 Common Shares)
Common Share purchase warrants ⁽⁵⁾	21,825,016 Common Share purchase warrants	33,225,016 Common Share purchase warrants
Stock options	17,802,607 stock options	17,802,607 stock options

Notes:

- (1) After giving effect to the Offering, less the Underwriters' Fee of \$350,000 and expenses of the Offering estimated to be \$175,000. All figures on a non-diluted basis.
- (2) Does not include any Additional Shares issuable upon the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, there will be 243,106,233 Common Shares outstanding upon completion of the Offering and the issue and sale of Additional Shares pursuant to the exercise of the Over-Allotment Option.
- (3) Excludes Common Shares issuable upon the exercise of the Warrants, Broker Warrants, stock options and other warrants or rights to purchase Common Shares.
- (4) Total shareholders' equity as at December 31, 2018 was \$5,698,657 and would be \$10,173,657 as at December 31, 2018, after giving effect to the Offering, excluding any proceeds of any exercise of the Over-Allotment Option.
- (5) Includes the Broker Warrants and previously issued broker warrants.

USE OF PROCEEDS

The net proceeds to the Company from the Offering will be approximately \$4,475,000 after deducting the Underwriters' Fee of \$350,000 and estimated expenses of the Offering of \$175,000. The foregoing amounts are prior to any exercise of the Over-Allotment Option.

The Company intends to use the net proceeds of the Offering to increase the sample size of the upcoming Phase 2B dose-ranging, efficacy study for ATB-346. Based on the encouraging COX inhibition data from the human metabolism study completed in November 2018, the Company has increased the sample size of the upcoming study to 360 patients (from an originally planned 200 patients). This powers both the high dose (250 mg) and middle dose (200 mg) for statistical significance, and is expected to provide more robust efficacy data that can be leveraged for Phase 3 development and global partnering activity. This amendment to the study design is anticipated to cost an additional \$1.65 million, bringing the total cost of the study to \$4.35 million (net of prepayments). The Company expects to fund \$2.7 million of the total cost of the study with cash on hand and anticipates funding the balance of \$1.65 million with net proceeds from the Offering. A top-line data read-out of the Phase 2B dose-ranging, efficacy study for ATB-346 is expected in calendar Q3 2019. The Company anticipates it will be able to complete this clinical study (its next milestone) with its current available resources and the proceeds of the Offering.

Enrollment for the Phase 2B dose-ranging, efficacy study is expected to commence in March 2019. Patients will be randomized to placebo or one of three doses of ATB-346 administered once daily: 150 mg, 200 mg or 250 mg. The primary objectives of the study are to: (i) evaluate the efficacy of ATB-346 in reducing OA pain in 360 patients versus placebo; and (ii) establish the dose to be used in Phase 3 development. A successful outcome in this study would conclude Phase 2 development for ATB-346, representing a major development milestone for the Company. Phase 2 completion is widely considered to be the stage at which partnering opportunities are typically sought. Providing the primary endpoint is met in this study, the Company will either partner the program with one or more pharmaceutical companies who would complete Phase 3 development, or raise additional capital to fund Phase 3 development. In either case, the Company estimates that the Phase 3 program for ATB-346 will commence in calendar Q1 2020 and is expected to take approximately 2 years to complete. Although the Phase 3 design is not finalized, it is expected to replicate the Phase 2B GI safety and Phase 2B dose-ranging, efficacy studies in a larger sample size with a longer treatment duration. Successful completion of Phase 3 development would mean that development of ATB-346 had been completed and it would be ready for commercial sale upon receiving regulatory approval.

In addition, the Company intends to use the net proceeds of the Offering to fund certain activities for ATB-346 that will fulfill key requirements for the commencement of Phase 3 development and regulatory approval. These activities include: (i) regulatory consulting fees for pre-IND and end-of-Phase-2 FDA meetings and (ii) remaining pharmacokinetic metabolite studies. If the Over-Allotment Option is exercised in part or in full, the Company intends to use the additional net proceeds of up to \$697,500 to conduct long-range animal toxicology studies of ATB-346 (6-month rat and 9-month canine studies) and for working capital and general corporate purposes.

The Company reported negative cash flow from operating activities of \$6.2 million for the nine-month period ended December 31, 2018 and \$6.45 million for the year ended March 31, 2018, and expects to experience negative cash flow from operating activities for the foreseeable future. The Company's negative cash flow from operating activities is comprised of both R&D / development costs and non-development operating and overhead costs. Operating and overhead costs are costs needed to operate the Company and do not include research and development expenditures, which vary across time, based on the specific drug development activities undertaken by the Company. Citagenix operates independently and is projected to generate positive EBITDA during the period and have a small negative total use of cash from operations (included in the working capital requirement) and therefore its selling, marketing and G&A expenses are not a cash burn for Antibe. Antibe's net cash operating costs for the 9 months to December 31, 2018 were \$2,302,678 or \$255,853 per month. However, a significant amount of the expenses totaling \$813,677 in this period are not planned to be incurred again in the next 12 months (or in certain areas the company is planning to reduce its expenditures). Such non-recurring expenses include executive and staff bonuses (\$180,000), executive search fees (\$140,810), audit, legal fees and consulting fees for specific projects (\$265,910), analyst research (\$24,495) and conference sponsorships (\$63,000). Reduced expenses include IR fees (\$20,000), patent advisory in the US (\$63,488), previous year tax expense (\$23,223) and miscellaneous expenses (\$32,750). As a result, Antibe's net cash operating costs for the next 12 months are projected to be reduced to \$1,985,000, or \$165,445 per month.

