

**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 information**

**Item 1: Issuer 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.

KRIM Biopharma Inc. (the "issuer" or the "Corporation")  
2100 Scotia Plaza, 40 King Street West  
Toronto, ON M5H 3C2  
416 317-4574  
Email: ksuh@krimbiopharma.com  
Website: <http://www.krimbiopharma.com/>

**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 type="checkbox"/> Bio-tech                       | <input type="checkbox"/> Mining                  |
| <input type="checkbox"/> 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               |

Hi-tech  
 Industrial

X Other (describe)  
Biopharmaceutical

**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.

<b>Information about insiders and promoters</b>			
<b>Full name, municipality and country of principal residence</b>	<b>All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)</b>	<b>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</b>	<b>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 \$)</b>
<b>Kenneth Suh</b> Markham, Canada	President, Chief Executive Officer, Director	- Common shares– 3,380,000  - Warrants- 355,500  - Options- 250,000	- 3,379,900 common shares for \$33.80 and 100 common shares for \$100  - 355,500 warrants for Nil  - 250,000 options for Nil
<b>John Vettese</b> Toronto, Canada	Director	- Common shares– 810,000  - Warrants– 340,000  - Options– 250,000 - Equity subscription receipts–150,000  - Debt subscription receipts–250	- 450,000 common shares for \$4.50 and 360,000 common shares for \$131,760  - 90,000 warrants for \$3,240 and 250,000 warrants for Nil  - 250,000 options for Nil - 150,000 equity subscription receipts for \$240,000  - 250 debt subscription receipts for \$250,000

<b>Information about insiders and promoters</b>			
<b>Full name, municipality and country of principal residence</b>	<b>All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)</b>	<b>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</b>	<b>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 \$)</b>
<b>Sean Maniaci</b> Toronto, Canada	Corporate Secretary	- Common shares– 240,000 - Warrants–160,000	- 240,000 common shares for \$87,840 - 60,000 warrants for \$2,160 and 100,000 warrants for Nil
<b>Chris Carmichael</b> Toronto, Canada	Chief Financial Officer	- Common shares– 420,000	- 420,000 common shares for \$4.20
<b>Christian Sauvageau</b> Montreal, Canada	Chief Operating Officer	- Options– 100,000 - Warrants–50,000	- 100,000 options for Nil - 50,000 warrants for Nil
<b>David Arnaud</b> Toronto, Canada	Director	- Common shares– 420,000	- 420,000 common shares for \$4.20
<b>Maurice Bilyea</b> Toronto, Canada	Director	- Common shares– 180,000	- 180,000 common shares for \$1.80
<b>Yoel Altman</b> Toronto, Canada	Director	- Common shares– 1,113,666  - Warrants– 410,416  - Options– 250,000 - Equity subscription receipts– 538,750  - Debt subscription receipts– 500	- 450,000 common shares for \$4.50 and 663,666 common shares for \$242,901.76 - 165,916 warrants for \$5,972.98 and 244,500 warrants for Nil - 250,000 options for Nil - 538,750 equity subscription receipts for \$862,000 - 500 debt subscription receipts for \$500,000

### **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.

May 27, 2015

#### **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.

### **Equity Subscription Receipts**

3,873,650 subscription receipts at a price of \$1.60 per subscription receipt (the “**Equity Subscription Receipts**”). Each Equity Subscription Receipt shall be deemed exercised on behalf of the holder thereof at the earlier of (i) the Qualification Time (as defined below), and (ii) September 28, 2015, without any further action or additional consideration by the holder thereof, into one common share (a “**Common Share**”) in the capital of the Corporation, subject to the Equity Qualification Penalty (as defined below) set out below, provided that in the case of each of (i) and (ii) above, certain escrow release conditions have been met.

“**Qualification Time**” means 12:01 a.m. (Toronto time) on the date that is three business days following the date that a final receipt is obtained from the Ontario Securities Commission, on behalf of the securities regulatory authorities in each of the Provinces of Canada where Equity Subscription Receipts and Debt Subscription Receipts (as defined below) have been issued pursuant to the offering, for the filing of a final long form prospectus (the “**Qualification Prospectus**”) pursuant to National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators and other applicable securities laws qualifying the issuance and distribution of the Common Shares, the Broker Warrants, the Broker Warrant Shares, the Debentures, the Warrants and the Warrant Shares (as such terms are defined below).

In the event that the Corporation has not obtained a final receipt in respect of a Qualification Prospectus by August 25, 2015 (the “**Qualification Deadline**”), each Equity Subscription Receipt shall thereafter entitle the holder thereof to receive upon deemed exercise, without any further action or additional consideration by the holder thereof, 1.1 Common Shares (in lieu of one Common Share) (the “**Equity Qualification Penalty**”).

