

Form 45-106F6

British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

Zymeworks Inc. ("Zymeworks")

<http://www.zymeworks.com/>

540-1385 West 8th Avenue

Vancouver, BC, Canada

V6H 3V9

604-678-1388

info@zymeworks.com

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

Item 2: Reporting issuer status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

Zymeworks is not a reporting issuer.

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

- | | |
|---|--|
| <input checked="" type="checkbox"/> Bio-tech | Mining |
| Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> securitized products issuers | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Other (describe) |
| <input type="checkbox"/> Industrial | |
-

Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
Dr. Ali Tehrani Vancouver, Canada	Director, President and Chief Executive Officer	757,029 Common Shares (includes 146,029 Common Shares held beneficially through Charissa Tehrani)	\$5,009
Mr. Nick Bedford Vancouver, Canada	Director	294,628 Common Shares	\$265,000
Dr. Donald Drakeman Hilton Head Island, USA	Director	No Shares held	Not applicable.
Mr. Dion Madsen Vancouver, Canada	Director	No Shares held	Not applicable
Mr. Kenneth Galbraith Surrey, Canada	Director	No Shares held	Not applicable.

Mr. Noel Hall Victoria, Canada	Director	183,593 Common Shares (includes 95,197 Common Shares held beneficially through Sandra Macpherson)	\$685,013.24
Dr. Shermaine Tilley Montreal, Canada	Director	No Shares held	Not applicable.
Mr. Amos Michelson Vancouver, Canada	Director	2,087,985 Common Shares (includes 399,748 Common Shares held beneficially through JNKS (2006) Investments Ltd; and includes 1,688,237 Common Shares held beneficially through Advanced Biotechnologies Venture Fund (VCC) II Inc.)	\$6,529,442 (includes \$5,693,969.12 paid to acquire 1,688,237 Class A Common Shares controlled as sole shareholder of Advanced Biotechnologies Venture Fund (VCC) II Inc).
Mr. Ian Ihnatowycz West Vancouver, Canada	Holder of more than 10% of voting securities	3,738,082 Common Shares (includes 3,120,798 Common Shares held beneficially through Advanced Biotechnologies Venture Fund (VCC) Inc.; and includes 617,284 Common Shares held beneficially through First Generation Capital Inc.)	\$12,487,226 (includes \$9,487,226 paid to acquire 3,120,798 Common Shares held beneficially through Advanced Biotechnologies Venture Fund (VCC) Inc.; and includes \$3,000,000 paid to acquire 617,284 Common Shares held beneficially through First Generation Capital Inc.)
CTI Life Sciences Fund, L.P. Montreal, Canada	Holder of more than 10% of voting securities	4,359,532 Common Shares 280,000 Common Share Purchase Warrants 1,781,119 Class A Preferred Shares	\$9,111,421 (Pursuant to the conversion of convertible debentures of \$6,700,000 and \$2,411,421 principal and interest, respectively). \$12,271,713.99 for the Class A Preferred Shares at a rate of CDN\$6.88989 for each share (US\$4.90)
Eli Lilly and Company, Lilly Corporate Center, Indianapolis, USA	Holder of more than 10% of voting securities	5,276,591 Common Shares 2,442,929 Class A Preferred Shares	\$29,223,375.50 for the Common Shares \$ 16,831,512.09 for the Class A Preferred Shares at a rate of CDN\$6.88989 for each share (US\$4.90)
Dr. Surjit Dixit Richmond, Canada	Chief Technology Officer	No Shares held	Not applicable.

Mr. Neil Klompas Richmond, Canada	Chief Financial Officer	No Shares held	Not applicable.
Mr. David Tucker Vancouver, Canada	Chief Operating Officer	No Shares held	Not applicable.
Mr. Gordon Ng Vancouver, Canada	Chief Scientific Officer	No Shares held	Not applicable.

Details of distribution

Item 5: Distribution date

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

January 7, 2016

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;

Class A Preferred Shares of Zymeworks (the “Class A Preferred Shares”)

- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

The total number of Class A Preferred Shares distributed is 12,554,665

- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

N/A

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ^{1 2}	Total dollar value raised from purchasers in the jurisdiction (Canadian \$) ²
Quebec, Canada	5	CDN\$6.88989 ² (US\$4.90)	CDN\$38,031,477.31 ²
Ontario, Canada	3	CDN\$6.88989 ² (US\$4.90)	CDN\$9,842,760.18 ²
Indiana, United States	1	CDN\$6.88989 ² (US\$4.90)	CDN\$16,831,512.01 ²
Connecticut, United States	1	CDN\$6.88989 ² (US\$4.90)	CDN\$569,470.08 ²
New York, United States	3	CDN\$6.88989 ² (US\$4.90)	CDN\$7,164,086.95 ²
Maryland, United States	1	CDN\$6.88989 ² (US\$4.90)	CDN\$7,030,498.88 ²
Switzerland	1	CDN\$6.88989 ² (US\$4.90)	CDN\$7,030,498.88 ²
Total number of Purchasers	15		
Total dollar value of distribution in all jurisdictions (Canadian \$)			CDN\$86,500,260.77 ² (US\$61,517,889.65)

(2) CAD converted to USD at the Bank of Canada noon rate on January 07, 2016 of
1USD=1.4061CAD