Commitments and contingencies of the Company consist of the following: staff salaries; leases on office space and facilities; public company fees; patent costs; and the ATB-346 Phase 2B dose ranging trial (plus pills and other associated costs). The Company believes that based on management's expected rate of negative cash flow from operating activities, the net proceeds in the Offering of \$4.45 million, plus the Company's cash on hand of \$2.7 million will be sufficient to cover all the Company's activities (i.e., all of the Company's operating costs and research and development expenditures) during the period ending January 31, 2020 (being the period in which the proceeds of the Offering are expected to be used). This expectation is based on the assumption that Antibe's operating non-development cash burn remains at approximately \$165,000 per month going forward, Citagenix's net cash flow is positive or neutral going forward and there are minimal additional unplanned or unforeseen expenses that are incurred during this period. See "Forward-Looking Information" and "Risk Factors".

The Company does not prepare a consolidated working capital balance as of each month end, but its current working capital balance (total current assets minus total current liabilities) would not be materially different from its December 31, 2018 working capital balance, which was \$5,906,586. The nature of the Company's business is such that the degree of negative cash flow experienced by the Company can vary significantly from period to period as it completes certain phases relating to the advancement of its products. Accordingly, cash flows for a period may not be directly comparable to a future period, and no assurance can be given that such projections will prove to be accurate. Prospective purchasers should carefully review the risk factors entitled "Ability to Continue as a Going Concern" and "Negative Cash Flow from Operating Activities" in the AIF and the other risk factors identified in this Prospectus under "Risk Factors".

The Company's intended use of net proceeds from the Offering are as follows:

	Amount	%
Increasing sample size of Phase 2B dose-ranging, efficacy study for ATB-346	\$1,650,000	37%
Regulatory preparation/documentation for ATB-346 meetings with FDA	\$350,000	8%
Remaining pharmacokinetic metabolic studies for ATB-346	\$200,000	4%
Working capital and general corporate purposes	\$2,275,000	51%

Total net proceeds	\$4,475,000	100%
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The net proceeds of the Offering will be spent on expenditures incurred following the Offering.

Business Objectives and Milestones

Antibe's primary objective is to successfully complete the Phase 2B dose-ranging, efficacy study for its lead drug, ATB-346. The Company has a pipeline of other drug candidates and regenerative medicine assets that it intends on advancing when additional funds become available. While ATB-340 and ATB-352 are promising drug candidates, they are both at an early exploratory stage with work presently being conducted in academic labs in partnership with Antibe's Chief Science Officer at minimal or no cost. Similarly the regenerative medicine pipeline assets (CGX-443, CGX-227, and URIST™) are being developed by partners which the Issuer's subsidiary, Citagenix, will license to sell and distribute if they prove successful. No proceeds from the Offering will be used to fund development activities other than for ATB-346 at the present time. The following is a summary of the Company's business objectives and upcoming development milestones for its pipeline:

Pipeline Asset	Status	Development Milestone	Timing	Remaining Cost
ATB-346	Phase 2B	Completion of Phase 2B dose-ranging efficacy study	Top-line data read-out expected in calendar Q3 2019.	\$4.35 million (<i>to be funded by cash on hand and proceeds of the Offering</i>)
		Completion of Phase 3 studies	Expected to commence in calendar Q1 2020 and take 2 years to complete.	Estimated to be \$30 million (<i>to be funded by future partner(s) or when funds become available</i>)
ATB-352	Pre-clinical	Completion of IND-enabling pre-clinical studies	IND-enabling studies have commenced and are expected to conclude in calendar 2020.	\$900,000 (<i>when funds become available</i>)
ATB-340	Pre-clinical	Completion of IND-enabling pre-clinical studies	IND-enabling studies are expected to commence in calendar 2020.	\$1,000,000 (<i>when funds become available</i>)
CGX-443	Pre-clinical	Completion of studies for 510(K) clearance	Expected to commence in calendar 2020 (estimated to take 6-12 months to complete).	\$250,000 (<i>when funds become available</i>)
CGX-227	Pre-clinical	Completion of studies for 510(K) clearance	Expected to commence in calendar 2020 (estimated to take 6-12 months to complete).	\$250,000 (<i>when funds become available</i>)
URIST™ (CGX-276) ¹	Clinical development	Completion of studies for PMA approval	Antibe's licensor is seeking development funds for the next stage of studies.	Not applicable (<i>Antibe is not funding development</i>)

- 1) Antibe obtained the exclusive Canadian distribution rights for URIST™ for dental & craniofacial applications from Induce Biologics Inc.

Antibe's subsidiary, Citagenix, is pursuing a global growth strategy in the dental biologics market. Strategic footprint and portfolio expansion of Citagenix is an on-going process of its normal business activity as it signs up new distributors in the United States and around the world and sources new products for its portfolio of bone grafts and barrier membranes.