### **Debt Subscription Receipt**

15,195 subscription receipts at a price of \$1,000 per subscription receipt (the “**Debt Subscription Receipts**”). Each Debt Subscription Receipt (represented by an integral of \$1,000 principal amount) shall be deemed exercised on behalf of the holder thereof at the earlier of (i) the Qualification Time (as defined above), and (ii) September 28, 2015 without any further action or additional consideration by the holder thereof, into one 10.0% first-ranking senior secured debenture of the Issuer due June 30, 2020 in a principal amount of \$1,000 (each a “**Debenture**”) having the terms and conditions as set out in the debenture indenture and 100 common share purchase warrants (the “**Warrants**”) of the Corporation, having the terms and conditions set out in the warrant indenture subject to adjustment in certain events, and subject to the Debt Qualification Penalty (as defined below) set out below, provided that in the case of each of (i) and (ii) above, certain escrow release conditions have been met. Each Warrant shall entitle the holder thereof to purchase, subject to adjustment in certain events, one common share (a “**Warrant Share**”) in the capital of the Corporation at an exercise price of \$2.08 (the “**Warrant Exercise Price**”).

for a period of five years following May 27, 2015; provided that, if at any time following the Qualification Time the 20-day volume-weighted average price of the Common Shares on the Toronto Stock Exchange or such other stock exchange where the majority of the trading volume occurs, equals or exceeds \$3.64, the Corporation may give notice in writing to the holders of the Warrants and the warrant agent of such an occurrence and the Warrants shall expire on the date that is the earlier of (i) the 30th day following the giving of such notice unless exercised by the holders of Warrants prior to such date, and (ii) the expiry date of the Warrants.

In the event that the Corporation has not obtained a final receipt in respect of a Qualification Prospectus by the Qualification Deadline, each Debt Subscription Receipt shall thereafter entitle the holder thereof to receive upon deemed exercise, without any further action or additional consideration by the holder thereof, one Debenture and 110 Warrants (in lieu of 100 Warrants) (the “**Debt Qualification Penalty**”).

### **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 \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	17	\$1.60 – Equity subscription receipt	\$6,197,840.00
British Columbia	8	\$1,000 – Debt subscription receipt	\$15,195,000.00
Total number of Purchasers	25		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$21,392,840.00

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.

<b>Information about non-individual purchasers</b>					
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)
McKaly Investments Ltd 447 11 <sup>th</sup> St., Courtenay, BC V9N 1S5 Ken Heinrich - President 250 338-5700.	N/A	25,000 equity subscription receipts	40,000.00	S. 2.3 of NI 45-106	2015-05-27
Stonecastle Asset Management #205-1708 Dolphin Ave., Kelowna, BC V1Y 9S4 Bruce Campbell 250 448-6475	R	500,000 equity subscription receipts	800,000.00	S. 2.3 of NI 45-106	2015-05-27
Trafalgar Global Holdings Inc. 3275W 23 <sup>rd</sup> Avenue Vancouver, BC V6L 1P9 Chris Tsoromocos 604 417-8374	N/A	30,000 equity subscription receipts	48,000	S. 2.3 of NI 45-106	2015-05-27
Vertex One Asset Management on behalf of the Vertex Fund 1920-1177 West Hastings St. Vancouver, BC V6E 2K3 Tim Logie 604 681-5787	R	3,125,000 equity subscription receipts	5,000,000	S. 2.3 of NI 45-106	2015-05-27

<b>Information about non-individual purchasers</b>					
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)
Solent Capital Inc. 3909 Charles Street, Burnaby, BC V5C 3K7 604 320-1600	N/A	75 debt subscription receipts	75,000	S. 2.3 of NI 45-106	2015-05-27
Vertex One Asset Management on behalf of the Vertex Fund 1920-1177 West Hastings St. Vancouver, BC V6E 2K3 Tim Logie 604 681-5787	R	13,000 debt subscription receipts	13,000,000	S. 2.3 of NI 45-106	2015-05-27
Vertex One Asset Management on behalf of the Vetex Enhanced Income Fund 1920-1177 West Hastings St. Vancouver, BC V6E 2K3 Tim Logie 604 681-5787	R	1,800 debt subscription receipts	1,800,000	S. 2.3 of NI 45-106	2015-05-27
Vertex One Asset Management on behalf of the Vertex Strategic Income Fund 1920-1177 West Hastings St. Vancouver, BC V6E 2K3 Tim Logie 604 681-5787	R	200 debt subscription receipts	200,000	S. 2.3 of NI 45-106	2015-05-27

