

Amended 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.

Kardium Inc. (the "Issuer")
Suite 155 - 8518 Glenlyon Parkway
Burnaby, BC V5J 0B6
<http://kardium.com>
Tel: 604-248-8891
Fax: 604-304-3478
Email: info@kardium.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.

The Issuer 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 |

- Forestry
 Hi-tech
 Industrial

- Real estate
 Utilities
 Other (describe)
-

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 \$)
Amos Michelson ⁽²⁾⁽⁵⁾ Vancouver, Canada	Director, Chairperson Holder of more than 10% of voting security	13,592,622 Series 2 Class B Preferred Shares 9,872,367 Series 3 Class C Preferred Shares 1,264,447 Series 4 Class C Preferred Shares	\$9,455,000.15
Doug Goertzen ⁽⁶⁾ New Westminster, Canada	Director, Chief Executive Officer	5,715,255 Common Shares 135,933 Series 2 Class B Preferred Shares 44,256 Series 4 Class C Preferred Shares 6,043 Series 2 Class D Preferred Shares 1,089,569 options ⁽¹⁾	\$80,555.67
Manuel Alba-Marquez ⁽³⁾⁽⁷⁾ California, USA	Director	1,019,447 Series 2 Class B Preferred Shares 63,223 Series 4 Class C Preferred Shares 60,417 Series 2 Class D Preferred Shares 60,417 Series 3 Class D Preferred Shares	\$450,002.69
Samuel V. Lichtenstein ⁽⁴⁾⁽⁸⁾ Vancouver, Canada	Chief Medical Officer	3,712,000 Common Shares 12,645 Series 4 Class C Preferred Shares	\$29,998.30

		12,235 Series 2 Class D Preferred Shares	
Kardium Investments (VCC) Inc. ⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾ Burnaby, Canada	Holder of more than 10% of voting security	54,690,450 Series 1 Class C Preferred Shares	\$ 10,125,128.89
Ian Ihnatowycz ⁽⁹⁾ Toronto, Canada	Director Holder of more than 10% of voting security	23,896,776 Series 2 Class C Preferred Shares 6,322,232 Series 4 Class C Preferred Shares 2,604,507 Series 1 Class D Preferred Shares 1,208,314 Series 2 Class D Preferred Shares 1,208,314 Series 3 Class D Preferred Shares	\$18,792,503.27

- (1) Options are exercisable into Common shares of the Issuer.
- (2) 9,173,830 Series 2 Class B Preferred Shares are held indirectly through Kardium Investments (VCC) IV Inc.; 4,418,792 Series 2 Class B Preferred Shares are held indirectly through JNKS (2006) Investments Ltd.; 9,872,367 Series 3 Class C Preferred Shares are held indirectly through Kardium Investments (VCC) IV Inc.; 1,264,447 Series 4 Class C Preferred Shares are held indirectly through JNKS (2006) Investments Ltd.
- (3) 1,019,447 Series 2 Class B Preferred Shares are held indirectly through Casa Alameda 2007; 63,223 Series 4 Class C Preferred Shares, 60,417 Series 2 Class D Preferred Shares and 60,417 Series 3 Class D Preferred Shares are held indirectly through the Alba 2003 Living Trust.
- (4) 7,588 Series 4 Class C Preferred Shares and 7,250 Series 2 Class D Preferred Shares are held directly by Samuel V. Lichtenstein; 5,057 Series 4 Class C Preferred Shares and 4,985 Series 2 Class D Preferred Shares are held indirectly through Odlum Brown Limited in trust for Samuel V. Lichtenstein, TFSA.
- (5) Mr. Michelson, Director of the Issuer, indirectly holds 47,199,497 Series 1 Class C Preferred Shares in Kardium Inc. via Kardium Investments (VCC) Inc. through JNKS (2006) Investments Ltd.
- (6) Mr. Goertzen, Director of the Issuer, holds 157,332 shares in Kardium Investments (VCC) Inc.
- (7) Mr. Alba-Marquez, Director of the Issuer, indirectly holds 809,761 Series 3 Class C Preferred Shares in Kardium Inc. via Kardium Investments (VCC) III Inc. through Alba 2003 Living Trust.
- (8) Mr. Lichtenstein, Chief Medical Officer of the Issuer, holds 78,666 shares in Kardium Investments (VCC) Inc.
- (9) 23,896,766 Series 2 Class C Preferred Shares are held indirectly through Kardium Investments (VCC) II Inc.; 6,322,232 Series 4 Class C Preferred Shares, 2,604,507 Series 1 Class D Preferred Shares, 1,208,314 Series 2 Class D Preferred Shares and 1,208,314 Series 3 Class D Preferred Shares are held indirectly through First Generation Capital Inc.

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.

June 27, 2016

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;

- 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
- 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.

2,418,507 Series 3 Class D Preferred Shares

1 Convertible Promissory Note

1 Convertible Promissory Note is convertible into 5,669,752 Series 3 Class D Preferred Shares in the capital of the Issuer on the earlier of October 20, 2016 and immediately prior to the occurrence of a Deemed Liquidation Event as defined in the Articles of the Issuer; or 5,669,752 Common Shares on October 20, 2016 or if prior to October 20, 2016, the date the Issuer undertakes a Qualified IPO, as defined in the Articles of the Issuer.

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	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
BC	3	\$0.82760	\$4,727,038.51 ⁽¹⁾
ON	2	\$0.82760	\$1,500,002.66
USA	5	\$0.82760	\$316,014.93
Switzerland	1	\$0.82760	\$50,001.11
Poland	1	\$0.82760	\$100,723.89
Total number of Purchasers	12		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$6,693,781.10

¹ The principal amount of the Promissory Note is CDN\$4,651,610.74 and US\$31,500.23, converted to CDN\$40,613.95.

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 and Registration 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 \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
First Generation Capital Inc. Scotia Plaza - Suite 3515, 40 King Street West Toronto, ON M5H 3Y2 Attn: Ian Ihnatowycz Tel: 416-239-1382	I	1,208,314 Series 3 Class D Preferred Shares	\$1,000,000.67	s. 2.3 of NI 45-106	2016-06-27
ALBA 2003 Living Trust 1474 Newport Dr. San Jose, CA 95125 USA Attn: Manuel Alba- Marquez Tel: 408-888-6648	I	60,417 Series 3 Class D Preferred Shares	\$50,001.11	s. 2.3 of NI 45-106	2016-06-27
Kardium Investments (VCC) V Inc. Suite 155 8518 Glenlyon Parkway Burnaby, BC V5J 0B6 Attn: Doug Goertzen Tel: 604-248-8891	I	1 Promissory Note with a principal amount of CDN\$4,692,224.69 ⁽¹⁾	\$4,692,224.69 ⁽¹⁾	s. 2.5 of NI 45-106	2016-06-27

1 The principal amount of the Promissory Note is CDN\$4,651,610.74 and US\$31,500.23, converted to CDN\$40,613.95.

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)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	

Certificate

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

Date: January 3, 2017

Kardium Inc.

Name of issuer (please print)

Doug Goertzen, Chief Executive Officer, 604-248-8891

Print name, title and telephone number of person signing

"Doug Goertzen"

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.

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

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

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

Facsimile: (604) 899-6581