Although the Company intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent or necessary, and may vary materially from that set forth above. The Company is currently incurring expenditures related to the Company's operations that have generated negative operating cash flows. Operating cash flows may decline in certain circumstances, many of which are beyond the Company's control. There is no assurance that sufficient revenues will be generated in the near future, and the Company may continue to incur negative operating cash flows. The Company may need to deploy a portion of its working capital to fund such negative operating cash flows or seek additional sources of funding. See "Risk Factors".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of WeirFoulds LLP, counsel to the Company, and Torys LLP, counsel to the Underwriters, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations applicable to a purchaser of Units pursuant to the Offering who, at all relevant times and for purposes of the Tax Act, (i) acquires and holds the Offered Shares and Warrants and will hold the Warrant Shares as capital property, and (ii) deals at arm's length and is not affiliated with the Company, the Underwriters or any subsequent purchaser of such securities (a "**Holder**"). Offered Shares, Warrants and Warrant Shares will generally be considered to be capital property to a Holder unless the Holder holds the Offered Shares, Warrants and Warrant Shares in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act, specific proposals to amend the Tax Act (the "**Proposed Amendments**") which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that the Proposed Amendments will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that such Proposed Amendments will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary does not apply to a Holder (a) that is a "financial institution" (as defined in the Tax Act) for purposes of the mark-to-market provisions of the Tax Act; (b) that is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is a "tax shelter investment" for purposes of the Tax Act; (d) that elects or has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (e) that has entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Offered Shares, Warrants or Warrant Shares; or (f) that receives dividends on Offered Shares or Warrant Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The following description of income tax matters is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. Holders are urged to consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.

Allocation of Cost

A Holder who acquires Units will be required to allocate the purchase price of each Unit between the Offered Share and the one-half of one Warrant on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. Holders should consult their own tax advisors in this regard. For its purposes, the Company intends to allocate \$0.2364 to the Offered Share and \$0.0136 to the one-half Warrant. Although the Company believes that such allocation is reasonable, it is not binding on the CRA or any Holder and the CRA may not agree with such allocation. Counsel expresses no opinion with respect to such allocation.

Adjusted Cost Base of Offered Shares

The adjusted cost base to a Holder of an Offered Share acquired hereunder will be determined by averaging the cost of that Offered Share with the adjusted cost base (determined immediately before the acquisition of the Offered Share) of all other Common Shares held as capital property by the Holder immediately prior to such acquisition.

Exercise of Warrants

A Holder will not realize a gain or loss upon the exercise of a Warrant to acquire a Warrant Share. The Holder's cost of the Warrant Share will be equal to the aggregate of the Holder's adjusted cost base of the Warrant exercised, plus the exercise price paid to acquire such Warrant Share. The Holder's adjusted cost base of such Warrant Share will be determined by averaging the cost of the Warrant Share with the adjusted cost base (determined immediately before the acquisition of such Warrant Share) of all other Common Shares held as capital property by the Holder immediately prior to such acquisition.

Residents of Canada

The following portion of the summary applies to a Holder who, for purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). Certain Resident Holders to whom Offered Shares and Warrant Shares might not constitute capital property may, in certain circumstances, make the irrevocable election under subsection 39(4) of the Tax Act to deem the Offered Shares, the Warrant Shares, and every other "Canadian security" (as defined in the Tax Act), held by such Resident Holder in the taxation year of the election and all subsequent taxation years to be capital property. This election does not apply to the Warrants. Resident Holders should consult their own tax advisors regarding this election.

Disposition and Expiry of Warrants

A Resident Holder who disposes or is deemed to dispose of a Warrant (other than upon the exercise thereof) will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than the adjusted cost base of the Warrant to the Resident Holder. If a Warrant expires unexercised, the Resident Holder will realize a capital loss equal to the adjusted cost base of such Warrant to the Resident Holder. The tax treatment of capital gains and capital losses is discussed under the subheading "Capital Gains and Capital Losses".

Dividends on Offered Shares and Warrant Shares

Dividends received or deemed to be received on Offered Shares or Warrant Shares by an individual Resident Holder (including certain trusts) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations including, where applicable, an enhanced gross-up and dividend tax credit for dividends designated as "eligible dividends" by the Company.

Dividends received or deemed to be received on Offered Shares or Warrant Shares by a Resident Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of a disposition or a capital gain. A Resident Holder that is a

"private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Offered Shares or Warrant Shares, to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

Disposition of Offered Shares and Warrant Shares

A Resident Holder who disposes or is deemed to dispose of an Offered Share or Warrant Share will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than the adjusted cost base of the Offered Share or Warrant Share, as the case may be, to the Resident Holder. The tax treatment of capital gains and capital losses is discussed under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder must be included in the Resident Holder's income for the taxation year in which the disposition occurs. Subject to and in accordance with the provisions of the Tax Act, one-half of any capital loss (an "**allowable capital loss**") must be deducted against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in any of the three prior years or in any subsequent year in the circumstances and to the extent provided in the Tax Act.

A capital loss realized on the disposition of an Offered Share or Warrant Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends that have been received or deemed to have been received by the Resident Holder on such share or shares substituted for such share to the extent and in the circumstances described by the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Offered Shares or Warrant Shares directly or indirectly through a partnership or trust.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including taxable capital gains. Resident Holders that are "Canadian-controlled private corporations" should consult their own tax advisors regarding their particular circumstances.

Alternative Minimum Tax

Capital gains realized and taxable dividends received or deemed to be received by a Resident Holder that is an individual or a trust (other than certain trusts) may be liable for alternative minimum tax under the Tax Act. Resident holders should consult their own tax advisors with respect to the application of alternative minimum tax.