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

Item 8: Information about purchasers*Instructions*

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ³	Exemption relied on	Date of distribution (yyyy-mm-dd)
BDC Capital Inc. 5 Place Ville Marie, Suite 400 Montreal, Quebec; H3B 5E7; (contact person not available) (1-888-463-6232)		2,040,816	\$14,060,997.75 ³ (US\$9,999,998.40)	NI 45-106 s. 2.3	(2016-01-07)
Lumira Capital II, L.P. 141 Adelaide St. West, Suite 770, Toronto, Ontario; M5H 3L5 (contact person not available) (1-416-213-4223)		747,236	\$5,148,373.84 ³ (US\$3,661,456.40)	NI 45-106 s. 2.3	(2016-01-07)
Lumira Capital II (International), L.P. 141 Adelaide St. West, Suite 770, Toronto, Ontario; M5H 3L5 (contact person not available) (1-416-213-4223)		69,095	\$476,056.95 ³ (US\$338,565.50)	NI 45-106 s. 2.3	(2016-01-07)

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ³	Exemption relied on	Date of distribution (yyyy-mm-dd)
CTI Life Sciences Fund, LP 1 Place Ville Marie Suite 1635, Montreal, Quebec H3B 4S6; (contact person not available) (1-514-787-1620)	(I)	1,781,119	\$12,271,713.99 ³ (US\$8,727,483.10)	NI 45-106 s. 2.3	(2016-01-07)
Eli Lilly and Company Lilly Corporate Center, Indianapolis, Indiana, USA 46285; (contact person not available) (1-317-276-2000)	(I)	2,442,929	\$16,831,512.09 ³ (US\$11,970,352.10)	NI 45-106 s. 2.3	(2016-01-07)
Celgene Alpine Investment Co. LLC Route de Perreux 1, 2017 Boundry, Switzerland; (contact person not available) (Phone number unavailable)	(I)	1,020,408	\$7,030,498.88 ³ (US\$4,999,999.20)	NI 45-106 s. 2.3	(2016-01-07)
Fonds de solidarité des travailleurs du Québec (FTQ) 545 Cremazie Blvd, East, Suite 200, Montreal, Quebec H2M 2W4; (contact person not available) (1-514-383-3663)	(I) (R)	1,085,714	\$7,480,450.03 ³ (US\$5,319,998.60)	NI 45-106 s. 2.3	(2016-01-07)
Perceptive Life Sciences Master Fund Ltd 51 Astor Place 10 th Floor, New York, New York, USA 10003; (contact person not available) (1-646-205-5340)		529,592	\$3,648,830.62 ³ (US\$ 2,595,000.80)	NI 45-106 s. 2.3	(2016-01-07)

Information about non-individual purchasers

Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ³	Exemption relied on	Date of distribution (yyyy-mm-dd)
Titan-Perc Ltd 750 Washington Blvd 10 th Floor, Stamford, Connecticut, USA 06901; (contact person not available) (1-203-327-8600)		82,653	\$569,470.08 ³ (US\$404,999.70)	NI 45-106 s. 2.3	(2016-01-07)
Brazyme LLC 155 Gibbs Street, Suite 406 Rockville, Maryland, USA 20850; (Contact person and telephone number unavailable)		1,020,408	\$7,030,498.88 ³ (US\$4,999,999.20)	NI 45-106 s. 2.3	(2016-01-07)
Merlin Nexus IV, L.P. 424 West 33 rd Street, New York, New York, USA, 10001; (contact person not available) (1-646-227-5270)		408,164	\$2,812,205.06 ³ (US\$2,000,003.60)	NI 45-106 s. 2.3	(2016-01-07)
Terallys Capital Innovation Fund L.P. 999, boul. De Maisonneuve O. Suite 1700, Montreal, Quebec, H3A 3L4 ; (contact person not available) (1-514-509-2080)		581,632	\$4,007,380.5 ³ (US\$2,849,996.80)	NI 45-106 s. 2.3	(2016-01-07)
Terallys Capital Innovation Fund (International) L.P. 999, boul. De Maisonneuve O. Suite 1700, Montreal, Quebec, H3A 3L4 ; (contact person not available) (1-514-509-2080)		30,613	\$210,920.20 ³ (US\$150,003.70)	NI 45-106 s. 2.3	(2016-01-07)

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$) ³	Exemption relied on	Date of distribution (yyyy-mm-dd)
Northleaf Venture Catalyst Fund LP 79 Wellington Street West, 6th Floor, Box 120, Toronto, Ontario M5K 1N9; (contact person not available) (1-416-477-6700)		612,245	\$4,218,300.70 ³ (US\$3,000,000.50)	NI 45-106 s. 2.3	(2016-01-07)
MTS Securities, LLC, 623 Fifth Avenue 14 th Floor, New York, NY, USA 10022; (contact person not available) (212) 887-2100		102,041	CDN\$703,051.27 ³ (US\$500,000.90)	NI 45-106 s. 2.3	(2016-01-07)

(3) CAD converted to USD at the Bank of Canada noon rate on January 07, 2016 of 1USD=1.4061CAD

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				Total dollar value of compensation (Canadian \$)
		Cash (Canadian \$) ³	Securities			
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
MTS Securities LLC; 623 Fifth Avenue, 14 th Floor, New York, NY, USA, 10022		CDN\$1,624,046.84 ³ (US\$1,155,000.95)				CDN\$1,624,046.84 ³ (US\$1,155,000.95)
BMO Capital Markets Corp.; 3 Times Square, 27 th Floor, New York, NY, USA 10036	(R)	CDN\$1,328,765.58 ³ (US\$945,000.77)				CDN\$1,328,765.58 ³ (US\$945,000.77)

(3) CAD converted to USD at the Bank of Canada noon rate on January 07, 2016 of
1USD=1.4061CAD

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: January 15, 2016

Zymeworks Inc.
Name of issuer (please print)

Neil Klompas, Chief Financial Officer, 604 678 1388 x. 122
Print name, title and telephone number of person signing

(signed) "*Neil Klompas*"

Signature

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

Evan Straight
Associate, Blake Cassels & Graydon LLP
604-631-4604

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

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701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

Toll free across Canada: 1-800-373-6393

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