## **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)	
<b>TD Securities, Inc.</b> 222 Bay Street, 7th Floor Toronto, ON M5K 1A2	R	\$3,162,500	644,531 Broker Options	\$1.60	S.2.3 of NI 45-106 2015-05-27	\$3,162,500
<b>National Bank Financial Inc.</b> 130 King Street West Suite 3200, P.O. Box 21 Toronto, ON M5X 1J9	R	\$3,162,500	644,531 Broker Options	\$1.60	S.2.3 of NI 45-106 2015-05-27	\$3,162,500
<b>Canaccord Genuity Corp.</b> 161 Bay Street, Suite 3100 Toronto, ON M5J 2S1	R	\$3,162,500	644,531 Broker Options	\$1.60	S.2.3 of NI 45-106 2015-05-27	\$3,162,500

<b>Dundee Securities Ltd.</b> 1 Adelaide Street East, Suite 2100 Toronto, ON M5C 2V9	R	\$1,006,250	205,078 Broker Options	\$1.60	S.2.3 of NI 45-106 2015-05-27	\$1,006,250
<b>Mackie Research Capital Corporation</b> 199 Bay Street, Suite 4500 Commerce Court West, Box 368 Toronto, ON M5L 1G2	R	\$1,006,250	205,078 Broker Options	\$1.60	S.2.3 of NI 45-106 2015-05-27	\$1,006,250

Note 1: Each Broker Option shall be deemed exercised into one broker warrant (each a “**Broker Warrant**”) concurrently with the deemed exercise of the Equity Subscription Receipts on behalf of the holder thereof at the earlier of (i) the Qualification Time (as defined above), and (ii) September 28, 2015, without any further action or additional consideration by the holder thereof as provided in the certificate representing such Broker Option. Each Broker Warrant shall be exercisable for one common share (each a “**Broker Warrant Share**”) in the capital of the Issuer at a price equal to \$1.60, for a period of two years following May 27, 2015; provided that, if at any time following the Qualification Time the 20-day volume-weighted average price of the Common Shares on the Toronto Stock Exchange or such other stock exchange where the majority of the trading volume occurs, equals or exceeds \$3.64, the Corporation may give notice in writing to the holders of the Warrants and the warrant agent of such an occurrence and the Warrants shall expire on the date that is the earlier of (i) the 30th day following the giving of such notice unless exercised by the holders of Warrants prior to such date, and (ii) the expiry date of the Broker Warrants. The cash consideration will only be paid to the underwriters on satisfaction of the escrow conditions.

## **Certificate**

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

Date: June 5, 2015

KRIM BIOPHARMA INC.

Name of issuer (please print)

Sean Maniaci, Corporate Secretary, 416 860-6466

Print name, title and telephone number of person signing

"Sean Maniaci"

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

## ***Guidance for completing and filing Form 45-106F6***

1. ***Required form in British Columbia*** - *In British Columbia, file this report and the applicable fee using BCSC e-services in accordance with British Columbia Instrument 13-502 Electronic filing of reports of exempt distribution. If the distribution occurs in British Columbia and one or more other jurisdictions, the issuer is required to file this report in British Columbia and file Form 45-106F1 in the other applicable jurisdictions.*
2. ***What is a distribution?*** - *In British Columbia, “distribution” includes distributions made from British Columbia to purchasers resident in other Canadian or foreign jurisdictions if the issuer has a significant connection to British Columbia. If the issuer has a significant connection to British Columbia, complete the tables in item 8 and Schedules I and II for all purchasers.*

*In British Columbia, “distribution” also includes distributions made from another Canadian or foreign jurisdiction to purchasers resident in British Columbia. If the issuer is from another Canadian or foreign jurisdiction, complete the tables in item 8 and Schedules I and II only for purchasers resident in British Columbia.*

3. ***What is a purchaser?*** - *References to a purchaser in this report are to the beneficial owner of the securities.*
4. ***What is an individual?*** - *An individual is a natural person. A corporation, partnership, party, trust, fund, association, and any other organized group of persons is not an individual.*
5. ***Space in tables*** - *If the space provided in any table in this Form is insufficient, please adjust the table to include additional space.*
6. ***Multiple distributions*** - *One report may be used for multiple distributions occurring within 10 days of each other if the report is filed on or before the 10th day following the first of such distributions.*
7. ***Fees*** - *In order to determine the applicable fee, consult Fee Checklist British Columbia Form 11-901F (item # 16).*