Non-Residents of Canada

The following portion of the summary applies to Holders who, at all relevant times, for the purposes of the Tax Act, (i) are not resident or deemed to be resident in Canada, and (ii) do not use or hold Offered Shares, Warrants or Warrant Shares in the course of a business carried on or deemed to be carried on in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited on Offered Shares or Warrant Shares to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable tax treaty or convention. In the case of a Non-Resident Holder that is a resident of the United States and fully entitled to benefits under the *Canada-United States Tax Convention* (1980), as amended, the rate of withholding tax on such dividends beneficially owned by such Non-Resident Holder will generally be

reduced to 15%. This rate is reduced to 5% in the case of a Non-Resident Holder that is the beneficial owner of the dividends and that is a corporation that owns beneficially at least 10% of the voting stock of the Company.

Dispositions of Offered Shares, Warrants and Warrant Shares

A Non-Resident Holder who disposes of or is deemed to have disposed of an Offered Share, a Warrant or a Warrant Share will not be subject to income tax under the Tax Act in respect of any capital gain realized thereon unless, at the time of disposition, the Offered Share, Warrant or Warrant Share, as the case may be, is or is deemed to be "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty or convention.

Provided the Offered Shares and Warrant Shares are listed on a "designated stock exchange" (which currently includes Tiers 1 and 2 of the TSXV), the Offered Shares, Warrants and Warrant Shares generally will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition unless at any time during the 60-month period immediately preceding the disposition: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of the Company, and (b) more than 50% of the fair market value of the Offered Shares or Warrant Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act) and options in respect of, or interests in, or for civil law rights in, any such property, whether or not such property exists. The Offered Shares, Warrants or Warrant Shares may also be deemed to be taxable Canadian property of a Non-Resident Holder in certain circumstances.

In the event that an Offered Share, Warrant or Warrant Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain realized on the disposition thereof is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention, the income tax consequences discussed under "Residents of Canada – Capital Gains and Capital Losses" would generally apply to the Non-Resident Holder.

Non-Resident Holders whose Offered Shares, Warrants or Warrant Shares are taxable Canadian property should consult their own tax advisors.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Authorized Capital

The Company's authorized share capital currently consists of an unlimited number of Common Shares, of which, as at the date hereof, 220,350,476 Common Shares are issued and outstanding. Assuming the completion of the Offering (and no exercise of the Over-Allotment Option), there will be 240,350,476 Common Shares issued and outstanding (on a non-diluted basis). Assuming the completion of the Offering and the Over-Allotment Option is exercised in full, upon completion of the Offering, there will be 243,350,476 Common Shares issued and outstanding (on a non-diluted basis).

Units

Each Unit consists of one Offered Share and one-half of one Warrant. The following is a summary of the rights, privileges, restrictions and conditions attached to such securities.

Common Shares

Each Offered Share, Warrant Share and Broker Warrant Share is a Common Share. Each holder of a Common Share is entitled to (i) notice of and the right to vote at all meetings of shareholders of the Company, (ii) receive any dividend declared by the board of directors of the Company, and (iii) receive the remaining property of the

Company in the event of the voluntary or involuntary liquidation, dissolution or winding up of the Company, or any other distribution of its assets among its shareholders for the purposes of winding up its affairs.

Warrants

The Warrants will be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into between the Company and Computershare Trust Company of Canada, as warrant agent thereunder (the "**Warrant Agent**"). The Company will appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario, or such other place designated by the Company with the approval of the Warrant Agent, as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture contains all of the material attributes and characteristics of the Warrants but does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

Each whole Warrant will entitle the holder to purchase one Warrant Share at an exercise price of \$0.35 per Warrant Share, subject to adjustment in certain circumstances, at any time prior to the Warrant Expiry Time. **WARRANTS NOT EXERCISED PRIOR TO THE WARRANT EXPIRY TIME WILL BE VOID AND OF NO VALUE.**

The exercise price for the Warrants will be payable in Canadian dollars.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to holders of all or substantially all of the Company's Common Shares by way of stock dividend or other distribution (other than a "dividend paid in the ordinary course", as defined in the Warrant Indenture, or a distribution of Common Shares upon the exercise of the Warrants or pursuant to the exercise of director, officer or employee stock options granted under the Company's stock option plan);
- b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;
- d) the fixing of a record date for the issue of rights, options or warrants to all or substantially all of the holders of the Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or having an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and
- e) the issuance or distribution to all or substantially all of the holders of the securities of the Company including shares, rights, options or warrants to acquire shares of any class or securities exchangeable or convertible into any such shares or cash, property or assets and including evidences of indebtedness, or any cash, property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (i) reclassifications of the Common Shares; (ii) consolidations, amalgamations, plans of arrangement or mergers of the Company with or into another entity; or (iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another Company or other entity.

No adjustment in the exercise price or the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth of a Warrant Share. Further, no adjustment will be made for Common Shares issued: (i) upon exercise of the Warrants; (ii) pursuant to any dividend reinvestment or similar plan adopted by the Company; (iii) pursuant to

stock option or purchase plans, as payment of interest on outstanding notes, in connection with strategic license agreements or other partnering arrangements; or (iv) in connection with a strategic merger, consolidation or purchase of substantially all of the securities or assets of a corporation or other entity.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 10 business days prior to the record date or effective date, as the case may be, of such event.

If a Warrant holder is entitled to a fraction of a Warrant, the number of Warrants issued to that Warrant holder shall be rounded down to the nearest whole Warrant. No fractional Warrant Shares will be issuable upon the exercise of any Warrants; instead cash will be paid in lieu of fractional shares. Holders of Warrants will not have any voting rights or any other rights which a holder of Common Shares would have.

The Warrants will not be exercisable in the United States or by or on behalf of a U.S. Person, nor will certificates representing the Common Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing to such effect in form and substance reasonably satisfactory to the Company.

From time to time, the Company (when properly authorized) and the Warrant Agent, subject to the provisions of the Warrant Indenture, may amend or supplement the Warrant Indenture for certain purposes. Certain amendments or supplements to the Warrant Indenture may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than $66\frac{2}{3}\%$ of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than $66\frac{2}{3}\%$ of the aggregate number of all of the then outstanding Warrants.

The Company has not applied and does not intend to apply to list the Warrants on any securities exchange. There will be no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased in the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "Risk Factors".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have severally and not jointly (and not jointly and severally), agreed to purchase, on the Closing Date, or on such other date as may be agreed upon, but in any event no later than the date that is 42 days after the date of the receipt for the final short form prospectus, an aggregate of 20,000,000 Units at the Offering Price, for an aggregate gross consideration of \$5,000,000 payable in cash to the Corporation by the Underwriters against delivery of the Units. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of "disaster out" and "material adverse change out" provisions and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The terms of the Offering, including the Offering Price, were determined by negotiations between the Corporation and the Lead Underwriter, with reference to the market price of the Common Shares.

As partial consideration for their services in connection with the Offering, the Underwriters will receive a cash commission of 7% of the gross proceeds of the Offering including any proceeds received pursuant to the Over-Allotment Option. In addition, the Company will grant to the Underwriters on the Closing Date non-transferable Broker Warrants to purchase up to that number of Common Shares that is equal to 7% of the aggregate number of Units sold on the Closing Date, including the Additional Units. Each Broker Warrant, will enable the holder to acquire one Broker Warrant Share at a price of \$0.25 per Broker Warrant Share at any time prior to 5:00 p.m.

(Toronto time) on the date that is 24 months after the Closing Date. This Prospectus also qualifies the distribution of Broker Warrants.

The Company has agreed to grant to the Underwriters an Over-Allotment Option exercisable, in whole or in part, at the Underwriters' sole discretion, to offer and sell up to a number of Additional Units that is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times during the 30-day period immediately following the Closing Date. Each Additional Unit, if any, will be comprised of one Additional Share and one-half of one Additional Warrant. Each Additional Warrant will entitle the holder thereof to purchase one Additional Warrant Share. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, Underwriters' Fee and net proceeds to the Company (before deducting the expenses of the Offering which are estimated to be approximately \$175,000) will be \$5,750,000, \$402,500 and \$5,347,500, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Shares and Additional Warrants, comprising Additional Units issued or sold pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Additional Units forming part of the Underwriters' over-allocation position acquires such Additional Units under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscriptions for Units will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. No certificates will be issued in respect of the Units, Offered Shares, Warrants or Warrant Shares. The Offering will be conducted under the book-based system in the Canadian jurisdictions where the Units are being sold. A subscriber in a Canadian jurisdiction where the Units are being sold who purchases Units will receive a customer confirmation from the registered dealers through which Units are purchased and who is a CDS depository-service participant. CDS will record the CDS participants who hold Offered Shares and Warrants on behalf of owners who have purchased them in accordance with the book-based system.

The Underwriters propose to offer the Units initially at the Offering Price set forth on the cover page of this short form prospectus. After the Underwriters have made reasonable efforts to sell all the Units at the Offering Price, the price at which the Units are sold to purchasers may be decreased. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Corporation under the Offering.

The TSXV has conditionally approved listing of the following securities on the TSXV: (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrant Shares (including any Additional Warrant Shares) issuable upon exercise of the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option); and (iii) the Broker Warrant Shares issuable upon exercise of the Broker Warrants. Listing is subject to the Company fulfilling all of the listing requirements of the TSXV within the time period required by the TSXV. The Company has not applied and does not intend to apply to list the Warrants or Broker Warrants on any securities exchange.

Under certain rules of the Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada (the "UMIR"), the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. These rules allow certain exceptions to those prohibitions. The Underwriters may only avail themselves of those exceptions on the condition that the bid or purchase not be for the purpose of creating actual or apparent active trading in, or raising the price, of the Common Shares. These exceptions include a bid or purchase permitted under the UMIRs relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with the Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that may otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

The Units, Offered Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and, accordingly, may not be offered, sold, or delivered

directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units, the Offered Shares or the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons. In addition, until 40 days after the commencement of the Offering, any offer or sale of Units, the Offered Shares or the Warrants offered hereby to, or for the account or benefit of, persons in the United States or U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

The Offered Shares, the Warrants and the Warrant Shares, in each instance issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Any certificates representing such securities will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

Terms used and not defined in the three preceding paragraphs shall have the meanings ascribed thereto by Regulation S under the U.S. Securities Act.

Certain of the Underwriters and/or their affiliates have performed investment banking and advisory services for the Company and its affiliates from time to time for which they have received customary fees and expenses. The Underwriters and/or their affiliates may, from time to time, engage in transactions with, or perform services for, the Company and its affiliates in the ordinary course of business and receive related fees.

Other than in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, no action has been taken by the Company or the Underwriters that would permit a public offering of the Units offered by this Prospectus in any jurisdiction where action for that purpose is required. The Units offered by this Prospectus may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisements in connection with the offer and sale of any Units be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the Offering and the distribution of this Prospectus.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Units offered by this Prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Relationship Between the Company and Certain of the Underwriters

Bloom Burton Securities Inc. is an affiliate of a lender that has provided a \$2.25m senior secured credit facility to Citagenix, a wholly-owned subsidiary of the Company. Consequently, the Company may be considered a “connected issuer” of Bloom Burton Securities Inc. under applicable Canadian securities laws. As of December 31, 2018, Citagenix’s indebtedness under the credit facility owing to the lender of which Bloom Burton Securities Inc. is an affiliate is \$2,289,698.63. The credit facility is secured by all of the assets of Citagenix and is guaranteed by the Company. The decision to issue the Units and the determination of the terms of the Offering were made through negotiation between the Company and the Underwriters. The lender of which Bloom Burton Securities Inc. is an affiliate did not have any involvement in such decision or determination although such lender may be advised of the Offering and the terms thereof. As a consequence of the Offering, Bloom Burton Securities Inc. will receive its proportionate share of the Underwriters’ Fee. The Company is and has been in compliance with all material terms and conditions of the foregoing credit facility and confirms that no waiver of any default has occurred thereunder. The proceeds of this Offering are not expected to be applied for the benefit of Bloom Burton Securities Inc. or the lender of which Bloom Burton Securities Inc. is an affiliate. See "Use of Proceeds".

MARKET FOR SECURITIES

The outstanding Common Shares are traded on the TSXV under the trading symbol "ATE" and are also quoted on the OTCQB under the symbol "ATBPF". The following table sets forth the price range and trading volumes for the Common Shares on the TSXV and OTCQB as reported by the TSXV and OTCQB for the periods indicated:

Month	TSX Venture Exchange			OTCQB		
	High (CDN\$)	Low (CDN\$)	Volume	High (US\$)	Low (US\$)	Volume
February 1-20, 2019	0.30	0.235	15,387,521	0.227	0.183	1,719,164
January 2019	0.350	0.280	8,714,391	0.265	0.215	2,120,893
December 2018	0.320	0.235	6,027,001	0.233	0.177	1,164,605
November 2018	0.315	0.235	5,272,111	0.243	0.183	664,577
October 2018	0.390	0.275	12,070,542	0.298	0.205	1,061,944
September 2018	0.375	0.250	22,805,378	0.291	0.190	1,500,371
August 2018	0.335	0.260	7,983,147	0.427	0.194	1,050,971
July 2018	0.410	0.295	10,341,400	0.318	0.225	1,015,070
June 2018	0.460	0.370	16,574,420	0.344	0.280	1,138,510
May 2018	0.425	0.365	9,295,085	0.323	0.287	717,910
April 2018	0.520	0.375	28,908,475	0.418	0.298	2,465,836
March 2018	0.790	0.235	98,874,006	0.599	0.180	5,242,807
February 2018	0.330	0.185	23,989,584	0.256	0.151	2,021,805

PRIOR SALES

During the twelve-month period prior to the date of this Prospectus, the Company issued the following:

Warrants ⁽¹⁾			
Date of Issuance	Number of Common Shares Issuable on Exercise of Warrants	Exercise Price	Expiry Date
February 22, 2018	583,589	\$0.15	June 21, 2020
February 23, 2018	50,000	\$0.15	June 21, 2020
February 26, 2018	6,250	\$0.15	June 21, 2020
February 27, 2018	86,250	\$0.15	June 21, 2020
March 7, 2018	87,500	\$0.15	June 21, 2020
March 14, 2018	126,403	\$0.15	June 21, 2020
March 22, 2018	105,936	\$0.15	June 21, 2020
April 9, 2018	25,000	\$0.15	June 21, 2020
January 29, 2019	13,250	\$0.15	June 21, 2020

Restricted Share Units (RSUs) ⁽²⁾	
Date of issuance	Number of RSUs
October 3, 2018	17,700,000
November 23, 2018	40,000

Stock Options ⁽³⁾			
Date of Issuance	Number of Common Shares Issuable on Exercise of Options	Exercise Price	Expiry Date
February 27, 2018	18,000	\$0.29	February 27, 2021
April 11, 2018	151,515	\$0.495	April 11, 2028
May 8, 2018	41,878	\$0.40	May 8, 2028
June 25, 2018	18,000	\$0.38	June 25, 2021
June 25, 2018	100,000	\$0.37	June 25, 2028
October 3, 2018	90,000	\$0.35	October 3, 2021
December 19, 2018	18,000	\$0.245	December 19, 2021

Note:

- (1) Warrants issued pursuant to the exercise of broker warrants granted in connection with the Corporation's 2017 prospectus financing.
- (2) Granted pursuant to the Company's RSU Plan.
- (3) Granted pursuant to the Company's Stock Option Plan.

RISK FACTORS

An investment in the Units is speculative and involves a number of risks. Before deciding whether to invest in the Units, prospective purchasers should carefully consider, in light of their own circumstances, the risks described below and the other information contained in this prospectus including the documents incorporated by reference in this Prospectus. **Prospective purchasers should also carefully review the risks and uncertainties described under the heading "Risk Factors" at pages 30 to 39 of the AIF which include risks related to: Ability to Continue as a Going Concern, Lack of Supporting Clinical Data, Research and Development Risk, Clinical Development Risks, Negative Cash Flow from Operating Activities, Operational Risk, Reliance on Partners and Suppliers, Distributor Risks, Disruptions in Production, Seasonality, Fluctuations in Exchange Rates, Income Taxes, Worsened General Economic Conditions, Acquisitions, Product Liability and Medical Malpractice Claims, Management of Growth, Dependence on Key Personnel, Protection of Intellectual Property, Inability to Implement the Business Strategy, Large Accumulated Deficit, Competitive Market for Antibe's Products, Intellectual Property Litigation, Non-IP Litigation, Regulatory Risk, Regulatory Compliance, International Operations, Financial Instruments, Volatility of Share Price, Influence of Significant Shareholder, Future Sales of Common Shares, Dividends, Internal Controls over Financial Reporting, Prior Losses and Ability to Secure Additional Financing & Dilution of Common Shares.** If any of the events described as risks or uncertainties in the AIF or 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.

Risks Related to the Company

The Company's Licensees may not Perform or may Terminate the Licenses

The Company is party to license agreements for certain of its drug candidates with various counterparties for various geographical jurisdictions. For instance, the Company recently entered into an exclusive license agreement in respect of development and commercialization of ATB-346 in South Korea with Kwang Dong Pharmaceutical Co., Ltd. and the Company may enter into additional license agreements in the future, including with smaller or medium-sized pharmaceutical companies in regions that represent smaller market opportunities (i.e. outside of the United States and Western Europe). Licensees generally have the right to terminate license agreements and/or may not perform as expected or in accordance with the terms and conditions of a license agreement. The actions or inactions of licensees relating to the Company's licenses or otherwise could negatively impact the Company's products, reputation and results of operations. In addition, disputes may arise between the Company and its licensees that may result in the delay or termination of the research, development or commercialization of drug candidates, as applicable, or that result in costly litigation. While the Company intends to be selective in choosing financially strong and experienced licensees, it will have little or no ability to control the business practices or other actions of its licensees beyond specific matters relating to license set forth in each license agreement.

Citagenix has Been Advanced Funds Under a Secured Loan Agreement and Failure to Pay All Amounts as and when they Become Due Could Result in a Loss of all of its Assets, Including its Intellectual Property

On June 29, 2018, Citagenix, a wholly-owned subsidiary of the Company, obtained a \$2.25 million senior secured revolving credit facility from a lender of which Bloom Burton Securities Inc. is an affiliate. The loan bears interest at a rate of 7.0% per annum, compounded monthly and payable quarterly, and has a maturity date of June 29, 2020. The loan is secured by a first priority charge on all of Citagenix's assets, including Citagenix's intellectual property, and contains restrictive and other customary covenants. The loan is guaranteed by the Company. See "Loan Facilities" in the Company's management's discussion and analysis for the three and nine months ended December 31, 2018 and "Plan of Distribution – Relationship Between the Company and Certain of the Underwriters".

There is no assurance that Citagenix or the Company will have sufficient cash available to make interest payments or to repay the principal amount of the loan when it becomes due. If an event of default under the loan occurs, the lender could elect to declare all principal amounts outstanding under the loan at such time, together with accrued interest and applicable fees, to be immediately due and payable. If Citagenix or the Company do not have sufficient capital resources to make quarterly interest payments or payments due at maturity or upon default, Citagenix or the Company may need to seek additional funding through public or private equity or debt financing, or may be required to divert capital that would otherwise have been used for research and development activities, which could adversely affect the Citagenix's and the Company's business, financial condition, prospects and results of operations. If Citagenix or the Company are unable to repay amounts owing under the loan, the lender could proceed to foreclose or otherwise realize upon all of Citagenix's assets, including its intellectual property, that is security for the indebtedness, and/or call upon the Company to repay the indebtedness by virtue of the guarantee.

Risks Related to the Offering

Active Liquid Market for Common Shares

There may not be an active, liquid market for the Offered Shares and Warrant Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSXV. Investors may not be able to sell their Offered Shares and Warrant Shares quickly or at the latest market price if trading in the Common Shares is not active.

Future Sales or Issuances of Securities

The Company may sell additional Common Shares or other securities in subsequent offerings to finance future activities. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Forward-Looking Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements and forward-looking information. By its nature, forward-looking statements and forward-looking information involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements and forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading "Forward-Looking Information".

Price of the Company's Common Shares May Fluctuate

Market prices for securities in general, and that of pharmaceutical companies in particular, tend to fluctuate. Factors such as the announcement to the public or in various scientific or industry forums of technological innovations; new commercial products; patents, exclusive rights obtained by the Company or others; disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies; the commencement, enrollment or results of future clinical trials we may conduct, or changes in the development status of our product candidates; results or delays of pre-clinical and clinical studies by the Company or others; any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings; a change of regulations; additions or departures of key scientific or management personnel; overall performance of the equity markets; general political and economic conditions; publications; failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public; research reports or positive or negative recommendations or withdrawal of research coverage by securities analysts; actual or anticipated variations in quarterly operating results; announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by the Company or our competitors; public concerns over the risks of pharmaceutical products and dietary supplements; unanticipated serious safety concerns; future sales of securities by the Company or its shareholders; and many other factors, many of which are beyond our control, could have considerable effects on the price of the Company's securities. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the value of the Company or its securities.

In addition, the stock market in general, and pharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our Common Shares, regardless of our actual operating performance. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business, operating results or financial condition.

Accordingly, investors may not be able to sell their Offered Shares or Warrant Shares at or above the Offering Price.

Dilution to Existing Shareholders, Restrictions on Operations and Relinquishment Rights to Technologies or Product Candidates

We may seek additional capital through a combination of public and private equity offerings, debt financings, strategic partnerships and alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our shareholders will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our shareholders. The

incurrence of indebtedness would result in increased fixed payment obligations and could involve certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms unfavorable to the Company.

Decline of Market Price of the Common Shares

The Company's net losses and expenses may fluctuate significantly and any failure to meet financial expectations may disappoint securities analysts or investors and result in a decline in the price of the Company's Common Shares. The Company's net losses and expenses have fluctuated in the past and are likely to do so in the future. These fluctuations could cause the market price of the Common Shares to decline. Some of the factors that could cause the Company's net losses and expenses to fluctuate include the following:

- results of preclinical studies and clinical trials, or the addition or termination of preclinical studies, clinical trials or funding support;
- the timing of the release of results from any preclinical studies and clinical trials;
- the inability to complete product development in a timely manner that results in a failure or delay in receiving the required regulatory approvals or allowances to commercialize product candidates;
- the timing of regulatory submissions and approvals;
- the timing and willingness of any current or future collaborators to invest the resources necessary to commercialize the Company's products;
- the outcome of any litigation;
- changes in foreign currency fluctuations;
- competition;
- the timing of achievement and the receipt of milestone payments from current or future third parties;
- failure to enter into new or the expiration or termination of current agreements with third parties;
- failure to introduce the Company's products to the market in a manner that generates anticipated revenues;
- our execution of any new collaboration, licensing or similar arrangement, and the timing of payments we may make or receive under such existing or future arrangements or the termination or modification of any such existing or future arrangements;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- additions and departures of key personnel;
- strategic decisions by the Company or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- if any of our product candidates receives regulatory approval, market acceptance and demand for such product candidates;
- regulatory developments affecting our product candidates or those of our competitors; and
- changes in general market and economic conditions.

If the Company's quarterly operating results fall below the expectations of investors or securities analysts, the market price of the Common Shares could decline substantially. Furthermore, any quarterly fluctuations in the

Company's operating results may, in turn, cause the market price of the Common Shares to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

Use of Proceeds

The Company will have broad discretion concerning the use of the proceeds of this Offering as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the effective use of such proceeds. Management may use such proceeds in ways that purchasers may not consider desirable. The results and the effectiveness of the investment of the proceeds of this Offering are uncertain. If the proceeds are not applied effectively, the results of the Company's operations may suffer.

No Market for the Warrants

There is no market through which the Warrants may be sold and purchasers of Units may not be able to resell the Warrants purchased under this Prospectus and the Company has not applied and does not intend to apply for the listing of the Warrants on any securities exchange. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. Even if a market develops for the Warrants, it is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Warrants are exercised, the number of Warrants outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants. A decrease in the liquidity of the Warrants may cause, in turn, an increase in the volatility associated with the price of the Warrants. To the extent that the Warrants become illiquid, an investor may have to exercise such Warrants to realize value. The Offering Price and the allocation thereof between the Offered Shares and the Warrants comprising the Units have been determined by negotiation between the Company and the Underwriters.

Sale of Common Shares Issued Upon Exercise of the Warrants Could Encourage Short Sales By Third Parties Which Could Further Depress the Price of the Common Shares

Any downward pressure on the price of Common Shares caused by the sale of Common Shares issued upon the exercise of the Warrants could encourage short sales by third parties. In a short sale, a prospective seller borrows Common Shares from a shareholder or broker and sells the borrowed Common Shares. The prospective seller anticipates that the Common Share price will decline, at which time the seller can purchase Common Shares at a lower price for delivery back to the lender. The seller profits when the Common Share price declines because it is purchasing Common Shares at a price lower than the sale price of the borrowed Common Shares. Such sales could place downward pressure on the price of the Common Shares by increasing the number of Common Shares being sold, which could further contribute to any decline in the market price of the Common Shares.

Immediate Dilution

The Offering Price will significantly exceed the net tangible book value per share of Common Shares.

AGENT FOR SERVICE OF PROCESS

Roderick Flower, a director of the Company, resides outside of Canada. Mr. Flower has appointed the following agent for service of process:

Name of Person	Name and Address of Agent
Roderick Flower	WeirFoulds LLP 41st Floor 66 Wellington St. W. TD Centre Toronto, ON M5K 1B7

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering hereby will be passed upon on behalf of the Company by WeirFoulds LLP, and on behalf of the Underwriters by Torys LLP. As at the date of this Prospectus, the partners and associates of WeirFoulds LLP and Torys LLP beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares.

Ernst & Young LLP confirms that it is independent with respect to the Company within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants at its office at EY Tower, 100 Adelaide Street West, Toronto, ON M5H 0B3.

Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1, is the transfer agent and registrar of the Common Shares at its principal offices in Toronto, Ontario.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants were offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the exercise of the warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

ADDITIONAL INFORMATION

Following the completion of the Offering, the Company will be required to file reports and other information with the securities commissions in certain provinces and territories of Canada. These filings will be electronically available from SEDAR at www.sedar.com.

CERTIFICATE OF THE COMPANY

Dated: February 20, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

"Daniel Legault"
Daniel Legault
President & Chief Executive Officer

"Alain Wilson"
Alain Wilson
Chief Financial Officer

On behalf of the Board of Directors

"Walt Macnee"
Walt Macnee
Chairman and Director

"John Wallace"
John Wallace
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: February 20, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

**BLOOM BURTON
SECURITIES INC.**

**ECHELON WEALTH
PARTNERS INC.**

**DOMINICK CAPITAL
CORPORATION**

"Jolyon Burton"

Jolyon Burton

President, Head of Investment Banking

"Michael Lorimer"

Michael Lorimer

Managing Director, Investment
Banking

"Michael McIntosh"

Michael McIntosh

President and CEO